



Tenancy Farming And Policy Interventions: A Study In Odisha

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ABSTRACT

Tenancy farming and sharecropping constitute essential yet often neglected facets of Indian agriculture. A significant portion of agriculture in Odisha is done by landless and marginal farmers via leasing or sharecropping arrangements. Despite their contribution, these farmers remain excluded from institutional loans, crop insurance, procurement systems, and welfare programs owing to the lack of permanent land titles. This article examines Odisha's tenancy policy framework and the consequences of reforms through a mixed-method approach, incorporating policy analysis, secondary data, workshop contributions, and field investigations. It juxtaposes the viewpoints of tenant farmers with changing legislative measures to underscore advancements and enduring disparities. The research analyses the 2016 Model Land Leasing Act and state measures like KALIA, BALARAM, and reforms in paddy procurement. Evidence from Ratanpur, Niali Block, Cuttack, indicates that although Odisha has implemented novel credit and welfare mechanisms, institutional impediments, especially informal tenancy and insufficient understanding of schemes, persistently hinder inclusion.

Keywords: *Tenant farmers, Sharecroppers, Agricultural tenancy, Land leasing reforms, Informal leasing, Concealed tenancy, Inclusive agrarian policy, Odisha*

1. Background

Tenancy farming and sharecropping has always been part of agricultural system in India since pre-independence. Early land reforms measures aimed at improving land ownership and equitable land distribution in favour of the underprivileged. Tenancy is a general term for agreements in which farmers work on land they do not own or do not have land titles, in exchange for a set amount of rent or a share of the

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crops. Sharecropping is a type of tenancy in which the landlord and tenant split the crop produce. These arrangements are often unofficial, unstable and not backed by any documentation which limits their access to institutional resources or government programs.

Scholars have documented that although tenancy appears in official statistics (e.g. via NSSO, Agricultural Census), it is under-reported due to informality and legal bans, leading to “hidden” or “concealed” tenancy (Bansal & Grover, 2019; Paltasingh, Basantaray & Jena, 2022). For example, in Odisha sharecropping is formally banned except under narrow exceptions, but is widely practised informally. Secure tenure, the literature shows, improves farm efficiency, even under sharecropping, when tenants see their claim recognized (Paltasingh, Basantaray & Jena, 2022).

Formalising tenancy (via Model Act, for example) can improve efficiency through better input use, investment, and land use, while also serving equity goals, according to the literature (for example, Rao, 2019; Paltasingh et al., 2022). However, this can only be accomplished if legal protections, duration, fairness in sharing/rent/resumption, and institutional access are ensured.

2. Objective of the Study

This study aims to analyse the effects of policy changes on sharecroppers and tenant farmers in Odisha, specifically investigating the practical implementation of these reforms at the village level. The study intends to:

- Evaluate the degree of inclusion and exclusion of sharecroppers and tenant farmers in significant welfare and procurement programs.
- Identify procedural and structural impediments that hinder access to benefits.
- Gather the viewpoints of sharecroppers, tenant farmers, and landowners concerning tenancy reforms and suggested legal structures.

The study aims to produce an evidence-based comprehension of the management of tenancy and sharecropping through the integration of household surveys, group discussions, and stakeholder consultations, while also emphasising the disparity between progressive state policies and enduring challenges at the grassroots level. The primary aim is to provide insights that can guide the development of more inclusive and equitable agricultural policy for Odisha.

3. Research Design and Methodology

This study is based on the author's involvement in the policy discourse about agricultural tenancy and sharecropping in Odisha, especially through participation in consultations and workshops on tenancy reforms between 2015 to 2020. This research employs a mixed-method approach, integrating a review of secondary policy documents with primary field investigations to analyse both the design and practical execution of tenancy-related activities.

The study commences with a thorough examination of policy notes, governmental directives, workshop proceedings, and reform documents pertinent to agricultural tenancy in Odisha, encompassing the Model

Agricultural Land Leasing Act (2016), the proposed Odisha Land Leasing Bill (2020), and significant initiatives such as KALIA and BALARAM. The research evaluates coverage and performance using publicly available data (e.g., government websites and published studies) in conjunction with secondary reporting from civil society and media. This desk-based analysis delineates the policy environment and underscores principal objectives and deficiencies in execution.

To enhance the policy review, the author executed a field study in Ratanpur village, utilising a mixed-methods approach. This includes household survey, focus group discussions (FGDs) with sharecroppers, tenant farmers, landless cultivators and landlords to get collective insights on possibilities and constraints. Key informant interviews (KII) were conducted with local leaders, Panchayat members, PACS officials to understand the institutional procedures. Interviews with professionals in land rights, representatives of civil society and experts in agricultural policy to contextualize findings within the wider reform dialogue.

Limitations: The fieldwork was primarily undertaken in the village of Ratanpur, located in the Cuttack district. The findings may not comprehensively reflect the diversity of experiences within Odisha's diverse agro-ecological and socio-political contexts. The study relies on secondary data from public sources and published reports for policy coverage and scheme performance analysis.

Notwithstanding these constraints, the research offers a substantive analysis of the difficulties encountered by sharecroppers and tenant farmers in obtaining state programs, while contextualising local circumstances within the overarching framework of tenancy changes in Odisha.

4. Review of Policy Measures on Agricultural Land Leasing

In Odisha, where tenancy is prevalent yet predominantly unregistered, tenant farmers and sharecroppers frequently exist beyond the reach of institutional financing, crop insurance, and procurement advantages. This section examines the progression of policy actions including national frameworks and state-level initiatives. The discussion commences with the 2016 Model Agricultural Land Leasing Act, aimed at establishing a legal framework for secure and transparent leasing, the incorporation of welfare initiatives like KALIA (2018), the credit-oriented BALARAM scheme (2020), and procurement reforms.

4.1. Model Agricultural Land Leasing Act, 2016

The policy debate in India underwent substantial transformation following the 2016 Report of the Expert Committee on Land Leasing by NITI Aayog, which introduced the Model Agricultural Land Leasing Act, 2016. The Expert Committee, led by T. Haque, evaluated restrictive tenancy legislation in several states and recommended a legal structure that facilitates formal leasing while safeguarding landowners' rights. Odisha's legislation permits leasing or sharecropping exclusively from specific groups of "raiyyats" – disabled individuals, privileged raiyyats (such as temples and trusts), or smallholders possessing fewer than three standard acres.

A consultation workshop titled “Accelerating Farm Reforms for Inclusive Growth in Odisha,” conducted at NCDS, Bhubaneswar in November 2016, emphasised the pressing necessity to modify tenancy arrangements within the state. Dr. T. Haque (Chairperson of Working Committee on Tenancy Reforms) emphasised the

precariousness of small and marginal farmers, highlighting their need for access to credit, insurance, minimum support prices (MSP), and safeguards against crop failure, while advocating for the inclusion of tenants in marketing and institutional structures.

In June 2017 a workshop held by Prajatantra Patha Chakra, Cuttack on the proposed Odisha Land Leasing Bill emphasised the critical necessity to legalise and regulate tenancy to enhance security, facilitate access to financing, and acknowledge sharecroppers and tenant farmers. The workshop emphasised the essential requirement to legally acknowledge renters by formalising tenancy via written leases, while concurrently ensuring landowners that such measures would not result in the permanent alienation of their land.

Land rights specialist Sanjoy Patnaik underscored that leasing agreements had to be adaptable while maintaining explicit boundaries, so promoting broader participation without instilling apprehensions of land loss among proprietors. He contended that fortifying the status of tenant farmers necessitates certain access to institutional financing, which, in turn, relies on their acknowledgement via legal paperwork or identification cards. Effective implementation necessitates comprehensive monitoring at the Panchayat level to guarantee that tenant farmers obtain timely access to vital agricultural inputs, including seeds, fertilisers, and pesticides.

It needs no emphasis that tenancy reforms should not only legitimise leasing but also ensure tenant farmers' access to capital, inputs, markets, and remuneration, thereby recognising them as significant participants in Odisha's agrarian economy.

In alignment with the Model Act, Odisha has commenced gradual policy reforms designed to incorporate tenants and sharecroppers into various development programs such as:

- 2018 - KALIA Initiative
- 2018 - Paddy Procurement Policy
- 2020 - SAMRIDHI Odisha Agricultural Policy
- 2020 - BALARAM Credit scheme
- 2021 - Proposed Agricultural Land Leasing and Sharecropper Recognition Legislation, Odisha

4.2. KALIA 2018

The Krushak Assistance for Livelihood and Income Augmentation (KALIA) project, initiated by the Government of Odisha in 2018, signifies a pivotal transformation in farmer welfare through its direct, data-informed, and inclusive framework. KALIA was designed to comprehensively tackle the exclusion of vulnerable groups, specifically landless agricultural labourers, smallholders, and sharecroppers. This inclusivity expressly encompassed tenant farmers and sharecroppers, who frequently lacked legal status and, thus, were unable to obtain institutional support like as loans, insurance, or input subsidies.

The scheme's primary advantage was its dependence on Direct Benefit Transfer (DBT), which directly credited monies into authenticated bank accounts, reducing leakages and guaranteeing prompt provision of financial aid. This was a significant advancement for sharecroppers and tenant farmers, as the state adeptly

circumvented the legal uncertainties of tenancy through the establishment of a flexible self-nomination and verification system. This design recognised their agricultural roles while also offering access to livelihood support, input subsidies, and additional advantages including insurance coverage. By mid-2024, the initiative had expanded its coverage to over 62.83 lakh farmers throughout the state. According to official data, this group comprised 43.88 lakh small and marginal farmers and 18.94 lakh landless farmers demonstrating extensive coverage.

A crucial question that persists is the degree to which sharecroppers have directly gained from KALIA. Although the scheme's standards specifically designate "actual cultivators" and sharecroppers as eligible, official records frequently amalgamate them with landless farmers and agricultural labourers. Consequently, no disaggregated data exists in the public domain that specifies the precise number of sharecroppers who have directly benefited.

4.3. BALARAM Credit Scheme (2020)

The BALARAM scheme (Bhoomihina Agriculturist Loan & Resources Augmentation Model), initiated by the Odisha government in 2020, seeks to address the credit exclusion experienced by tenant farmers and sharecroppers without land titles (Department of Agriculture & Farmers' Empowerment, Government of Odisha, 2021). The initiative aims to assist landless cultivators and those renting land by establishing Joint Liability Groups (JLGs), each consisting of a minimum of five farmers, within the ATMA framework.

As per a 2024-25 SLBC report, against a target of 65,000 JLGs, banks have disbursed credit to 9,959 JLGs by 5 February 2025. OSCB (Odisha State Cooperative Bank) allocated funds to 7,767 JLGs, totalling approximately ₹75.04 crore. The scheme addresses the legal and documentation challenges encountered by sharecroppers through Certificates of Cultivation, incorporates grassroots mobilisation via Krushak Sathis, diminishes collateral requirements through Joint Liability Groups (JLGs), and integrates institutional support through agencies such as IMAGE, ATMA, and NABARD.

Although BALARAM possesses the capacity to substantially enhance the welfare of sharecroppers and tenant growers, its effects to yet have been limited. Enhancing awareness, streamlining verification, bolstering field personnel capabilities, and assuring more proactive participation from financial institutions will be essential for fulfilling its potential.

4.4. Draft Odisha Agricultural Land Leasing Act, 2020

In 2020, the Odisha government proposed the Draft Odisha Agricultural Land Leasing Act to formally acknowledge leasing agreements and sharecropping, thereby including tenant farmers into institutional frameworks (Department of Agriculture & Farmers' Empowerment, Odisha, Draft). The plan aimed to address the established prohibition or stringent limitations on land leasing as stipulated by the Orissa Land Reforms Act (as amended), which allowed leasing solely under specific categories (e.g., individuals with disabilities, privileged raiyats).

The bill's preamble underscores the dual objectives of efficiency and equity: facilitating land access for landless and semi-landless farmers through leasing, and granting "lessee cultivators" access to credit,

insurance, subsidies, minimum support prices, disaster relief, and other public benefits, while safeguarding landowners' rights. The government invited public comments up to March 2020 and planned consultations across districts. Consultations and media coverage revealed several recurring themes in stakeholder feedback and critiques of the draft.

Experts have expressed approval of the draft's initiative to formalise leasing and incorporate sharecroppers. However, they emphasise that the draft may be ineffective unless tenancy rights are explicitly acknowledged in the land reforms statute. Analysts have warned that allowing leasing alone is inadequate without enforceable protections, such as minimum duration and fair rent regulation. Multiple stakeholders emphasised the necessity of safeguarding landowners' rights while providing tenants with security and incentives. The absence of lease documents in the Register of Rights was praised as a safeguard; however, critics contended that such nondisclosure might compromise enforceability. Stronger clauses regarding termination, compensation, and renewal priorities were proposed.

Numerous participants advocated for the appointment of specialised lease officers or a licensing authority, particularly at the taluk/tehsil level, and suggested that redressal mechanisms be established at the Panchayat/RI levels to ensure accessible justice. Recommendations include streamlining paperwork and implementing low or no court fees for lease registration or disputes. Stakeholders highlighted the necessity for extensive awareness, training for revenue and extension personnel, standardised lease templates, and pilot implementation prior to comprehensive deployment. Phased enrolment and data integration with initiatives like BALARAM or KALIA are recommended to enhance synergy.

4.5. Odisha Agriculture Policy 2020, SAMRUDHI

The Odisha Agriculture Policy 2020, SAMRUDHI, specifically acknowledges that sharecroppers and tenant farmers frequently lack access to institutional support and aims to rectify this exclusion (Government of Odisha, 2020). One of its fundamental goals is the advancement of the BALARAM model, designed to enhance formal finance access for landless farmers and sharecroppers via structures such as Joint Liability Groups (Government of Odisha, 2020). The program emphasises the necessity of allowing tenant farmers to access crop insurance and subsidies, services generally restricted to landowners (Government of Odisha, 2020).

SAMRUDHI promotes the development and implementation of novel tenancy arrangements that conform to national frameworks, including the Model Agricultural Land Leasing Act (Government of Odisha, 2020). The strategy aims to facilitate the integration of tenants into institutional ecosystems by utilising technology and Farmer Producer Organisations (FPOs) as mechanisms to connect tenant farmers with markets, extension services, and finance facilities (Government of Odisha, 2020). When implemented properly, these approaches could formalise tenancy arrangements and mitigate systematic exclusion; however, success will hinge on robust institutional capacity, awareness initiatives, and protections for vulnerable populations.

4.6. Paddy Procurement Policy in Odisha: Regulations, Modifications, and Consequences

Since 2018, Odisha's procurement policy and Minimum Support Price (MSP) framework for paddy have increasingly been a focal point of contention for tenant farmers and sharecroppers. Government procurement mechanisms typically necessitate that farmers register beforehand, providing documentation such as land titles or land records (Record of Rights, legal heir, co-sharer, or genealogy certificates). This requirement effectively excludes numerous tenants and sharecroppers lacking formal land ownership or engaging in informal cultivation.

Odisha has implemented various regulatory changes to mitigate exclusion. Since 2018, a measure was implemented allowing Sarpanches to certify sharecroppers in instances where landowners failed to provide consent letters for procurement registration. The state has progressively streamlined the registration process by permitting self-declaration instead of requiring genealogical proof or legal heir certificates in recent years.

During the Kharif 2024-25 season, the state acquired substantial quantities (about 70 lakh metric tonnes) from over 15 lakh farmers, offering MSP payments and input support. The current procurement objectives encompass both Kharif and Rabi seasons, involving an increased number of districts, with a commitment to guarantee that qualified farmers are not excluded from procurement owing to paperwork issues. In previous seasons, approximately 73.45 lakh tonnes of paddy were procured from around 16.6 lakh farmers, with payments comprising both Minimum Support Price (MSP) and input assistance.

Procurement and Minimum Support Price (MSP) rules have emerged as a contentious arena for sharecroppers in Odisha. Crop procurement methods necessitate land titles or registration in land records, so frequently excluding sharecroppers. Odisha has since 2018 revised registration procedures, incorporating self-declaration and streamlined paperwork to minimise exclusion.

Procurement regulation changes provide some assistance; however, in the absence of formal legal recognition of tenancy or sharecropper status through certificates or legislation, numerous farmers continue to face vulnerability. If a cultivation lease or sharecropping arrangement lacks official recognition, self-declarations or consent letters may prove ineffective in procurement or dispute resolution. In the absence of coordinated policy support, the benefits of procurement may be constrained. It is essential to ensure that procurement agencies, PACS, and cooperative societies are adequately equipped and informed to accept non-title documentation.

5. Results from Field Investigation and Stakeholder Consultations in Ratanpur, Niali Block, Cuttack District

Based on PhD field research conducted by the author in Ratanpur village, Odisha, involving 357 households through group discussions, focus group interactions, key informant interviews, and household surveys, this study provides critical insights into the effects of agricultural policies on sharecroppers and tenant farmers. Although Odisha has introduced progressive measures to enhance the inclusion of non-landowning cultivators empirical evidence indicates persistent challenges in implementation and continue to exclude a substantial segment of cultivators from the envisaged benefits.

5.1. Incorporation within the KALIA Scheme

The Krushak Assistance for Livelihood and Income Augmentation (KALIA) was established to offer direct financial and input assistance to small, marginal, and tenant farmers. In Ratanpur, 28% of sharecroppers were omitted from the program. Two primary arguments were articulated during the discussions:

- Tenant farmers could not provide the necessary paperwork within the designated timeframes. Individuals lacked evidence of tenancy, as land records are retained by the landowners.
- Sharecroppers indicated a lack of awareness regarding registration periods, and village-level IEC (Information, Education and Communication) initiatives were inconsistently implemented.

Consequently, despite the implementation of administrative relaxations, including self-declaration forms and Sarpanch certifications, participation remained limited.

5.2. Credit Access via BALARAM

The Bhoomihina Agriculturist Loan and Resources Augmentation Model (BALARAM) was designed to enhance lending accessibility for landless farmers via the establishment of Joint Liability Groups (JLGs). Field findings in Niali reveal that the scheme has been predominantly ineffectual. Only one Joint Liability Group (JLG) was established in the hamlet despite numerous registration initiatives.

- Farmers saw the process as protracted, bureaucratic, and dominated by banks, with minimal assistance from local authorities.
- Stakeholders, comprising local leaders and farmer organisations, observed that financial institutions were hesitant to actively endorse the establishment of Joint Liability Groups (JLGs).

Consequently, sharecroppers persist in depending on informal lending sources, frequently at elevated interest rates, so undercutting the initiative's objective of offering institutional credit assistance. ineffective implementation of BALARAM compels farmers to rely on informal moneylenders, so compromising debt alleviation and support goals.

5.3. Access to Markets and Paddy Procurement

The decentralised paddy procurement system in Odisha has evolved over time; yet, sharecroppers continue to encounter significant obstacles in registering and marketing their harvest through official avenues. In the study village, merely 26% of sharecroppers successfully registered for procurement.

- The most commonly mentioned impediment was the refusal of landowners to furnish consent paperwork.
- Insufficient awareness of mobile registration initiatives.

Farmers in Ratanpur proposed that enhanced Gram Panchayat verification, door-to-door awareness initiatives, and the establishment of mobile registration centres would render the procurement procedure more accessible. They highlighted that delays caused by logistical challenges frequently hindered prompt registration and sales, and that streamlining these processes would greatly enhance their involvement.

Stakeholder consultations revealed multiple persistent issues:

- Tenant farmers has no autonomous rights over land records, so constraining their negotiating leverage and registration prospects.
- Although policies are effectively formulated, their execution is impeded by bureaucratic obstacles and insufficient accountability frameworks.

Stakeholder interaction revealed that although state-level changes have implemented progressive measures, their effects in the village have been inconsistent. They highlighted deficiencies in local institutional capacity and inadequate follow-through by frontline officials, emphasising that political will and administrative dedication at the village level are essential for converting plans into significant results.

6. Conclusion

The changing dynamics of tenancy and sharecropping reforms in Odisha demonstrate notable advancements alongside ongoing obstacles in achieving an inclusive and fair agrarian policy framework. Legislative and policy measures, including the Model Agricultural Land Leasing Act, KALIA, BALARAM, and updated procurement protocols, have been formulated to rectify the historical marginalisation of tenant farmers and sharecroppers from institutional advantages and market access.

Empirical evidence from Niali highlights a disparity between policy intentions and actual results. A significant number of tenant farmers and sharecroppers continue to be excluded from welfare programs and procurement systems, mostly due to enduring obstacles such as inadequate documentation, absence of legal recognition, and low awareness of administrative concessions. Dependence on landowners for approval and verification persists in limiting renters' access to credit, insurance, subsidies, and market opportunities. Even initiatives especially designed to address these deficiencies, such as BALARAM and KALIA, have faced implementation obstacles, with procedural complexity, institutional reluctance, and inconsistent grassroots involvement diminishing their reach and efficacy.

In summary, the field study experience demonstrates that progressive legal and regulatory reforms can establish a foundation for the inclusion of tenant farmers and sharecroppers; yet, substantive transformation relies on enduring institutional commitment, effective awareness campaign, and local empowerment. To actualise the complete potential of these reforms, it is imperative to allocate resources towards implementation mechanisms that are attuned to the realities of rural agrarian structure to ensure that no farmer, irrespective of landownership status, is excluded from the state's agrarian transformation.

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