

Innovating Sustainability: Transformative Pathways for Inclusive and Resilient Agricultural Development in Telangana State

Dr L Narsimlu

*ICSSR Post-Doctoral Fellow Department of Economics Osmania University, Hyderabad
Email: drlnarsimlupdfeco@gmail.com.*

Abstract

Sustainable agricultural development in India demands innovative and institutionally supported solutions to tackle climate variability, resource depletion, and rural livelihood insecurity. Telangana State, with its predominance of small and marginal farmers and semi-arid Agro-climatic conditions, offers a crucial case study for exploring transformative pathways. This study examined the impact of innovation-driven agricultural practices and various institutional, technological, and policy interventions on sustainable inclusive and resilient agricultural development in Telangana. Data was gathered from 350 farm households across selected districts through structured surveys and key informant interviews. Descriptive statistics and regression-based econometric analysis using STATA assessed the effects of innovation adoption and institutional support on farm productivity income and resilience. Key findings revealed that innovative practices like improved seed varieties, sustainable farming methods micro-irrigation and digital advisory services significantly boosted farm productivity. Institutional interventions such as access to extension services, credit, government schemes and membership in Farmer Producer Organisations (FPOs) were crucial in translating productivity gains into higher incomes and improved livelihoods. Furthermore, the study showed that innovation adoption, coupled with crop diversification and institutional connections, significantly strengthened farmers' resilience to climate and market shocks. Overall, the research concludes that sustainable agricultural transformation in Telangana is best achieved through an integrated systems-based approach that aligns technological innovation with robust institutions and inclusive policy frameworks. These insights are valuable for policymakers aiming to promote long-term agricultural sustainability inclusiveness and resilience in climate-vulnerable regions.

Keywords: Sustainable agriculture; Innovation-driven development; Farmer Producer Organisations; Agricultural resilience; Institutional interventions; Telangana State

1. Introduction

Agriculture remains a cornerstone of India's economy and rural livelihoods, yet its long-term sustainability faces increasing scrutiny due to mounting environmental pressures resource constraints and persistent socio-economic inequality (Brundtland Commission, 1987; Sachs, 2015). Telangana State, characterised by a significant portion of small and marginal farms semi-arid Agro-climatic zones and pronounced inter-district disparities exemplifies this dual challenge: boosting productivity while safeguarding ecological and social resilience (World Bank, 2020). In this context innovation emerges as a crucial driver not only for incremental yield gains but also for reconfiguring production systems institutions and value chains to foster inclusive and resilient agricultural development (Geels, 2011; Mazzucato, 2018).

The 2030 Agenda recognised innovation as a key enabler for achieving the Sustainable Development Goals including those pertinent to agriculture food security and climate action (United Nations, 2015). Recent empirical research further indicated that technological advancements such as improved seed varieties micro-irrigation digital advisory services and climate-smart practices can enhance resource-use efficiency and minimise environmental impact when implemented within suitable socio-institutional frameworks (OECD, 2019; FAO, 2022). However technology alone rarely achieves equitable outcomes. Without robust institutions accessible finance and participatory governance innovation risks perpetuating existing inequalities by favouring better-endowed farms and regions (Heeks Foster & Nugroho, 2014; Stiglitz, 2017).

Consequently, scholarship has shifted from a narrow focus on technological change to an integrated view of innovation as socio-technical and institutional. This process unfolds through interactions among actors norms markets and public policy (Geels, 2011; Scoones et al., 2020). The multi-level perspective emphasises how niche experiments like precision farming pilots can scale and reorient dominant regimes only when policy market incentives and social acceptability align (Geels, 2002; Markard Raven & Truffer, 2012). This theoretical shift is particularly relevant to Telangana where mission-oriented public programmes and state-level initiatives have aimed to mainstream sustainable practices. However outcomes have varied across districts due to differences in institutional capacity and farmer access to services (NABARD, 2021; World Bank, 2020).

Innovative frameworks that prioritise inclusivity ensure innovations are accessible and beneficial to marginalised groups like women smallholders and socially disadvantaged farmers. This is crucial for equitable rural development (Heeks et al., 2014; George, McGahan, & Prabhu, 2012). In India, Farmer Producer Organisations (FPOs) cooperatives and other collective forms have been promoted to overcome scale and market access challenges. This facilitates collective technology adoption and strengthens bargaining power (Shiferaw, Hellin, & Muricho, 2011; Trebbin, 2014). Recent state-level studies indicate FPOs can effectively connect smallholders to inputs credit and markets. However their success hinges on governance capacity building and sustained policy support (NABARD, 2021; Singh, Chand, & Birthal, 2022).

Resilience has become a key organising principle in agricultural policy and research. This concept encompasses the ability of farming systems to absorb shocks adapt to changing conditions and transform as needed. Given the challenges posed by climate variability groundwater depletion and market volatility resilience has become particularly important in Telangana's semi-arid landscapes. Research demonstrates that resilience-enhancing measures such as crop diversification water-saving irrigation technologies and improved access to timely market and weather information are most effective when combined with institutional support like extension services and insurance schemes. These findings are supported by studies from the FAO (2022) and the World Bank (2021).

While there's growing recognition of these connections, empirical knowledge about how technological, institutional and policy innovations interact in specific regional contexts to create co-benefits like productivity equity and resilience remains limited. Many studies either treat

technologies in isolation or rely on national aggregates that obscure local differences (Scoones et al., 2020; OECD, 2019). This study aims to address this gap by empirically examining innovation-led pathways in Telangana State. Using household survey data and institution-level information, it assesses how innovation adoption and institutional connectivity jointly influence productivity income and resilience outcomes. By situating technological change within institutional and policy frameworks, the paper seeks to identify practical pathways for making agricultural development in Telangana more sustainable inclusive and resilient.

2. Review of Literature

Over the last half decade, scholarship on agricultural sustainability has moved decisively from treating innovation as a narrow set of farm technologies to viewing it as a socio-technical and institutional process that must integrate technologies, governance, markets, and social inclusion to deliver resilient outcomes (Geels, 2011). Large syntheses and policy reports emphasize that productivity, environmental stewardship, and equity must be measured together when appraising innovations; single-axis evaluations (e.g., yield only) risk overlooking trade-offs and distributional consequences (Bathaei, 2023; FAO, 2022).

Recent systematic reviews of precision and “smart” agriculture highlight rapid technical progress. This includes remote sensing sensor networks and decision-support systems providing fine-grained interventions that reduce inputs and boost efficiency. However, these reviews also identify persistent barriers to smallholder adoption. These include high costs interoperability issues and inadequate service models for low-income areas. To achieve widespread sustainability gains precision approaches need interoperable standards public-private partnerships and business models that lower entry costs for small farms (Cisternas et al., 2020; related reviews).

Parallel reviews of digital advisory services reveal promising improvements in farmer knowledge and practice change, yet they show limited, consistent evidence on environmental or long-run resilience impacts. Scoping reviews find that digital tools often produce “practice change” (short-term management adjustments) but that impacts on income, resource use, or risk management depend heavily on complementary supports training, credit, aggregation, and trusted institutional intermediaries (Porciello et al., 2022). This points to the necessity of pairing digital innovation with institutional innovation.

Climate-Smart Agriculture (CSA) syntheses emphasize mixed adoption and outcomes: while individual CSA practices (micro-irrigation, conservation agriculture, weather advisories) can enhance resilience and sometimes yield, adoption is constrained by transaction costs, unclear incentive structures, and fragmented policy packages. Recent systematic studies recommend locally adapted CSA bundles, financing mechanisms that lower upfront costs, and clearer policy coordination to scale CSA benefits (systematic CSA reviews 2022–2024). The overarching message is that CSA succeeds when technologies are embedded in supportive institutional and financial arrangements.

Agroecology reviews contribute a complementary evidence stream, showing substantive biodiversity and resilience benefits where agroecological transitions are pursued; however, reviewers note the difficulty of generating comparable, rigorous outcome metrics across studies.

Consequently, many agroecology syntheses call for mixed-methods and participatory evaluation frameworks to capture social, ecological, and livelihood co-benefits and trade-offs more accurately (Sachet, 2021; Galt, 2024). These methodological recommendations echo broader calls for standardized sustainability indicators.

Institutional innovation particularly the rise and scaling of Farmer Producer Organisations (FPOs) and cooperative models features centrally in several recent reviews of inclusive agricultural change. Government and donor reports and academic syntheses of the Indian experience find that FPOs can improve market access, reduce transaction costs, and facilitate collective investment in technologies, yet many FPOs struggle with governance, capitalization, and sustained market linkages. Reviews urge long-term capacity building, performance monitoring, and policies that align incentives for both collective action and commercial viability

Cross-cutting meta-analyses consistently highlight the importance of complementarity. Studies examining single interventions in isolation, such as digital advisory alone or micro-irrigation alone, often report modest or context-specific effects. Conversely, bundled interventions like digital advisory combined with credit and collective marketing or CSA technologies paired with extension and subsidies yield more robust and lasting productivity, income and resilience outcomes (FAO, OECD, recent meta-analyses). This synthesis has practical policy implications. Scaling requires integrated packages and delivery architectures that minimise transaction costs for smallholders.

A second major theme in the recent review literature is the significance of context and sub-national heterogeneity. Global and national syntheses frequently warn that aggregate results obscure substantial differences across Agro-climatic zones institutional capacities and market access conditions. Review authors therefore advocate for more place-based, state or district-level studies to inform targeted policy design. This observation is particularly relevant for diverse Indian states like Telangana (Bathaei, 2023; OECD, 2019).

Methodologically, reviews critique the predominance of cross-sectional studies and the relative scarcity of longitudinal, experimental, or quasi-experimental research that can establish causal pathways—especially for resilience outcomes that unfold over time. Reviewers recommend standardized outcome metrics (productivity, environmental indicators, income distribution, resilience indices) and mixed-methods designs to link quantitative effect estimates with qualitative mechanisms and governance dynamics (systematic reviews across domains).

These recent reviews collectively suggest a clear research agenda. It calls for empirical studies that assess integrated innovation packages encompassing technical, institutional and financial elements. These studies should measure multiple outcomes using standardised indicators and employ longitudinal or quasi-experimental designs to identify causal effects. Furthermore, the focus should be on sub-national contexts to inform policy. For Telangana and similar regions, the literature highlights a pressing need for place-based evaluations. These evaluations should test whether FPOs digital tools and CSA technologies, when delivered as coordinated packages, lead to sustained equitable and resilient benefits for small and marginal farmers.

3.Objectives and Research Questions

3.1 Objectives

- I.To examine the role of innovation-driven agricultural practices in promoting sustainable and inclusive agricultural development in Telangana State.
- II.To assess the impact of institutional, technological, and policy interventions on farm productivity, resilience, and livelihoods of small and marginal farmers in Telangana.

3.2 Research Questions

- I.How did the adoption of innovation-driven agricultural practices influence sustainable and inclusive agricultural development in Telangana State?
- II.What impact did institutional, technological, and policy interventions have on farm productivity, resilience, and livelihoods of small and marginal farmers in Telangana?

4. Methodology

This mixed-methods study explored the impact of innovation-driven agricultural practices and institutional interventions on sustainable and inclusive development in Telangana State. By combining quantitative and qualitative approaches, it comprehensively assessed productivity, livelihoods and resilience outcomes while also examining institutional and policy dynamics influencing innovation adoption. The quantitative analysis utilised econometric techniques on household-level data, complemented by key informant interviews and field observations in the qualitative component.

4.1 Study Area

The study was conducted in Telangana State, located in south-central India, which is characterized by semi-arid Agro-climatic conditions, high dependence on monsoon rainfall, and a predominance of small and marginal farmers. Agriculture in the state exhibits significant spatial diversity in terms of cropping patterns, irrigation access, and levels of technological adoption.

To capture this heterogeneity, agriculturally significant districts representing different Agro-climatic zones were selected from northern, central, and southern regions of the state. These districts reflected variations in irrigation intensity, crop composition, institutional presence, and exposure to innovation-led agricultural initiatives. The focus on Telangana provided a relevant context for analyzing innovation-driven sustainability in a climate-vulnerable and institutionally evolving agrarian economy.

4.2 Study Period

The primary data collection for the study was carried out over a six-month period from June 2024 to June 2025. This period allowed sufficient time for field surveys, key informant interviews, validation of responses, and compilation of complementary secondary data. Secondary data were collected (2014-2024) concurrently from official reports, policy documents, and published sources to support the empirical analysis.

4.3 Sampling Technique and Sample Size

A multistage sampling technique was employed for the selection of respondents. In the first stage, districts were purposively selected based on agricultural importance and exposure to innovation and institutional interventions. In the second stage, mandals and villages were randomly selected from each district. In the final stage, farm households were selected using stratified random sampling to ensure adequate representation of small and marginal farmers. The final sample comprised 350 farm households, which was considered adequate for statistical analysis and regression estimation.

4.4 Data Sources

4.4.1 Primary Data

Primary data were collected through structured household surveys administered to farmers. The survey instrument captured information on demographic characteristics, farm structure, adoption of innovation-driven agricultural practices, access to institutional and policy support, productivity levels, income, and resilience indicators. In addition, key informant interviews were conducted with agricultural extension officials, Farmer Producer Organisation (FPO) representatives, and local policymakers to gain insights into institutional functioning and policy implementation.

4.4.2 Secondary Data

Secondary data were obtained from government publications, agricultural statistics, policy documents, and reports from national and international organizations. Peer-reviewed journal articles and working papers were also reviewed to contextualize the findings.

4.5 Variables of the Study

The study examined the relationship between innovation-driven agricultural practices, institutional and policy interventions, and agricultural outcomes in Telangana State. Based on the research objectives and analytical framework, the variables were classified into independent, dependent, and control variables.

4.6 Independent Variables

The independent variables comprised innovation-driven agricultural practices and institutional and policy interventions.

Innovation-driven agricultural practices included the adoption of improved or high-yielding seed varieties, use of sustainable farming practices such as soil conservation measures, integrated pest management, and organic inputs, adoption of micro-irrigation technologies, and use of digital and mobile-based agricultural advisory services.

Institutional and policy interventions included access to agricultural extension services, membership in Farmer Producer Organisations (FPOs), access to institutional credit, and participation in government agricultural support schemes such as input subsidies and crop insurance programs.

4.7 Dependent Variables

The dependent variables represented agricultural performance and development outcomes. This included farm productivity, measured through crop yield per hectare and input–output efficiency; livelihood outcomes, captured by annual farm income, employment generation, and income stability; and resilience outcomes, reflected in the ability of farmers to cope with climate and market shocks, diversification of crops and income sources, and adoption of environmentally sustainable practices.

4.8 Control Variables

To isolate the effects of innovation and institutional factors, several control variables were included in the analysis. These comprised farm size, type of irrigation (rainfed or irrigated), cropping pattern, and farmer-specific characteristics such as age, education level, and farming experience.

5. Analysis and Discussion

The empirical analysis was conducted using primary survey data collected from 350 farm households across selected districts of Telangana State. Data were analyzed using STATA 17. Both descriptive statistics and inferential econometric tools were employed to address the research objectives.

Table 1: Socio-Economic Profile of Sample Farmers(n=350)

Characteristics	Percentage (%)
Small farmers (<2 ha)	62.3
Marginal farmers (<1 ha)	27.7
Medium & large farmers	10.0
Farmers with irrigation access	58.6
Rainfed farmers	41.4
Farmers with secondary education or above	46.9
Average farming experience (years)	18.4

Source: Primary survey data, 2025.

Table 1 presents the socio-economic characteristics of the sample farmers and provides important contextual insights into the structure of agriculture in Telangana State. The dominance of small (62.3%) and marginal farmers (27.7%) indicates that nearly nine out of ten farmers operate on limited landholdings. This land fragmentation constrains economies of scale, limits risk-bearing capacity, and heightens vulnerability to climatic and market shocks. Consequently, the effectiveness of innovation-driven and institutional interventions becomes particularly critical for ensuring inclusiveness.

The presence of irrigation access among 58.6 percent of farmers suggests moderate infrastructural development, while the remaining 41.4 percent dependent on rainfed agriculture underscores continued exposure to rainfall variability. This reinforces the importance of water-efficient technologies such as micro-irrigation and climate-resilient practices. Nearly half of the farmers possessed secondary education or above, indicating reasonable human capital potential for adopting knowledge-intensive and digital innovations. Additionally, the average farming experience of 18.4 years reflects substantial experiential knowledge, which, when combined with modern innovations and extension support, can enhance sustainable agricultural outcomes.

Table 2: Adoption of Innovation-Driven Agricultural Practices(n=350)

Innovation Practice	Adoption (%)
Improved / HYV seeds	78.6
Soil testing & nutrient management	61.4
Integrated pest management	54.9
Micro-irrigation	46.3
Digital advisory services	42.0
Eco-friendly / organic inputs	38.9

Source: Primary survey data, 2025

Table 2 highlights the extent of adoption of various innovation-driven agricultural practices among sample farmers. The high adoption rate of improved or high-yielding seed varieties (78.6%) reflects the success of public-sector seed distribution systems and long-standing extension efforts. Similarly, the relatively high uptake of soil testing and nutrient management (61.4%) suggests growing awareness of balanced fertilizer use and soil health management.

However, adoption declines progressively for practices requiring higher initial investment, technical knowledge, or digital literacy. Integrated pest management (54.9%) and micro-irrigation (46.3%) recorded moderate adoption, indicating partial diffusion of sustainable and resource-conserving technologies. Digital advisory services (42.0%) and eco-friendly inputs (38.9%) showed comparatively lower adoption, pointing to constraints such as limited digital access, trust deficits, and cost considerations. This uneven adoption pattern suggests that while technological diffusion is underway, inclusiveness remains a challenge and requires targeted institutional and policy support.

Table 3: Mean Productivity by Innovation Adoption Level

Innovation Adoption Category	Yield (quintals/ha)
Low adoption	28.4
Medium adoption	35.7
High adoption	42.9

Source: Primary survey data, 2025

Table 3 demonstrates a clear and systematic relationship between innovation adoption and farm productivity. Farmers classified as low adopters recorded an average yield of 28.4 quintals per hectare, while medium adopters achieved 35.7 quintals per hectare. High adopters attained the highest productivity at 42.9 quintals per hectare, representing a substantial yield advantage.

This progressive increase in productivity indicates that innovation adoption had a cumulative effect on output. Farmers adopting multiple innovations benefited from complementarities between improved seeds, water management, and sustainable practices. The magnitude of yield differences highlights that innovation-driven agriculture significantly enhances production efficiency and supports sustainable intensification. Importantly, this pattern suggests that productivity gains are achievable even in smallholder systems when innovation packages are appropriately adopted.

Table 4: Regression Results – Impact of Innovation on Farm Productivity
 (Dependent Variable: Yield per hectare)

Variables	Coefficient	Robust Std. Error	t-value
Improved seed adoption	0.312***	0.058	5.38
Sustainable practices	0.241***	0.062	3.89
Digital advisory usage	0.198**	0.071	2.79
Micro-irrigation	0.276***	0.065	4.25
Farm size	0.143**	0.057	2.51
Farmer education	0.119**	0.052	2.29
Constant	1.872***	0.341	5.49

$R^2 = 0.52$ | F-statistic = 31.60* Notes: Robust standard errors in parentheses.

***p < 0.01, *p < 0.05

Observations = 350

Source: STATA regression output, 2025

Table 4 presents the results of the multiple linear regression analysis examining the impact of innovation-driven agricultural practices on farm productivity in Telangana State. The results indicate that all major innovation variables exerted a positive and statistically significant influence on crop yield per hectare. Improved seed adoption emerged as the most influential factor, suggesting that access to quality seed technology substantially enhanced productivity. Micro-irrigation also showed a strong positive effect, highlighting its importance in addressing water scarcity and improving input-use efficiency. Sustainable farming practices significantly increased productivity, demonstrating that environmentally sound practices can coexist with higher yields. Digital advisory services contributed positively, though with a relatively smaller magnitude, indicating that their effectiveness depends on complementary skills and institutional support. Control variables such as farm size and farmer education were also significant, implying that structural and human capital factors conditioned the productivity impacts of innovation adoption. The model explained 52 percent of the variation in farm productivity, indicating strong explanatory power and confirming the central role of innovation-driven practices in promoting sustainable agricultural development in Telangana.

Table 5: Access to Institutional and Policy Support

Institutional Support	Farmers (%)
Access to extension services	64.9
FPO membership	41.7
Access to institutional credit	57.4
Participation in government schemes	69.1

Source: Primary survey data, 2025

Table 5 provides insights into the extent of institutional and policy support available to farmers. A majority of farmers accessed government schemes (69.1%) and extension services (64.9%),

indicating strong public-sector outreach and program coverage. These interventions play a critical role in disseminating information, reducing risk, and facilitating access to inputs.

In contrast, only 41.7 percent of farmers were members of Farmer Producer Organisations (FPOs), suggesting limited penetration of collective institutional mechanisms. Given the proven role of FPOs in improving market access and reducing transaction costs, this relatively low membership indicates untapped potential. Access to institutional credit (57.4%) was moderate, reflecting ongoing challenges related to procedural complexity and collateral requirements. Overall, the table suggests that while individual-level support mechanisms are relatively widespread, collective institutional platforms require further strengthening to enhance inclusiveness and scale benefits.

Table 6: Mean Income by Institutional Access

Institutional Access	Annual Income (₹)
Non-FPO members	1,04,200
FPO members	1,67,800
Without institutional credit	96,400
With institutional credit	1,58,900

Source: Primary survey data, 2025

Table 6 clearly illustrates the income-enhancing role of institutional access. Farmers who were members of FPOs earned an average annual income of ₹1,67,800, significantly higher than non-members, who earned ₹1,04,200. This substantial income differential underscores the effectiveness of collective action in improving price realization, reducing marketing costs, and enhancing negotiating power.

Similarly, farmers with access to institutional credit earned considerably higher incomes (₹1,58,900) compared to those without credit access (₹96,400). Credit access enabled timely investment in inputs, adoption of improved technologies, and better risk management. These findings demonstrate that institutions are not merely supportive but transformative, as they enable farmers to convert productivity gains into sustainable livelihood improvements. The table reinforces the argument that inclusive agricultural development depends heavily on strengthening institutional linkages alongside technological innovation.

Table 7: Regression Results – Institutional and Policy Determinants of Farm Income
 (Dependent Variable: Log of annual farm income)

Variables	Coefficient	Robust Std. Error	t-value
Extension service access	0.224***	0.059	3.79
FPO membership	0.298***	0.064	4.66
Government scheme participation	0.187**	0.072	2.59
Institutional credit access	0.261***	0.061	4.28
Innovation adoption index	0.335***	0.058	5.77

Farm size	0.156**	0.063	2.48
Constant	2.104***	0.387	5.43

R² = 0.58 | F-statistic = 36.90*

Statistical Tool: OLS regression (robust SEs)

Source: STATA output, 2025.

Table 7 presents the multiple regression results examining the influence of institutional, technological, and policy interventions on farm income in Telangana State. The results indicate that all key institutional variables had a positive and statistically significant impact on farm income. Membership in Farmer Producer Organisations (FPOs) emerged as the most influential institutional factor, reflecting the benefits of collective marketing, improved bargaining power, and reduced transaction costs. Access to institutional credit and extension services also significantly increased farm income, underscoring the importance of financial inclusion and knowledge dissemination. Participation in government schemes showed a moderate yet significant effect, suggesting that such schemes were effective when complemented by innovation adoption. The innovation adoption index exhibited the largest coefficient, confirming that technological innovation amplified the income-enhancing effects of institutional support. The model explained 58 percent of the variation in farm income, indicating strong explanatory power.

Institutional and policy variables significantly influenced farm income. FPO membership had the strongest effect, confirming the role of collective institutions in enhancing market participation and income stability. Institutional credit and extension access further strengthened income outcomes. The innovation adoption index showed the largest coefficient, indicating strong complementarities between technology and institutions.

Table 8: Logistic Regression Results – Determinants of Farmer Resilience
(Dependent Variable: Resilience status: 1 = Resilient)

Variables	Coefficient	Std. Error	Odds Ratio
Innovation adoption index	0.641***	0.152	1.90
Crop diversification	0.512***	0.137	1.67
FPO membership	0.473**	0.189	1.61
Extension access	0.386**	0.174	1.47
Constant	-1.287***	0.326	—

Pseudo R² = 0.41 | Observations = 350

Statistical Tool: Binary Logistic Regression

Source: STATA output, 2025.

Table 8 reports the results of the binary logistic regression analysis identifying determinants of farmer resilience to climate and market shocks. The results indicate that innovation adoption significantly increased the likelihood of farmers being resilient. Farmers with higher innovation adoption were nearly twice as likely to demonstrate resilience compared to low adopters.

Crop diversification also exerted a strong positive influence, highlighting its importance as a risk management strategy. Membership in FPOs and access to extension services further enhanced resilience by improving information access, collective support, and adaptive capacity. The relatively high pseudo-R² value indicated good model fit, confirming that innovation and institutional linkages were key determinants of resilience outcomes in Telangana agriculture.

Discussion

The integrated analysis of all tables provides a comprehensive understanding of how innovation-driven agricultural practices, institutional mechanisms, and policy interventions collectively influenced sustainable, inclusive, and resilient agricultural development in Telangana State. By combining descriptive statistics with regression-based evidence, the study offers robust empirical insights that go beyond isolated outcomes and highlight systemic interactions across productivity, livelihoods, and resilience dimensions.

The descriptive tables (Tables 1–3) revealed important structural characteristics of the farming population and patterns of innovation adoption. The predominance of small and marginal farmers, alongside a substantial share of rainfed agriculture, underscored the vulnerability of Telangana's agrarian economy and the necessity for inclusive innovation strategies. Adoption rates of improved seed varieties and soil testing were relatively high, indicating effective outreach of conventional technological interventions. However, the lower adoption of digital advisory services and eco-friendly inputs pointed to persistent gaps in digital literacy, affordability, and institutional facilitation. The clear yield gradient observed across low, medium, and high innovation adopters (Table 3) demonstrated that innovation adoption translated directly into measurable productivity gains, thereby validating innovation as a cornerstone of sustainable agricultural development.

The regression results in Table 4 further strengthened these descriptive findings by providing statistical evidence of the productivity-enhancing effects of innovation-driven practices. Improved seed adoption, micro-irrigation, and sustainable farming practices emerged as highly significant determinants of crop yield, confirming that both technological and ecological innovations contributed to sustainable intensification. The positive role of digital advisory services, though comparatively smaller, highlighted the growing importance of information-based innovations when supported by farmer education and institutional access. The inclusion of control variables such as farm size and education reinforced that while structural factors matter, innovation adoption remained a key driver of productivity irrespective of farm scale.

Tables 5 and 6 shifted the focus from production to institutional access and livelihood outcomes. The descriptive evidence showed relatively high participation in government schemes and extension services but more limited membership in Farmer Producer Organisations (FPOs). Despite this, mean income comparisons revealed substantial income differentials in favour of farmers with institutional access, particularly FPO members and those with access to institutional credit. These findings illustrated that institutions played a critical mediating role, enabling farmers to convert productivity gains into higher and more stable incomes.

The econometric results in Table 7 provided rigorous confirmation of the income-enhancing effects of institutional and policy interventions. FPO membership emerged as the most influential institutional variable, reflecting the benefits of collective marketing, reduced transaction costs, and improved price realization. Access to institutional credit and extension services further strengthened income outcomes, while participation in government schemes provided complementary support. Notably, the innovation adoption index exhibited the largest coefficient, indicating strong complementarities between technological adoption and institutional support. This synergy suggests that innovation-driven agricultural development is most effective when embedded within supportive institutional ecosystems.

Table 8 extended the analysis to resilience outcomes, capturing farmers' capacity to cope with climate and market shocks. The logistic regression results showed that innovation adoption significantly increased the likelihood of farmer resilience, with high adopters nearly twice as likely to be resilient as low adopters. Crop diversification, FPO membership, and extension access also emerged as significant resilience-enhancing factors. These findings emphasized that resilience is not solely determined by risk-mitigation instruments but is deeply influenced by access to technology, knowledge, and collective institutions.

Taken together, the evidence from all tables points to a consistent and compelling conclusion: sustainable and inclusive agricultural development in Telangana is driven by the interaction of innovation, institutions, and policy support. Technological innovations improved productivity, institutional mechanisms translated these gains into livelihood improvements, and the combined effect enhanced farmers' resilience to shocks. Fragmented or single-dimensional interventions were insufficient to deliver durable outcomes. Instead, integrated innovation systems—linking technology adoption with institutional strengthening and inclusive policy frameworks—proved essential.

Overall, the synthesis of all tables underscores the need for a systems-based approach to agricultural development in Telangana. By fostering complementarities between innovation-driven practices and institutional interventions, policymakers can promote productivity growth while ensuring inclusiveness and resilience, thereby advancing long-term sustainability in the agricultural sector.

Conclusion: Key Findings

- i. The integrated analysis clearly establishes that the main outcome of the study is the confirmation that agricultural sustainability in Telangana is maximized when innovation adoption, institutional support, and policy interventions operate in synergy rather than in isolation.
- ii. The predominance of small and marginal farmers and the widespread reliance on rainfed agriculture reveal structural vulnerabilities, reinforcing the necessity of inclusive and resilience-oriented innovation strategies.

- iii. Adoption of innovation-driven practices such as improved seeds, soil testing, micro-irrigation, and sustainable farming methods generated significant and consistent productivity gains, validating innovation as a central driver of yield enhancement.
- iv. The relatively low uptake of digital advisory services and eco-friendly inputs highlights institutional and capacity constraints, indicating that technological availability alone does not ensure effective adoption.
- v. Econometric results confirm that innovation adoption remains a statistically significant determinant of crop yield even after controlling for farm size and education, demonstrating its universal relevance across farm categories.
- vi. Institutional access through extension services, government schemes, and credit mechanisms significantly improved farm incomes, showing that institutions are essential in translating productivity gains into livelihood improvements.
- vii. Membership in Farmer Producer Organisations emerged as the most influential institutional factor affecting income, reflecting the strong role of collective action in enhancing market access and price realization.
- viii. The innovation adoption index recorded the largest income effect, underscoring the core outcome that technological innovation delivers the highest returns when embedded within supportive institutional ecosystems.
- ix. Higher levels of innovation adoption significantly increased farmers' resilience to climate and market shocks, with high adopters being substantially more resilient than low adopters.
- x. Crop diversification, FPO membership, and extension access further strengthened resilience outcomes, indicating that resilience is built through integrated technological, institutional, and knowledge-based pathways.
- xi. In conclusion, the overarching outcome of the study is that a systems-based, integrated innovation framework—linking technology adoption with institutional strengthening and inclusive policy support—is essential for achieving sustainable, inclusive, and resilient agricultural development in Telangana.

The main outcome of the study is that sustainable, inclusive, and resilient agricultural development in Telangana is achieved most effectively through the synergy of innovation adoption, strong institutional support, and enabling policy interventions. Technological innovations alone improved productivity, but their impact on incomes and resilience was significantly amplified when combined with access to Farmer Producer Organisations, extension services, and institutional credit. The findings clearly demonstrate that integrated innovation systems, rather than fragmented interventions, are the key pathway for long-term agricultural sustainability in the state.

Recommendations

Based on the empirical findings of the study, the following suggestions are proposed to strengthen innovation-driven, inclusive, and resilient agricultural development in Telangana State:

- ❖ Strengthen Innovation-Oriented Extension Systems
- ❖ Agricultural extension services should be further strengthened and modernized to promote wider adoption of innovation-driven practices. Integrating traditional extension with digital advisory platforms can improve outreach, timeliness of information, and farmer decision-

making. Special emphasis should be placed on capacity building for small and marginal farmers to enhance awareness and effective use of sustainable technologies.

- ❖ Promote Inclusive Access to Agricultural Innovations
- ❖ Targeted interventions are required to ensure that resource-poor farmers can access improved seeds, micro-irrigation, and sustainable farming inputs. Expanding subsidy coverage, providing flexible financing options, and promoting community-based demonstration models can help reduce adoption barriers and improve inclusiveness.
- ❖ Strengthen Farmer Producer Organisations (FPOs)
- ❖ Given the strong impact of FPO membership on income and resilience, policies should prioritize strengthening FPOs through capacity building, professional management support, and improved access to working capital. Facilitating market linkages with agri-processors, exporters, and organized retail can further enhance the economic viability of FPOs.
- ❖ Enhance Access to Institutional Credit
- ❖ Financial institutions should simplify credit procedures and expand tailored loan products for sustainable agricultural investments such as micro-irrigation, climate-resilient seeds, and digital tools. Linking credit provision with extension services can improve effective utilization and reduce default risks.
- ❖ Integrate Climate-Resilient Agriculture into Policy Frameworks
- ❖ Climate-resilient practices such as crop diversification, water conservation, and climate-smart technologies should be mainstreamed into state agricultural policies. Region-specific strategies should be developed to address Agro-climatic vulnerabilities across different districts of Telangana.
- ❖ Promote Convergence of Government Schemes
- ❖ Greater coordination among agricultural, irrigation, rural development, and climate-related schemes is necessary to maximize impact. Convergence-based implementation can reduce duplication, enhance efficiency, and ensure that innovation adoption aligns with sustainability and livelihood objectives.
- ❖ Strengthen Monitoring and Evaluation Mechanisms
- ❖ Robust monitoring and evaluation frameworks should be established to assess the long-term impacts of innovation and institutional interventions on productivity, income, and resilience. Using standardized indicators can improve evidence-based policymaking and facilitate mid-course corrections.
- ❖ Encourage Participatory and Inclusive Policy Design
- ❖ Policymaking should actively involve farmers, particularly women and marginalized groups, in the design and implementation of agricultural innovation programs. Participatory approaches can enhance relevance, adoption, and sustainability of interventions.
- ❖ Overall, these suggestions emphasize that sustainable agricultural development in Telangana requires coordinated efforts across technology, institutions, and policy domains, with a strong focus on inclusiveness, resilience, and long-term sustainability.

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