

Summary Report – Telangana Tenant Farmers Survey 2026

This study was conducted by the **Kaulu Raitula Gurtimpu Sadhana Committee** (Tenant Farmers' Recognition Struggle Committee). The context for the study is clear. Agriculture in Telangana is increasingly driven by tenant cultivators leasing land, a vast majority being from BC, SC, and ST communities. A landmark 2022 study by Rythu Swarajya Vedika (RSV) revealed that **36% of farmers in the state are tenants**. But the previous government insisted on not recognizing tenant cultivators and not implementing the 2011 Land Licensed Cultivators Act though it remained in force. While the current government took power promising formal recognition and welfare via schemes like *Rythu Bharosa*, the **2011 Land Licensed Cultivators Act** remains unimplemented. Instead, crucial support systems like crop procurement and urea subsidies remain increasingly tied to landowners' title documents.

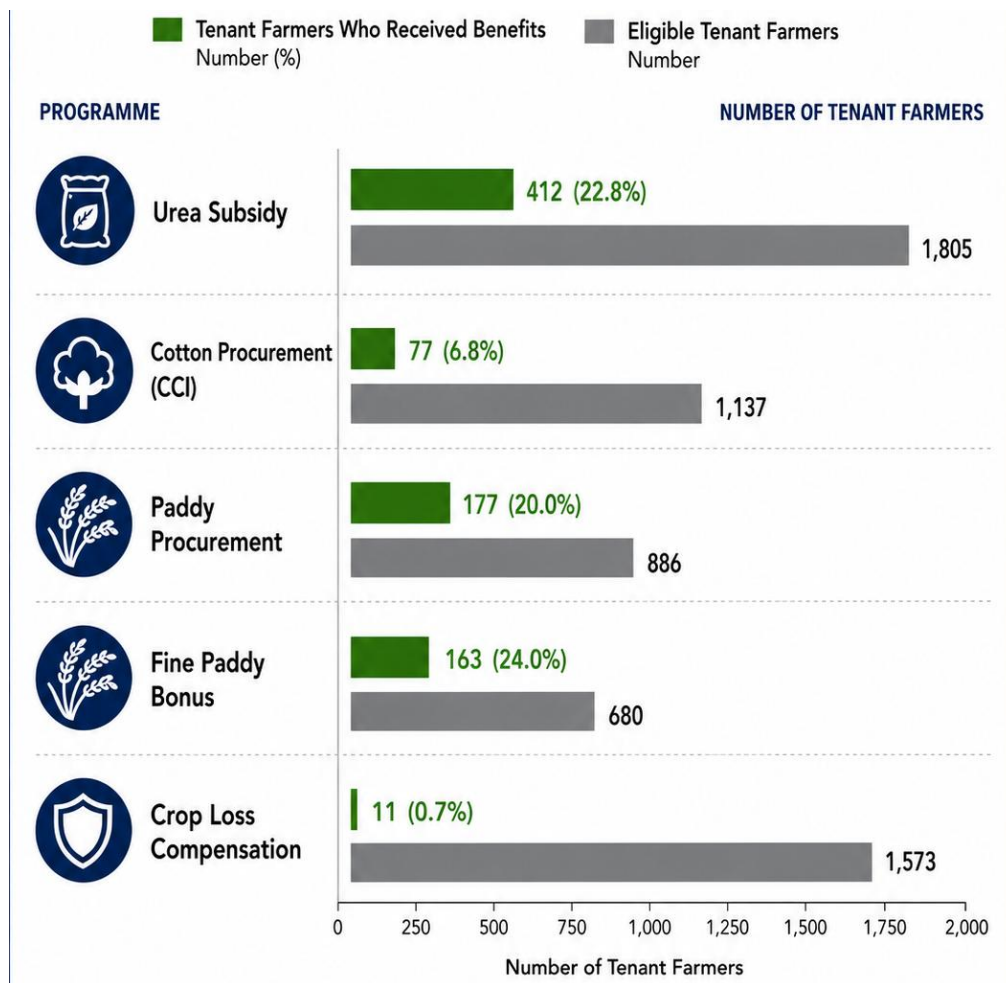
In this context, the Struggle Committee was formed in April 2026 with several organizations as members and eminent economist Prof. D.Narasimha Reddy as chairperson. The aim of this study is to capture the situation faced by tenant farmers regarding their access to government schemes and support systems, and what tenant farmers are asking from the government. 1816 tenant farmers were surveyed through personal interviews in 57 villages covering 47 Mandals in 22 districts. The findings of the study in brief are below.

1. Socio-Economic Trends & Skyrocketing Lease Rates

- **Demographic distribution:** The surveyed group comprises **47.2% BC, 26.9% SC, 13.9% ST, 4.2% Muslim, and 7.5% OC**. SC and ST representation is significantly higher than their share in the general population, while OC representation is vastly lower. SC tenants hold the smallest land parcels.
- **Surging Lease Costs:** Lease rates have increased drastically, reaching a reported peak of **Rs. 53,000 per acre** and an overall **average of Rs. 14,936 per acre**. This completely negates claims by the past CM that landowners receiving *Rythu Bandhu* would lower tenant rents.
- **Expanding Holding Sizes:** The average leased area rose to **6.7 acres** compared to 5.0 acres in 2022. In 2022, 31% of tenants leased over 5 acres; today, **42% lease over 5 acres**, including **15.2% who lease more than 10 acres**.
- **Economic Drivers:** Due to shrinking net income per acre, smaller tenants must lease larger holdings to make agriculture viable. Concurrently, in irrigated zones, medium and semi-medium owners are expanding operations by leasing over 10 additional acres via increased mechanization.

2. Access to Crucial Support Systems:

This was the most important part of the study which revealed the severe exclusion of tenant farmers from the basic support systems of the government which are crucial to make agriculture viable. We mainly considered four support mechanisms – fertilizer subsidy, crop procurement at MSP, disaster relief and institutional loans.



- Subsidized Urea Crisis:** In the recent Rabi (Yasangi) season, a new app-based system requiring a landowner One-Time Password (OTP) blocked tenant access. Only **412 out of 1,816 tenants (22.8%)** secured subsidized urea at Rs. 260 per bag. Out of these, a meager **40 tenants (2.2%)** registered under their own names; the rest relied on the landowner's identity. Excluded tenants paid up to **Rs. 500 per bag** (double the price) on the open market, while owner passbooks were used by non-cultivators to get subsidized urea for black-market sales. This crisis will intensify in Kharif 2026 because every farmer cultivates in the Kharif and would need urea.
- Crop Procurement Barriers:** State procurement platforms (like *Kapas Kisan* for cotton, *OPMS* for paddy or the Markfed system) require landowner Pattas and Aadhaar linkage, or OTP-based approval from the land owner, making it very difficult for tenant farmers to sell to government procurement agencies.
 - Cotton:** Only **6.7% (77 out of 1,137)** successfully sold to the Cotton Corporation of India (CCI) under their own name as tenants and received money in their accounts.
 - Paddy:** Only **20%** in Kharif 2025 (177 out of 886) and **17.2%** in Rabi 2025 (135 out of 766) sold in their own names as tenants.
 - Other Crops (Maize/Soybean):** The direct tenant procurement success rate for other crops by Markfed stands at just **8.5%**.

- **Exploitative Workarounds:** Blocked by landowner OTP or biometric demands, tenants sell under other farmers' names, paying steep commissions (e.g., Suryapet cotton farmers reported paying up to **Rs. 10,000 for this service**).
- **Disaster Relief Failure:** While **85.2% of surveyed tenants** suffered severe crop loss from floods, heavy rains, or hailstorms over the last 3 years, only **0.7% (11 out of 1,548 affected)** received disaster relief compensation in their own accounts. Crop damage was enumerated for 380 farmers, but only 116 were recorded under the tenant's name. In 45 cases, landowners received disaster compensation but did not give it to tenants.
- **Exclusion from Crop Loans:** Tenant farmers are systemically excluded from receiving Crop Loans from bank, available to land owners at zero percent interest. All the tenant farmers reported dependence on private loans for agriculture at rates of interest typically between 24% and 36%. They reported private debt burden between 2 lakhs and 10 lakhs. Moreover, this exclusion meant that when the Government spent Rs.24 lakh crores on Loan Waiver scheme, the tenant farmers did not get any debt relief.

3. Impact of Non-Recognition of Tenants

- **Failure of Ad Hoc measures:** It is true that the government has taken some steps to include tenant farmers in procurement systems. But the measures have been *ad hoc*, like letters from A.E.O.s or OTP-based approvals from owners, and not implemented uniformly. While Adilabad officials implemented tenant registration on the *Kapas Kisan* app, most districts failed to do so. In Disaster compensation and Urea subsidy, the frustration has been much higher. It is clear that instead of ad hoc measures, a proper recognition of tenant farmers at the beginning of the year should be implemented.
- **Massive Market Losses:** Tenants forced to bypass state procurement sell in open markets far below the Minimum Support Price (MSP). For instance, cotton sells at an average of Rs. 6,500 vs. the MSP of Rs. 8,110.

Crop	Deficit per quintal	Average Financial Loss for 5-acre Tenant Farmer (Compared to MSP)
Cotton	Rs. 1,610	Rs. 64,400
Paddy	Rs. 269	Rs. 40,350
Maize	Rs. 379	Rs. 87,800
Soybean	Rs. 1,328	Rs. 53,120

- **Failure of Ad-Hoc Fixes:** Temporary stopgaps, like localized Agriculture Extension Officer (AEO) letters, are erratic and non-uniform. While Adilabad allowed tenant registration on the *Kapas Kisan* app, most districts failed to do so. True eligibility across all welfare wings can only be achieved via formal recognition under the 2011 Act.

- **Problems with receiving amounts in the Land-owner's account:** About 25–35% of tenants deposited crop sale proceeds directly into their landowner's account. However, **10–20% of landlords refused to give the full amount to the tenant.** Furthermore, when landlords see large cash amounts deposited on behalf of the tenant, they falsely assume high profitability and **hike lease rates further**, ignoring high cultivation costs.
- **App-Based Social Divide:** Shifting scheme implementation to app-based portals has generated immense frustration among tenant cultivators. While large leaseholders possess the social leverage to gain landowner cooperation, smaller, marginalized tenants face high degree of uncooperativeness.

4. What are the Tenant Farmers asking from the Government?

- The tenant farmers expressed a high degree of frustration and anger with the Government for not implementing their promise of recognizing tenant farmers.
- When asked what they want from the Government, most tenant farmers said that they want access to subsidized fertilizers, disaster compensation and crop procurement at MSP, even if the Rythu Bharosa goes to the owner.
- A majority of the surveyed tenant farmers demanded that the government should recognize tenant farmers and make sure that the benefits reach the tenants directly, instead of depending on the land owner.

Conclusion & Core Demands

The state spends nearly **Rs. 25,000 crores annually** on farmer support. Yet, because it is linked to Patta documents, public money flows to non-cultivating owners while the actual cultivators bear all the financial risks, resulting in heavy debts and suicides.

Though the present Chief Minister promised to implement the 2011 Land Licensed Cultivators Act in an open letter dated September 13, 2023, no operational steps have been taken. The Struggle Committee demands:

1. **Immediate Implementation of the 2011 Act:** Issue Loan & Other Benefits Eligibility Cards (LEC) to tenant farmers at the start of every season to provide eligibility for all schemes and support systems.
2. **Standardize Implementation:** Create a uniform system for all schemes and crops, giving eligibility based on the tenant cultivator cards (LEC), starting with E-crop booking. The cultivator card should be used to link the benefit to the tenant's bank account.
3. **Any Legislative Changes should be done carefully and with consultation:** If the government is considering legislative changes, it should be done in consultation with tenant farmer organizations. Do not introduce counterproductive requirements like mandatory land owner signatures (which crippled tenant recognition in Andhra Pradesh with the 2019 Crop Cultivators Act). Any changes in laws should be discussed and finalized before the upcoming **Assembly monsoon session**, so that legal recognition of tenant cultivators would definitely begin during this year.