

Policy driven expansion of rice cultivation area in Telangana

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Abstract

Since Telangana became a state in 2014, rice farming has grown a lot. The area under rice farming increased from about 20 lakh hectares in 2013–14 to nearly 50 lakh hectares in 2022–23. Because of this, rice production more than doubled. This big jump happened mainly because of government support—building more irrigation projects, giving farmers free electricity, providing financial help through the *Rythu Bandhu* scheme, and buying rice from farmers at a fixed **Minimum Support Price (MSP)**. Between 2015 and 2024, the extra rice grown added about ₹40,300 crores to Telangana’s economy, which is around 2.8% of the state’s income in 2023–24. But there are also challenges. Rice farming uses a lot of water and electricity, depends heavily on government buying, and makes farmers too dependent on one crop. In short, rice farming has boosted Telangana’s economy because of strong policies, but to stay sustainable in the future, the state will need to promote crop diversity and use resources more carefully.

Introduction

Rice is one of the main food crops in Telangana. After the state was formed in 2014, major irrigation projects helped farmers grow rice on a much larger scale. The area under



Fig. 1. Non-traditional areas and wastelands brought into rice cultivation in Telangana (location: Thimmajipet Mandal, Mahabubnagar; photo courtesy: D. Vasu)

rice farming increased from about 20 lakh hectares in 2013–14 to almost 50 lakh hectares in 2022–23—more than two and a half times in less than 10 years. Even lands that were earlier unused or not meant for rice have now been brought under cultivation. This big jump happened because of government policies and investments in farming infrastructure. As a result, rice production rose sharply—from 65.5 lakh tonnes in 2013–14 to nearly 172.1 lakh tonnes in 2022–23. In this article, we look at what caused this rapid growth in rice farming, the challenges it brings, and how it has affected Telangana’s economy.

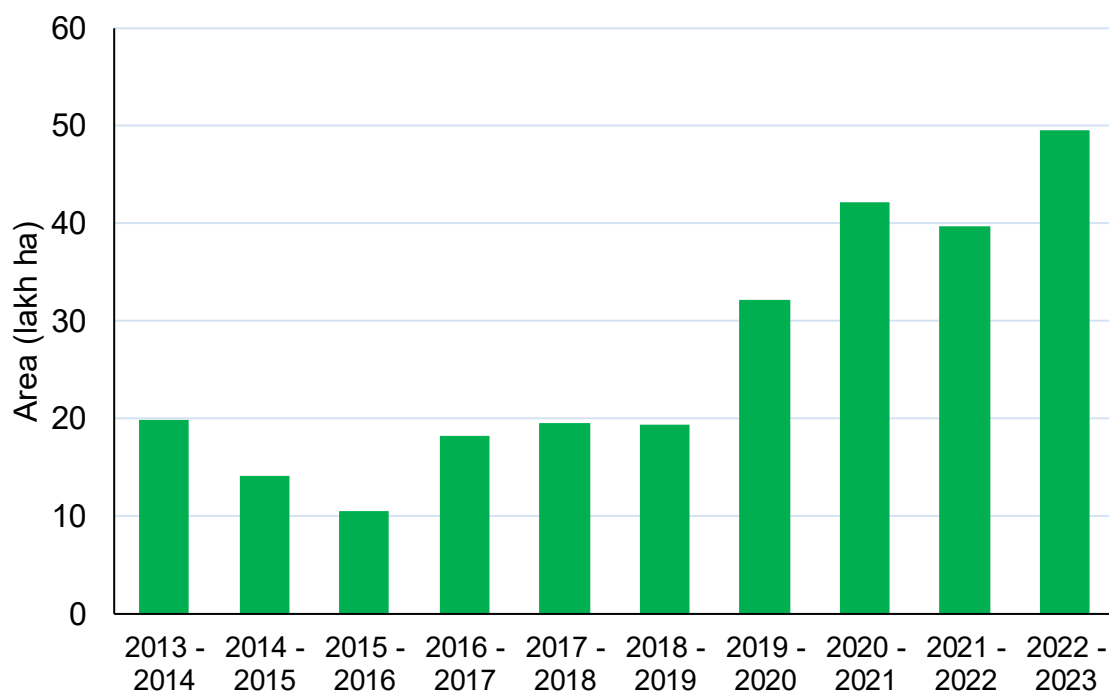


Fig. 2. The year-wise area under rice (both kharif and rabi seasons) in Telangana from 2013-14 to 2022-2023; data source: DAC, Govt. of India.

Drivers of Rice Area Expansion

One of the main reasons rice farming expanded so much in Telangana is the big push for irrigation. In 2014, the state started Mission Kakatiya, a project to restore over 46,000 village tanks (small traditional water bodies). This improved water storage and helped refill groundwater, allowing farmers to grow water-hungry crops like rice in both the kharif and rabi seasons. At the same time, the Kaleshwaram Lift Irrigation Scheme (KLIS)—one of the largest projects of its kind in the world—was launched. It diverts huge amounts of water from the Godavari River (about 180–195 TMC) into reservoirs and canals across Telangana. This secured irrigation for farmlands and expanded the area where farmers could reliably grow crops. Together, these irrigation projects gave farmers the confidence and resources to grow rice on a much larger scale.

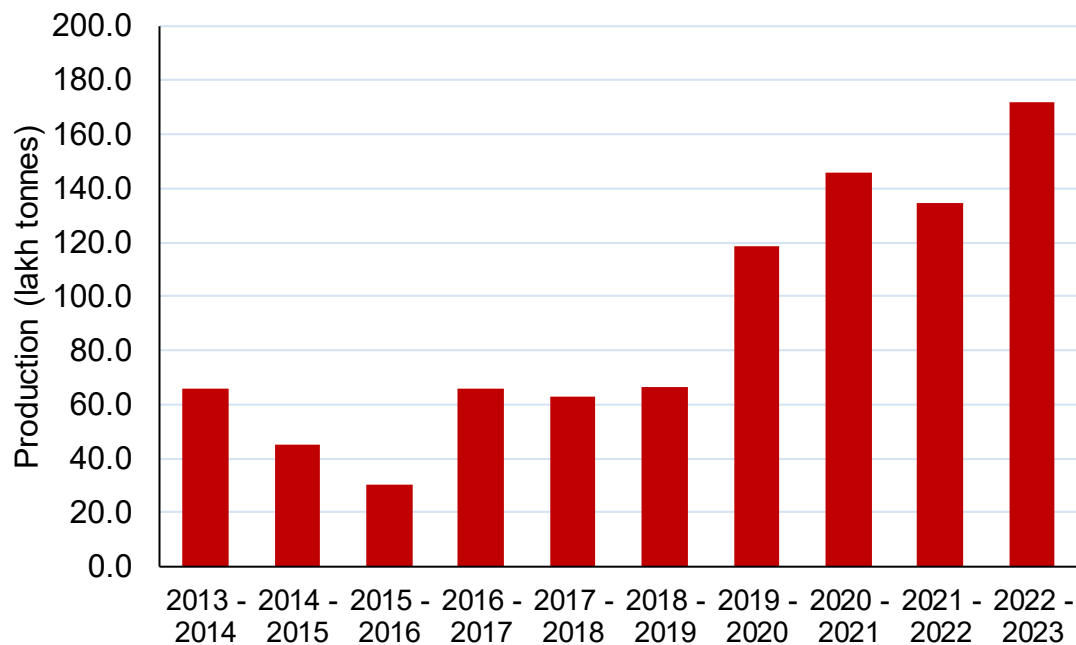


Fig. 3. The year-wise rice production (both kharif and rabi seasons) in Telangana from 2013-14 to 2022-2023; Data source: DAC, Govt. of India.

Another big reason for the rise in rice farming was the **24×7 free electricity for agriculture**, started in 2017–18. Earlier, farmers got limited or irregular power, which made it hard to pump groundwater for irrigation. With continuous free power, farmers could water their fields whenever needed, especially during the rabi season. This reduced risks and gave farmers the confidence to grow more rice, both on newly irrigated land and on their existing farms.

Government support schemes also played a big role in expanding rice farming. The Rythu Bandhu scheme gives farmers ₹5,000 per acre each season, helping them buy seeds, fertilisers, and pay for labour. This upfront money made it easier for farmers to grow crops like rice, which need more investment. The Rythu Bima Insurance Programme further reduced risks by providing life insurance cover for farmers, giving families more security and confidence to farm larger areas. On top of this, the government's assured purchase of rice at the Minimum Support Price (MSP) gave farmers a guaranteed market. With many Paddy Procurement Centres set up in villages, farmers felt confident that their produce would be bought, encouraging them to grow more rice.

Challenges and implications for other natural resources

Telangana's rice growth model also came with challenges. In 2021–22, the Food Corporation of India (FCI) reduced its purchase of parboiled rice, saying there was already enough stock and less demand in the Public Distribution System. Since Telangana produces a lot of parboiled rice, farmers faced problems. The state government had to push for at least

partial procurement and also advised farmers to grow other crops in the next rabi season. This showed the risk of depending too much on a single crop and on central government buying policies.

Another big issue is water use. Projects like Mission Kakatiya and big canals improved water availability in many areas, but the sharp rise in rabi rice, which needs nonstop irrigation, led to very high use of groundwater and electricity. According to the Central Groundwater Board (2023), even though surface water storage has improved, many areas of Telangana still face stress from over-pumping groundwater. Since rice needs a lot of water, unchecked expansion could worsen groundwater depletion, especially in districts that don't get reliable canal water.

Effect on State Economy

Between 2015–16 and 2023–24, Telangana's rice output grew from about 46 lakh tonnes to nearly 169 lakh tonnes. At current support prices, this extra production is worth around ₹26,857 crores. If we include indirect effects like jobs, services, and local spending, the total impact on the state economy is estimated at about ₹40,300 crores, which is around 2.8% of Telangana's total income in 2023–24. However, the economic picture is not all positive. Building irrigation systems, buying rice from farmers, and giving free electricity all cost the government a lot of money. These expenses can limit funds for other important investments. Supporting water-hungry crops like rice may help short-term growth, but it also creates long-term risks for both finances and water resources. The benefits are also uneven. Areas with good irrigation and easy access to procurement centres see strong growth, while places with water shortages face problems like high costs and falling groundwater levels. So, while rice has boosted Telangana's economy, the state must also weigh these long-term financial and environmental challenges.

Conclusions

From 2015 to 2024, the rise in rice farming in Telangana mainly came from strong government policies—better irrigation, 24×7 free power, per-acre cash support, and guaranteed crop purchase. Together, these steps made rice the most profitable and safe choice for farmers. This model increased farm incomes and created huge rice surpluses, but it also brought challenges like heavy water use and dependence on government buying. For the future, Telangana needs to keep the benefits of irrigation and procurement while slowly encouraging farmers to grow more water-saving crops, especially in the *rabi* season.

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