

Bridging the Gap: Promoting Cashless Transactions in the Agricultural Sector in Karnataka

K. AMBAIAH

Part-Time Research Scholar at BESTIU, Sri satya sai District, Andhra Pradesh - 515231 ID NO
& E-mail : 2022wpcm010@bestiu.edu.in

Assistant Professor, Department of Commerce, SRNK Government Degree College(A),
Banswada, Kamareddy, Telangana-503187

Ms.LEELAVATHI H

Research Scholar and Asst.Professor, Department of Commerce and Management,
GFGC, Madhugiri, Tumkur District, Karnataka.

Research Supervisor

Dr. H H RAMESHA

Associate Professor, Department of MBA,
Centre for P G Studies, Visvesvaraya Technological University,
Muddenahalli, Chickballapur – 562101.
E-mail:drhhramesh@gmail.com

ABSTRACT

Agriculture, a primary sector and backbone of India, supports over 65% of the population. With advancing technology and evolving policies, the country is transitioning toward a cashless economy, where transactions are conducted digitally. However, cash remains essential in agriculture, especially for daily wage earners and farmers selling through markets or as street vendors—where digital payments are often impractical. This study, based on data from 50 farmers using digital payment modes, examines awareness and factors influencing the shift to cashless transactions. Findings reveal moderate usage, driven by incentives like cashback, but many still face challenges in adopting these methods. For India to become fully cashless, especially in agriculture, the government must enhance infrastructure and ensure secure, accessible digital systems.

Keywords: Cashless economy, Farmers, Demonetization, Digital payment methods, Agriculture marketing.

INTRODUCTION

Cash is set to lose currency in India, as an explosion in smart phone usage drives a digital payments boom, according to a new report. Cashless economy means more and more use of

digital mode and less use of cash in transactions. The World Bank's World Development Report envisages that in many instances, digital technologies have boosted growth, expanded opportunities and improved service delivery. Larger size of digital economies in the developed economies is one of the factors of less corruption in these countries as compared to developing countries. Therefore, in order to escape from adversaries of corruption and black money and to have more transparent and cleaner economic growth with social Justice, less use of cash is one of the suggested measures. Connectivity is vital in business and society in India. There is rapid growth in information technology related business in India. But only a meagre percentage of Indians have internet connection at their residence. With the lack of physical connectivity or telecommunication infrastructure, unaffordable cost and lack of ready accessibility to broadband technologies only few can use the Internet. Mostly rural India is lagging in development, education, health, entertainment services and the general living standard due to lack of Government support in creating Wireless infrastructure to reach rural masses. The lack of Wireless infrastructure towards rural area is one main reason where farmers are not using cashless applications for agricultural transactions.

LITERATURE REVIEW

Dr. Asha Sharma (2023), Potential for cashless economy in India. The study was conducted to find the scope of India becoming a cashless economy, challenges and opportunities related to cashless economy. The study shows that there is a significant scope of Cashless India as we can abolish various problems we face today but we must be prepared for the challenges and problems which cashless economy will bring.

Prabhsimran Singha, (2020), This paper aims at analysing the effect of the demonetization policy implemented by the Indian government by using the concept of sentiment analysis. The result of analysis shows that a large share of Indian people was happy with this policy. During the initial days, the sentiment was more towards the negative side as the common man had to suffer many hardships. Ultimately, as the new bank notes were made available, the overall sentiment of the people became positive.

Dominic, Saranya, and Rajani (2018), A study on transformation in behaviour of individual towards cashless economy. The study is aimed towards studying the behavioural changes in individual towards cashless economy. After the study conducted it was seen that many individuals have already moved or are moving towards a cashless nation but there is still a long

way for India to become cashless.

Solat, (2018), This is a comprehensive survey of the security of electronic payment systems showing that in all types of electronic payment systems there is some important flow and weaknesses in security, user privacy, anonymity and performance. It is crucial to enhance and improve the current level of the security of the financial transaction systems with respect to all necessary properties to achieve a secure and reliable payment system.

Mr. Pradeep H. Tawade (2017), “Future and scope of cashless economy in India.” This paper helps in assessing the future trends and the impact of going cashless in the Indian economic scenario. After the study was conducted it was seen that the Government of India should consider many more steps in digitalizing India. And payment methods should be made more secure and risk-free.

Dhanda and Arora (2017), Genesis of cashless society: A study on growing acceptability towards plastic money. This paper is aimed towards studying the factors responsible for the rapid increase in acceptability of plastic card in the recent years. After the study was conducted it was seen that use of plastic cards is a matter of great pride among teenagers and is considered safe and free from any frauds.

RESEARCH GAP

By reviewing the available literature, it is clearly noticed that, many authors have conducted research on cashless economy. But its impact on agricultural marketing of rural region in south Karnataka has not given much scope in any of the studies. Hence, the researcher is interested in knowing an overview of cashless transactions on agricultural marketing in rural region particularly in Tumakuru and Chikkaballapura region of Karnataka

OBJECTIVES OF THE STUDY

1. To analyse farmers awareness about cashless concept.
2. To evaluate usage of cashless transactions in agricultural marketing.
3. To understand means and modes of cashless transactions in rural areas.

RESEARCH METHODOLOGY

The present study deploys descriptive research design for the study purpose.

- Sampling type – Simple Random Sampling.
- Sample size – 50
- Sample unit – Rural people
- Sampling area – South Karnataka (Tumakuru and Chikkaballapura region)
- Research tool – questionnaires and personal interview.
- Method of analysis – tabulation and percentage method.

SOURCE OF DATA

The data required for the research has been collected mainly by using primary and secondary sources. The primary sources include the questionnaire. The secondary source includes the various journals, research articles, newspapers, social media and websites.

DATA ANALYSIS

TABLE NO. 1 FARMER'S AWARENESS ON CASHLESS TRANSACTIONS

SL. NO.	PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
1	Yes	50	100
2	No	0	0
	Total	50	100

The study shows all the respondents are aware on cashless transactions. All 50 samples of farmers are well known about the new financial inclusion system that is use of cashless for the various transactions rather than cash.

TABLE NO. 2 FARMERS OPTING CASHLESS TRANSACTION FOR THEIR AGRITRANSACTIONS

SL. NO.	PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
1	Yes	28	56
2	No	22	44

	Total	50	100
--	--------------	-----------	------------

The Research survey on opting cashless transactions apps by farmers for agricultural transactions shows that only 56% of farmers are using cashless transactions for their agri marketing activities where other 44% are using cash transactions. This is due to lack of information and literacy in using cashless transactions.

TABLE NO 3 VARIOUS MEANS & MODES OF CASHLESS TRANSACTIONS USED BY FARMERS

SL. NO.	PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
1	Credit card	05	10
2	Debit card	27	54
3	Mobile Apps(UPI)	10	20
4	Internet banking	04	08
5	All of these	04	08
	Total	50	100

As per the data collected from a survey says 54% use debit card in making their payments for transactions in agriculture activities. 20% of samples make use of mobile applications in their day to day transactions. This shows the government as well as banking system as to focus on providing information on use of cashless transactions and should conduct awareness programs on various cashless apps.

TABLE NO 4 PERIODICAL USE OF CASHLESS APPS FOR AGRICULTURE ACTIVITIES

SL. NO.	PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
1	Regularly	18	36
2	Occasionally	12	24

3	Rarely	20	40
	Total	50	100

Farmers in usage of banking cashless apps shows 18 respondents out of 50 are processing their transactions regularly. 20 respondents are making their transactions rarely and other 12 respondents are processing transactions occasionally. By the information given by respondents we can understand that the highest percent of farmers use very rare agricultural transactions, due to this reason farmers are more convenient in cash transactions than the cashless transactions.

TABLE NO 5 FARMER'S OPINION ABOUT CASHLESS PAYMENTS IS SAFE AND SECURE

SL. NO.	PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
1	Strongly Disagree	12	24
2	Disagree	13	26
3	Neither agree or disagree	02	04
4	Agree	16	32
5	Strongly Agree	07	14
	Total	50	100

Farmers feel it is safe and secure to use cashless transactions against the cash payments. 32% of respondents agree about this. There are other segments of people who are not ready in accepting the safety of cashless transactions.

TABLE NO 6 ADVANTAGES IN USING CASHLESS TRANSACTIONS TO FARMERS

SL. NO.	PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
---------	-------------	--------------------	------------

1	Easy way of making payments	11	22
2	It decrease the chance of theft	04	08
3	Saves Time	15	30
4	Reduce risk and cost	10	20
5	All of these	10	20
	Total	50	100

As per the study the farmers say the main advantage in using cashless transactions is that it saves time for making transactions. The other set of people say it is easy and reduces risk of theft, faulty transactions etc. In order increase the rate of use of cashless transactions much more programmes as to be conducted towards rural area and make them understand about its opportunities.

TABLE NO 7 PROBLEMS FACING IN USING CASHLESS TRANSACTIONS

SL. NO.	PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
1	Security	09	18
2	Poor internet connection	40	80
3	Cost	01	02
4	Merchant acceptance	00	0
5	Lack of Tech-know-how	00	0
	Total	50	100

As per the study 80% of respondents say the lag in usage of cashless transactions is due to poor internet connection and other 18% informs that there are several security issues in using cashless transactions. So it clearly shows there is requirement of increasing infrastructure facilities towards rural sector. Government and banking system should together take part in improvising infrastructure facilities.

TABLE NO 8 FARMERS ACCEPTANCE IN SAVING MONEY BY USING CASHLESS TRANSACTIONS IN GENERAL

SL. NO.	PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE
1	Yes	37	74
2	No	13	26
	Total	50	100

The study shows 74% of farmers accept that they can save money if they opt for cashless transactions. The other 26% of people do not agree for this. The reason behind this is such 26% of respondents are not practicing continuous use of cashless transactions and they do not know the benefits.

RESULTS AND DISCUSSION

1. Nearly all the respondents are aware on cashless transactions. All 50 samples of farmers are well known about the new financial inclusion system that is use of cashless for the various transactions rather than cash.
2. The Research survey on opting cashless transactions apps by farmers for agricultural transactions shows that only 56% of farmers are using cashless transactions. This is due to lack of information and literacy in using cashless transactions. So it is required to educate farmers on digitalisation of banking system.
3. More number of farmers use debit card in making their payments for transactions in agriculture activities. The government as well as banking system as to focus on providing information on use of cashless transactions and should conduct awareness programs on various cashless apps.
4. Highest number of farmer respondents is making their transactions rarely and other few respondents are processing transactions occasionally, due to this reason farmers are more convenient in cash transactions than the cashless transactions. The retailers, dealers, government should encourage farmers in going cashless transaction whenever they go with agri-transaction.

5. Nearly 80% of respondents say the lag in usage of cashless transactions is due to poor internet connection and other 18% informs that there are several security issues in using cashless transactions. So it clearly shows there is requirement of increasing infrastructure facilities towards rural sector. Government and banking system should together take part in improvising infrastructure facilities.
6. The farmers say the main advantage in using cashless transactions is that it saves time for making transactions, it is easy and reduces risk of theft, faulty transactions etc. In order increase the rate of use of cashless transactions much more programmes as to be conducted towards rural area and make them understand about its opportunities.
7. 74% of farmers accept that they can save money if they opt for cashless transactions. The other 26% of people do not agree for this. The programmes to be conducted by government in such a way that it leads continuous use of cashless transactions and get the benefits.
8. Agriculture and allied activities are the major sources of income in rural areas hence government can implement digital infrastructure to boost up cashless transactions in rural areas.

CONCLUSION

Cashless transactions are rapidly growing, with recent government policies allowing only Rs. 10,000 to be withdrawn via debit cards, encouraging digital payments. Rural populations are gradually adopting cashless systems, which have become both a necessity and a convenience. However, the rise in internet-based transactions has increased the risk of cybercrime, posing a significant challenge. To ensure safe and effective use, there is an urgent need for public awareness and education on cashless systems. The government should actively conduct seminars, workshops, and awareness campaigns in rural areas to explain the benefits of digital payments. Practical sessions must be organized to help non-literate or less-literate individuals understand the use of e-payment tools. By involving local authorities and using simple demonstrations, rural communities can be empowered to adopt secure, efficient, and informed cashless practices. This combined effort is essential for bridging the digital divide and ensuring inclusive growth in India's cashless journey.

REFERENCE

1. Kumar, S., Jain, R., Jhahhria, A., Bangaraju, S.V., & Balaji, S.J. (2018). *Has demonetization triggered farmers to move towards cashless transactions?* Indian Journal of Agricultural Research, 52(3), 305-309.
2. Lawankar, M.D., Shelar, R., & Shilpa, B. (2023). *Revolutionizing Indian Agriculture: The Rise of Digital Payments for Farmers.*
3. McKinsey & Company. (2025). *43% of Indian Farmers are Embracing Digital Payments in 2024.*
4. McKinsey & Company. (2025). *40% of Indian farmers now paying electronically.*
5. Kumar, S., Jain, R., Jhahhria, A., Bangaraju, S.V., & Balaji, S.J. (2018). *Has demonetization triggered farmers to move towards cashless transactions?*
6. National Payments Corporation of India. (2023). *Revolutionizing Indian Agriculture: The Rise of Digital Payments for Farmers.*
7. The Hindu. (2017). *Rural population lags in cashless transactions: study.*
8. Kumar, S.P.M. (2022). *A Study on the Impact of Cashless Transactions among Street Vendors in India.*
9. Damodaran, H. (2016). *What's in National Agriculture Market?*
10. Banerjee, A. (2016). *Bad economics can bite back.* The Hindustan Times.
11. Bhattacharya, A. (2016). *Push for cashless: Charge levy on big-ticket cash transactions.* The Indian Express.
12. Economic Times. (2016). *What government plans to do with old '500 and 1000 Notes.*
13. IAMP. (2017). *Payments industry in India: Q4 2016.* IAMP India.
14. Kumar, S., Jain, R., Jhahhria, A., & Narayan, P. (2017). *Demonetization: the impact on agricultural activities.* National Institute of Agricultural Economics and Policy Research.
15. RBI. (2016). *Payment and settlement systems in India: Vision -2018.* Department of Payment and Settlement System, Reserve Bank of India.
16. Shahare, V.B. (2017). *Assessing the impact of demonetization on rural economy.* Jharkhand Journal of Development and Management Studies, 15(2), 7311-7324.

Acknowledgement

I would like to express sincere gratitude to V.C., and Pro V.C., Academics of Bharatiya Engineering Science and Technology Innovation University for providing opportunity to participate in Three-Day International Conference on Creativity & Innovation in Research, my Research Supervisor **Dr. H H RAMESHA** Associate Professor, Department of MBA,

Centre for P.G. Studies, Visvesvaraya Technological University, Muddenahalli, Chickballapur- 562101 and all those who contributed to the successful completion of this study on "Bridging the Gap: Promoting Cashless Transactions in the Agricultural Sector in Karnataka"

Special thanks are extended to the respondents who participated in the survey and provided valuable insights that formed the foundation of this research. Appreciation is also due to the academic advisors and mentors whose guidance helped shape the scope and structure of the study.

Finally, heartfelt thanks to family and friends for their unwavering support throughout the research process. ***