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## A Study of Farmers' Perspectives on The Selection of Digital Payment Instruments

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DOI- 10.5281/zenodo.7583206

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### Abstract

In India, internet and e-payment usage has increased dramatically. Digital payment is becoming increasingly prevalent. In digital payment, the payer and recipient transmit fixed digital numbers. The term for this is digital payment. This region is no longer uninhabited by farmers. Even though there are fewer digital farmers, a favorable attitude toward digital payments might expand their use. 65% of India's populace depends on agriculture, so farmers' attitudes are also significant. As a result of most of the research indicating that 80 percent of farmers believe digital payment to be effective, the farmers' digital apprehension has spread from groceries to farm equipment. However, the farmers are not yet fully digital and do not use digital payments for most transactions. This study's findings can help determine which forms of payment continue to be favored by farmers and which kind of payment reigns supreme for giving and receiving. Also, attempt to determine why farmers select a particular payment mechanism.

**Keywords :** Arhitya and e-payments, farmers' supreme payments mode, e-payments and farmers, digital literacy and farmers

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### Introduction

#### Digital payment

Digital payment is a technique of payment that use electronic platforms. The payer and the payee use full or partial digital methods to transmit and receive payments. The settlements do not contain physical currency. This payment method is rapid and easy. There are two types of digital payments: (a) partially digital payments and (b) fully digital payments. Such transactions are partly digital payments if they need documentation or physical presence for settlement. Such as a check, RTGS and NEFT via branch, and a demand draft. The settlement process for a fully digital payment requires no papers or physical presence. Such include UPI, IMPS, and Internet Banking.

#### Farmers

The globe is now experiencing a food crisis. This problem may take on a more severe form in the future. India, which has always been an agricultural nation, might serve as a beacon of hope in the upcoming crises.

India exports vast quantities of food grains. However, even though agriculture's contribution to the GDP is ranked third,

more than seventy crore people continue to rely on it as their primary source of income; in other words, agriculture remains the primary source of employment for more than seventy crore people. Therefore, the central and state governments are trying to digitalize agriculture.

Haryana and Punjab are agricultural industry giants. Multiple polls indicate that more than 80 percent of Haryana's farmers approve of this government effort and wish to participate in digital payments. Despite this, farmers are shown to use cash mostly for agricultural tasks. Farmers who have adopted digital technology are digital since they utilize checks or bank branches to transmit funds via RTGS or NEFT. The Haryana government exerts every effort to digitize farmers, but success has not yet been reached.

In this paper, we will strive to highlight the transactions in which digital payment is popular. Investigate why farmers choose a particular payment system.

#### Related Work

**Cashless Haryana website (2022)** After examining the website, it was discovered that

digital transactions for the fiscal year 2020-2021 were 74 crores, a decrease from the previous fiscal year (2019-2020), which was 102 crores.

**RBIs (2019)** study showed that farmers' engagement in digital payments was reasonably limited, but employment in the agriculture sector had grown.

**Kumar et al. (2018)** revealed that eighty percent of farmers had bank accounts, sixty-three percent used them frequently, and sixty percent had debit cards. Despite this, more than 70% of farmers opted for cash over crops, milk, medicine, fertilizer, and insecticides.

**Chhachhar and Hassan's (2013)** study concluded that farmers are increasingly likely to get mobile phone payments and weather information. However, only a small percentage of farmers currently engage in this practice. Utilizing mobile phone applications for inputs (seeds, herbicides, and fertilizers) is minimal.

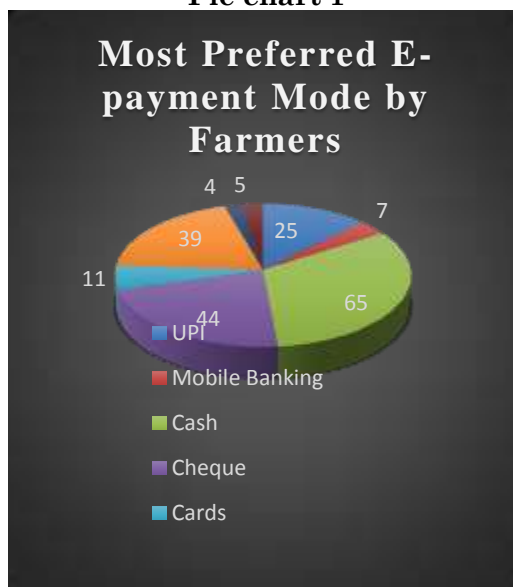
**Objectives Of Research**

Data analysis consists of two stages that correspond to the study's objectives.

**Table 1**

Most Preferred E-payment Mode by Farmers	Pie chart 1
Clarification Behind Popular Digital Mode	3D stacked bar

**Pie chart 1**



**Justification:** Card:- debit card and credit card] Other:- AEPS, USSD, Kisan Credit Card, Internet banking.

**Interpretation:** Data analysis indicates that farmers have not yet adopted digital payments. Farmers are unable to kick their monetary addiction. Cash reigns supreme for

After reviewing the literature and grasping the notion of e-payments, the following objectives have been established:-

To identify the most prevalent electronic payment system

To learn the explanation behind the most popular digital mode

**Research Methodology**

This research study employs the sample design shown in the given figure.

**Population:** All the farmers in the Karnal district of Haryana are included in the count. The population was infinite.

**Sample Size:** 200 farmers were selected using random sampling as a representative sample size.

**Data collection:** The research was based on primary data, and questionnaires were used to collect information.

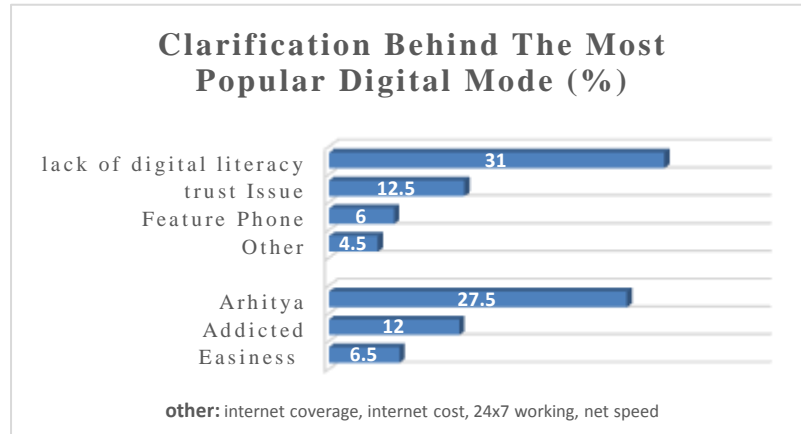
**Data Analysis And Interpretation**

The collected data were processed, and the results were presented using a table, pie charts, and bar charts.

preferred partially digital payment methods, such as checks, RTGS, or NEFT through the branch. Internet Banking, AEPS, USSD, and

Kisan Credit Card were only utilized nominally.

Bar chart 2



**Justification:** The collected data has been separated into two sections to determine the causes behind farmers' most common payment methods. In the first section, we have included explanations about U.P.I., Card, E-Wallet, Mobile Banking, Kisan Credit Cards, Internet Banking, and USSD. The second section contains cash, checks, RTGS, and NEFT explanations.

**Interpretation:** After examining the data, it has been determined that the lack of digital literacy is the primary reason farmers have not adopted digital payment. 31% of farmers lacked knowledge of technology, payment application, and payment procedure. The second most important factor was a lack of trust. 12.5% of farmers have not yet developed faith in digital payment methods such as cash. While digital payment is available on feature phones, it is costly and difficult to understand and use.

For farmers mainly relying on cash and partially on digital methods, obstacles were perceived differently. Here, the issue was mostly seen from the perspective of arhityas. If the farmer is close to someone involved in a financial transaction, they are arhitya. Therefore, in such a circumstance, the impact of arhitya on the farmer's transactions is equally significant. During data gathering, 27.5% of farmers do not utilize digital payment since their arhityas do not support it. Instead, they favored doing most deals with farmers in cash. The second most important factor is that 12 percent of farmers cannot escape their dependence on cash. The final motive was comfort. 6.5% of farmers

find cash more convenient than digital payments.

### Conclusion

Digital payments for farmers are doubtful based on a comprehensive analysis of the evidence. Regarding digital payments, the government has not yet been able to inspire trust among farmers. The lack of digital literacy and the absence of promotion of digital payment by arhitya are the two most significant obstacles to farmers' adoption of digital payments.

Farmers obtain practically every sort of loan from arhitya. For the farmer, the arhitya is akin to a bank, giving loans in times of need and accepting the farmer's surplus funds as loans. Therefore, in such a circumstance, the impact of arhitya is most apparent among farmers. Thus, the government must undertake a digital payment campaign while keeping the arhitya in mind.

Without arhitya, linking farmers to digital payment systems might be exceedingly challenging. In addition, the government should inform farmers of the benefits of digital payment by establishing a digital campaign in rural regions.

### Limitation Of Research

there will be some general limitations of the study, namely:-

Validity is limited to only Haryana.

Sample size may be the main limitation.

The time duration of the study may also be a limitation.

### Suggestions For Future Study

It cannot be denied that sample size, sampling methodology, respondent bias, and time constraints may restrict the study.

However, considering these constraints, comprehensive research may be conducted on this subject, which would significantly boost Digital India.

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