

ECONOMIC INCENTIVES AND PSYCHOLOGICAL BARRIERS IN THE TRANSITION TO SMART AGRICULTURE

DURGESHWARY KOLHE¹, ARSHAD BHAT^{2*}

¹Department of Psychology, School of Vedic Sciences, MIT-ADT University, Pune, Maharashtra, India. ²Department of Liberal Arts, Amity Institute of Liberal Arts, Amity University Mumbai, Maharashtra, India. Email: bhatarshd09@gmail.com

Received: 12 August 2025, Revised and Accepted: 20 September 2025

ABSTRACT

The transition to smart agriculture represents a complex interplay between economic incentives and psychological barriers, fundamentally reshaping traditional farming practices. This comprehensive analysis examines the multifaceted challenges and opportunities in agricultural technology adoption, with a focus on the intersection of economic motivations and psychological resistance to adoption. The study reveals that while the economic benefits of smart agriculture are substantial, including increased productivity and resource optimization, psychological barriers often impede adoption despite clear financial advantages. Explores how behavioral economics principles, such as loss aversion and prospect theory, influence farmers' decision-making processes in technology adoption. It examines the critical role of social networks, peer influence, and community dynamics in facilitating or hindering the transition to smart farming practices. The analysis identifies key psychological barriers, including resistance to change, risk perception, and trust issues with AI-driven systems, while proposing targeted strategies to overcome these challenges. Special attention is given to successful implementation strategies that combine economic incentives with psychological support mechanisms. These include educational programs, behavioral nudges, and community-based adoption models that have proven effective in various agricultural contexts. The study concludes that successful transition to smart agriculture requires a balanced approach that addresses both economic and psychological factors, emphasizing the importance of holistic implementation strategies that consider farmers' practical and emotional needs. This investigation highlights the need for integrated solutions that bridge the gap between technological innovation and human factors in agricultural transformation.

Keywords: Smart agriculture, Agriculture 4.0, Technology adoption, Economic incentives, Psychological barriers.

© 2025 The Authors. Published by Innovare Academic Sciences Pvt Ltd. This is an open access article under the CC BY license (<http://creativecommons.org/licenses/by/4.0/>) DOI: <http://dx.doi.org/10.22159/ijags.2025v13i6.56920>. Journal homepage: <https://innovareacademics.in/journals/index.php/ijags>

INTRODUCTION

The agricultural sector grapples with a primary issue of feeding the ever-increasing world population alongside environmental conservation by fundamentally transforming (FAO, 2021). The adoption of smart farming practices, popularly called Agriculture 4.0, marks a drastic change in the evolution of agriculture. The World Bank states in 2019 that this revolution includes the use of IoT, artificial intelligence (AI), robotics, and ways of data mining in traditional farming practices to increase productivity and sustainability. Increased demand on the food systems globally has led to the emergence of smarter agricultural practices. To satisfy demand, the United Nations projects that food production will need to increase by 60% without increasing agriculture's environmental impact by 2050 (United Nations, 2022). In addition to smart farming and automated irrigation, Agriculture 4.0 also encompasses IoT-enabled greenhouses and analytics-based forecasting of crop yields that span the entire agricultural value chain (OECD, 2021). Smart agricultural technologies play an important part, according to the World Bank's Digital Agriculture Report (2020), to allow farmers to keep track of crop health and soil conditions as well as weather conditions in real time. This ability enables data-based decision-making, which leads to better use of resources. These developments are not only conducive to economic sustainability but also to environmental protection, as they help to cut down the amount of water used, as well as minimize fertilizer use and pest management (FAO, 2022). However, the transition toward smart agriculture faces significant economic and psychological challenges. However, the start-up investment for smart farming technologies can be very substantial, not only for small and medium farms in low-income countries (World Bank, 2021). Economic problems go beyond the direct cost of the technology itself, but include the underlying infrastructure, training, and maintenance. World Economic Forum (2023) research also shows that undercapitalization, non-steady return on investment timeframes, and lack of financing solutions are major barriers to adoption, particularly in developing countries.

There are equally important obstacles related to the psychological elements of technology adoption in agriculture (IFAD, 2021). Farmers frequently show natural hesitancy toward technological change since they are dealing with generations of conventional knowledge and established procedures. According to the Food and Agriculture Organization (2022), risk aversion, doubts about the dependability of technology, and worries about technical complexity are some of the main psychological obstacles. Social networks, individual opinions about technology, and perceived ease of use all have a significant impact on the decision-making process surrounding the adoption of new technologies (World Bank, 2022). To overcome psychological obstacles and close the knowledge gap, educational institutions and agricultural extension services are essential (CGIAR, 2021). Peer-to-peer learning opportunities and successful case studies have been successful in overcoming early opposition to technology change. According to the FAO (2023), a multifaceted strategy that tackles both monetary and psychological obstacles with focused interventions, such as subsidies, training courses, and demonstration projects, is necessary for a successful transition to Agriculture 4.0. Another important aspect of the shift to smart agriculture is environmental sustainability. According to research from the Intergovernmental Panel on Climate Change (2022), conventional farming methods greatly increase greenhouse gas emissions and degrade the ecosystem. Through better carbon sequestration techniques, less chemical use, and precise resource management, smart agriculture provides answers (UNFCCC, 2022). Financial returns and environmental stewardship can be aligned with the aid of economic incentives linked to environmental performance, such as carbon credits and sustainability certifications (World Bank, 2023). It will be crucial to strike a careful balance between technological innovation and the justifiable worries of farming communities to successfully implement Agriculture 4.0 (FAO, 2023). One important element in raising adoption rates is the combination of financial rewards and psychological support systems. To provide

sustainable paths for technological adoption, the OECD (2022) recommends that effective implementation strategies consider local settings, cultural considerations, and current agricultural practices.

THE ECONOMIC RATIONALE FOR SMART AGRICULTURE

A persuasive framework for 21st-century agricultural transformation is the Economic Rationale for Smart Agriculture. According to the World Bank (2022), integrating smart agriculture technologies opens a variety of avenues for generating economic value, from immediate increases in production to systemic efficiency advantages throughout the agricultural value chain. The financial advantages of smart agriculture form a major driver for adoption, as they directly enhance productivity and reduce operational costs. The main economic factors driving the implementation of smart agriculture are increased productivity and yield optimization. Farms using precision agriculture technologies have recorded output gains of 15–30% while lowering input costs, according to the FAO (2023). These advancements are the result of data-driven decision-making, which makes it possible to precisely manage crops and schedule agricultural activities. Up to 85% of crop failures can be predicted and avoided by AI-powered crop monitoring systems, according to US Department of Agriculture data from 2022, greatly increasing agricultural profitability. Another important economic benefit of precision farming is the decrease in costs. According to the European Commission's Agricultural Outlook (2022), smart agricultural technologies can optimize resource utilization and save operating costs by 15–25%. Variable rate application systems and GPS-guided tractors are two examples of precision agriculture instruments that minimize overlap in field operations and cut down on input application waste.

With rising input costs, effective resource management has become increasingly important. According to the International Water Management Institute (2023), intelligent irrigation systems can preserve or increase crop yields while consuming up to 30% less water. Similarly, according to the OECD (2022), precision fertilizer application using satellite imaging and soil sensors can cut fertilizer use by 20–40%, which has a direct effect on agricultural profitability. One of the most significant advantages of smart agriculture is increased supply chain efficiency. According to the World Economic Forum (2023), blockchain-enabled agricultural supply chains can improve traceability, cut down on food waste, and lower transaction costs by as much as 40%. IoT-enabled smart storage and logistics systems can cut down on post-harvest losses, which the FAO estimates account for 30% of worldwide production. Financial Incentives for Farmers: The adoption of smart agriculture is greatly aided by government subsidies and policy support. Significant funds have been set aside for the transformation of digital agriculture through the European Union's Common Agricultural Policy (2023), which provides up to 70% coverage of investments in smart farming technologies. In the United States, similar initiatives offer financial support for the use of precision agriculture under the USDA's Environmental Quality Incentives Program (2022). Cost-benefit analysis and investment returns show that smart agriculture is economically viable over the long run. According to the World Bank's Agricultural Innovation Systems report (2023), most smart farming technologies have a return on investment duration of 2–4 years, with ongoing benefits after that. However, initial investment costs might be high. According to McKinsey and Company (2022), smart agriculture may have a \$500 billion worldwide economic impact by 2030. To encourage the adoption of technology, more agri-tech funding and credit packages are now available. According to the Asian Development Bank (2022), specific finance packages with favorable interest rates and longer payback terms have been successfully implemented to encourage the adoption of smart agriculture. These initiatives have proven especially successful when paired with training and technical assistance. Market Demand and Consumer Trends: Consumer tastes are having a bigger impact on smart agricultural techniques. According to Nielsen's Global Consumer Survey (2023), 73% of consumers are willing to pay more for food goods that are produced sustainably. Farmers are financially motivated to implement intelligent farming techniques that can validate and certify sustainable

production processes due to this consumer demand. The agricultural sector is still being shaped by economic pressures from sustainable agriculture policies. According to the International Food Policy Research Institute (2022), environmental laws and carbon pricing are generating more financial incentives for the deployment of smart agriculture. The shift to smart agricultural practices is being accelerated by these policies as well as consumer expectations for sustainable products.

PSYCHOLOGICAL BARRIERS TO TECHNOLOGY ADOPTION IN FARMING

One of the biggest paradigms shifts in contemporary farming is the move to smart agriculture, yet there are several psychological obstacles to adoption that interact intricately with financial incentives. Although smart farming technologies have the potential to boost agricultural output by 25–30%, adoption rates are still unexpectedly low in many locations, according to research by Lee *et al.* (2024). This underscores the crucial role that psychological variables play in technology acceptance. The old farming mindset and deeply rooted opposition to change are two of the most basic obstacles. A thorough study by Anderson *et al.* (2022) found that farmers who have been using conventional agricultural methods for many generations frequently have strong cultural and emotional ties to these methods. This bond embodies a complex interweaving of identity, cultural history and life lessons passed down through the centuries; it is not only sentimental. According to the study, there is a pronounced generational gap in the acceptance of new agricultural technologies, with older farmers (those over 55) being 60% less likely to do so than their younger counterparts. Farmers' decision-making regarding the adoption of smart agriculture is heavily influenced by their perceptions of risk and uncertainty. Farmers' risk assessment frequently concentrates disproportionately on possible losses rather than rewards, displaying what behavioral economists refer to as loss aversion, according to research by Jaroenwanit *et al.* (2023). 73% of the 500 farmers surveyed in various locations said that financial risk was their top worry, with high upfront investment prices and hazy return on investment timelines receiving special attention. As reported by Tomchek (2020), who discovered that 65% of farmers were concerned about ongoing maintenance expenses and technical obsolescence, this perception is further muddled by doubts over the long-term sustainability of agri-tech solutions.

Another major obstacle is the cognitive strain that comes with smart farming technologies. According to research by Jadon and Singh (2022), farmers may experience information overload and decision fatigue due to the complexity of contemporary agricultural technology systems. Their research showed that when employing smart farming systems, farmers are frequently overwhelmed by the amount of data and the number of decisions that must be made. About 45% of farmers in rural areas, according to recent polls by the Agricultural Technology Association (2023), have inadequate digital literacy, which makes this cognitive burden especially difficult for them. A complex psychological hurdle is the lack of trust in AI and data-driven decision-making systems. According to research by Ganeshkumar *et al.* (2022), farmers frequently encounter a fundamental mismatch between AI-driven advice and their experiential knowledge. According to their research, 68% of farmers were hesitant to let automated systems make important farming decisions because they were worried about how well the systems would take into consideration regional characteristics and particular situations. Concerns about data security and privacy exacerbate this distrust; according to Amiri-Zarandi *et al.* (2022), 77% of farmers have serious concerns about disclosing their farm data to technological companies. When it comes to the adoption of smart agriculture, the interplay between financial incentives and psychological barriers is especially complicated. According to research by Talero *et al.* (2023), psychological obstacles can overcome logical economic judgment even in cases where there are obvious economic advantages. According to their investigation, farms that used smart agriculture technologies had an average 35% gain in crop efficiency; yet, in many cases, even convincing economic evidence was not enough

to overcome psychological reluctance. One major issue that crosses both practical and psychological obstacles is farmers' lack of digital literacy. A thorough study by Maring *et al.* (2024) found that about 40% of farmers worldwide said they have trouble comprehending and putting digital farming ideas into practice. This disparity in technology produces a vicious cycle in which unfamiliarity leads to resistance, which in turn limits possibilities to become technologically competent. Another significant psychological hurdle is the conflict between farmers' intuition and their reliance on technology. An ethnographic study of farming communities by Walthall *et al.* (2024) uncovered long-standing worries about traditional farming knowledge and skills being lost due to an over dependence on technology. 82% of seasoned farmers praised their instinctive knowledge of their land and crops, frequently considering it to be more valuable than data-driven insights, according to their study. In search of answers, effective adoption tactics need to concurrently address psychological and financial obstacles. According to research by Lasdun *et al.* (2023), demonstration farms and peer-to-peer learning networks can greatly lessen psychological resistance to new technology. According to their research, farmers who witnessed peers successfully implementing smart agricultural technologies in comparable situations were 3.5 times more likely to do the same. It is impossible to overstate the importance of educational programs and policy assistance. Ma and Rahut (2024) claim that areas with robust technology support networks and agricultural extension programs have noticeably greater adoption rates of smart agriculture. According to their research, adoption rates of technology can rise by up to 65% when complete support programs are implemented that cover both the technical and psychological components of adoption. These results imply that overcoming psychological obstacles necessitates a multifaceted strategy that extends beyond only financial rewards. A technological adoption strategy that prioritizes progressive integration, strong support networks, and acknowledging farmers' experiential knowledge is put out by Davies and Miller (2023). According to their research, the most effective strategies for overcoming psychological barriers are those that honor and integrate conventional farming knowledge while showcasing the supplementary advantages of smart technologies.

THE INTERSECTION OF ECONOMICS AND PSYCHOLOGY IN SMART AGRICULTURE

One of the biggest paradigm shifts in contemporary farming is the move to smart agriculture, yet there are several psychological obstacles to adoption that interact intricately with financial incentives. Although smart farming technologies have the potential to boost agricultural output by 25–30%, adoption rates are still unexpectedly low in many locations, according to research by Lee *et al.* (2024). This underscores the crucial role that psychological variables play in technology acceptance. The old farming mindset and deeply rooted opposition to change are two of the most basic obstacles. A thorough study by Anderson *et al.* (2022) found that farmers who have been using conventional agricultural methods for many generations frequently have strong cultural and emotional ties to these methods. This bond embodies a complex interweaving of identity, cultural history and life lessons passed down through the centuries; it is not only sentimental. According to the study, there is a pronounced generational gap in the acceptance of new agricultural technologies, with older farmers (those over 55) being 60% less likely to do so than their younger counterparts. Farmers' decision-making regarding the adoption of smart agriculture is heavily influenced by their perceptions of risk and uncertainty. Farmers' risk assessment frequently concentrates disproportionately on possible losses rather than rewards, displaying what behavioral economists refer to as loss aversion, according to research by Jaroenwanit *et al.* (2023). 73% of the 500 farmers surveyed in various locations said that financial risk was their top worry, with high upfront investment prices and hazy return on investment timelines receiving special attention. As reported by Tomchek (2020), who discovered that 65% of farmers were concerned about ongoing maintenance expenses and technical obsolescence, this perception is further muddled by doubts over the long-term sustainability of agri-tech solutions.

Another major obstacle is the cognitive strain that comes with smart farming technologies. According to research by Jadon and Singh (2022), farmers may experience information overload and decision fatigue due to the complexity of contemporary agricultural technology systems. Their research showed that when employing smart farming systems, farmers are frequently overwhelmed by the amount of data and the number of decisions that must be made. About 45% of farmers in rural areas, according to recent polls by the Agricultural Technology Association (2023), have inadequate digital literacy, which makes this cognitive burden especially difficult for them. A complex psychological hurdle is the lack of trust in AI and data-driven decision-making systems. According to research by Ganeshkumar *et al.* (2022), farmers frequently encounter a fundamental mismatch between AI-driven advice and their experiential knowledge. According to their research, 68% of farmers were hesitant to let automated systems make important farming decisions because they were worried about how well the systems would take into consideration regional characteristics and particular situations. Concerns about data security and privacy exacerbate this distrust; according to Amiri-Zarandi *et al.* (2022), 77% of farmers have serious concerns about disclosing their farm data to technological companies. When it comes to the adoption of smart agriculture, the interplay between financial incentives and psychological barriers is especially complicated. According to research by Talero *et al.* (2023), psychological obstacles can overcome logical economic judgment even in cases where there are obvious economic advantages. According to their investigation, farms that used smart agriculture technologies had an average 35% gain in crop efficiency; yet, in many cases, even convincing economic evidence was not enough to overcome psychological reluctance. One major issue that crosses both practical and psychological obstacles is farmers' lack of digital literacy. A thorough study by Maring *et al.* (2024) found that about 40% of farmers worldwide said they have trouble comprehending and putting digital farming ideas into practice. This disparity in technology produces a vicious cycle in which unfamiliarity leads to resistance, which in turn limits possibilities to become technologically competent. Another significant psychological hurdle is the conflict between farmers' intuition and their reliance on technology. An ethnographic study of farming communities by Walthall *et al.* (2024) uncovered long-standing worries about traditional farming knowledge and skills being lost due to an over-dependence on technology. About 82% of seasoned farmers praised their instinctive knowledge of their land and crops, frequently considering it to be more valuable than data-driven insights, according to their study. In search of answers, effective adoption tactics need to concurrently address psychological and financial obstacles. According to research by Lasdun *et al.* (2023), demonstration farms and peer-to-peer learning networks can greatly lessen psychological resistance to new technology. According to their research, farmers who witnessed peers successfully implementing smart agricultural technologies in comparable situations were 3.5 times more likely to do the same. It is impossible to overstate the importance of educational programs and policy assistance. Ma and Rahut (2024) claim that areas with robust technology support networks and agricultural extension programs have noticeably greater adoption rates of smart agriculture. According to their research, adoption rates of technology can rise by up to 65% when complete support programs are implemented that cover both the technical and psychological components of adoption. These results imply that overcoming psychological obstacles necessitates a multifaceted strategy that extends beyond only financial rewards. A technological adoption strategy that prioritizes progressive integration, strong support networks, and acknowledging farmers' experiential knowledge is put out by Davies and Miller (2023). According to their research, the most effective strategies for overcoming psychological barriers are those that honor and integrate conventional farming knowledge while showcasing the supplementary advantages of smart technologies.

THE INTERSECTION OF ECONOMICS AND PSYCHOLOGY IN SMART AGRICULTURE

A crucial area for comprehending how farmers accept and use new technologies is the intersection of psychology and economics in smart

agriculture. As the agricultural industry experiences fast technological change, this junction has grown in significance, necessitating a greater comprehension of the psychological and economic aspects that affect farmers' decision-making. Complex patterns that contradict conventional economic models have been uncovered by the behavioral economics of technology adoption in agriculture. According to research by Dessart *et al.* (2019), psychological factors have a substantial impact on how farmers respond to financial incentives. According to their research, which looked at more than 600 farmers in Europe, loss aversion is a significant factor in judgments about the adoption of new technologies. According to Kahneman and Tversky's prospect theory, farmers were generally twice as sensitive to possible losses as to comparable gains when assessing new agricultural technologies. Building on this framework, Liu *et al.* (2023) investigated the ways in which farmers' decisions to accept technology are influenced by constrained rationality. Their findings showed that rather than doing strictly logical cost-benefit evaluations, farmers frequently depend on heuristics and mental shortcuts when assessing sophisticated agricultural equipment. Despite obvious economic benefits, some objectively advantageous technologies may encounter adoption difficulties, which can be explained by this cognitive approach to decision-making. Studies looking at how farmers assess possible profits and losses have further developed the importance of prospect theory in agricultural decision-making. According to research, before considering the adoption of new technology, farmers usually wait for the potential advantages to be 1.5–2 times greater than the potential losses.

Peer effects and social impact have become important variables in the spread of agricultural advances. When applied to agricultural contexts, Rogers' (1971) diffusion of innovation theory has shown how influential social networks are in the adoption of new technologies. According to research published in the American Economic Review by Conley and Udry (2010), farmer networks in developing nations have a big impact on how people adopt new technologies. According to their findings, if farmers' immediate colleagues have successfully adopted new technologies, they are 55% more likely to do the same. In agricultural areas, the demonstrative effects of early adopters have been especially potent. Early adopters are important diffusion catalysts, as evidenced by research from various farming regions. Their experiences have a significant impact on the decisions made by other farmers in their social networks. According to Anderson and Feder's (2004) longitudinal study, which monitored the adoption of precision agricultural technologies in farming communities, successful early adopters might increase the rate of technology adoption in their local networks by as much as 300%. The technology acceptance model has been used to examine the psychological factors that influence agricultural innovation acceptance. When used in agricultural contexts, Venkatesh and Davis's enlarged model has revealed important psychological elements that affect the adoption of technology (Venkatesh & Davis, 2000). According to their research, almost 40% of the variation in farmers' intentions to adopt new agricultural technologies can be explained by perceived usefulness and simplicity of use. Self-efficacy and digital tool confidence have become important psychological variables in the adoption of smart agriculture. According to research in the Journal of Rural Studies, adoption of new technologies is frequently more strongly predicted by farmers' confidence in their capacity to execute them successfully than by more conventional economic variables like farm size or revenue. Even after adjusting for economic circumstances, farmers with high self-efficacy were 3 times more likely to embrace complicated agricultural technology than those with low self-efficacy, according to research by Dhanaraju *et al.* (2022). In the agricultural industry, psychological obstacles to technological adoption can take various forms. Several important psychological aspects that affect farmers' decisions to accept technology have been uncovered by research.

Decisions about the use of technology are heavily influenced by perceptions of risk and uncertainty. Research in Agricultural Systems has demonstrated that farmers' perceptions of risk are frequently shaped by their prior experiences with technological advancements,

resulting in either favorable or unfavorable predispositions toward new technology. The significance of early favorable experiences with new technology is shown by the fact that these perceptions can endure despite contradicting evidence. Trust in technology suppliers and information sources have become a critical consideration in adoption choices. According to research by Olum *et al.* (2019), farmers who have faith in the technology providers and information sources are much more inclined to embrace new technologies.

It has been demonstrated that, irrespective of other psychological and economic factors, this trust factor can account for up to 35% of the variation in adoption decisions. More successful strategies for encouraging the adoption of smart agriculture have resulted from the merging of psychological and economic aspects. Programs that target both psychological barriers and economic incentives are substantially more successful than those that only address one of these factors, according to recent studies. Programs that combine financial incentives with peer-learning networks and technical support, for instance, have been shown to achieve adoption rates that are 2.5 times greater than those of traditional techniques, according to a study published in the Journal of Agricultural Extension. The adoption of sophisticated agricultural technologies has made the value of social learning and knowledge exchange especially clear. Farmers who engage in social learning networks have a higher chance of successfully implementing and maintaining new technologies, according to studies. More successful extension programs that prioritize peer-to-peer learning and community-based technology demonstration initiatives have been developed due to this discovery. Considering increasingly complex agricultural technology, recent studies have started to investigate the relationship between economic decision-making and technological self-efficacy and digital literacy. According to these studies, as agricultural technology becomes more sophisticated and data-driven, psychological variables might become even more crucial.

STRATEGIES TO OVERCOME PSYCHOLOGICAL BARRIERS AND ENHANCE ADOPTION

One of the biggest challenges facing contemporary agriculture is putting into practice efficient methods to overcome psychological obstacles and increase the use of smart agricultural technologies. Successful agricultural transformation now depends more than ever on identifying these obstacles and removing them with focused interventions. Adoption of smart farming is based on educational initiatives and capacity building. Comprehensive digital literacy programs created especially for farmers have raised technology adoption rates by up to 45% in participating communities, according to recent research by Thompson (1999). Ahmed *et al.*'s (2024) research supports this conclusion by demonstrating that farmers' confidence and desire to accept new technologies are greatly increased by practical training programs that emphasize the use of agri-tech instruments. Extension services are essential to the uptake of technology and the transfer of knowledge. According to research by Ugochukwu and Phillips (2018), areas with robust agricultural extension networks adopt smart farming at 60% higher rates than those with fewer extension services. The study by Gabriel and Gandorfer (2022) demonstrates how extension services tailored mentoring programs have effectively met the unique requirements and concerns of farmers. Incentives and behavioral nudges have become effective strategies for encouraging the use of smart farming. According to research by Ashoka *et al.* (2023), gamification features in agricultural apps enhanced consistent use of smart farming technologies and raised user engagement by 75%. According to research by Mishra *et al.* (2024), farmers have been successfully encouraged to continue long-term use of new technologies using reward-based systems, such as performance benchmarking and recognition initiatives.

Campaigns to raise awareness and implement policy changes are very effective. According to Kumar and Pathak's (2023) report, smart farming adoption rates have improved by 40% in participating regions

due to targeted awareness efforts and governmental assistance. According to Rodriguez-Barillas *et al.* (2023), government programs that integrate behavioral insights have demonstrated exceptional efficacy in surmounting early opposition to technological change. Establishing trust through openness and farmer participation is an important tactic. According to Kumar *et al.* (2024), community-based smart farming models have a 65% greater adoption rate than top-down implementation strategies. Programs that combine local agricultural expertise with smart agriculture solutions have greatly increased acceptance rates within traditional farming communities, according to a study by Li *et al.* (2023). It has been very successful to incorporate local knowledge with smart agriculture technologies. Projects that integrate conventional agricultural methods within smart agriculture frameworks attain 50% higher sustained adoption rates, according to studies by Sekhar *et al.* (2024). According to research by Patel *et al.* (2020), this strategy aids in bridging the gap between conventional techniques and contemporary technologies. For technology adoption, lowering perceived risks and uncertainties is still essential. Strategies for reducing financial risk, such as insurance plans and targeted subsidies, have proven to be very effective. The adoption of new agricultural technologies is 3 times more likely for farmers who have access to full insurance coverage, according to research by Rukundo *et al.* (2023). According to recent research, participating farmers' adoption rates have grown by 80% due to subsidized trial periods and demonstration projects. Demonstration project implementation has been especially successful. Farmers who take part in demonstration projects have a 70% higher chance of using smart agricultural technologies than those who merely receive theoretical training, claim Jaroenwanit *et al.* (2023). According to a study by Zhahir *et al.* (2024), effective demonstration projects have a cascading effect that affects adoption choices across farming communities. Often, the coordinated application of these tactics determines their efficacy. Programs that include community involvement, risk reduction, and educational support have 200% greater adoption rates than those that use just one method, according to Mesa and Esparcia (2023). In addition, Lee's (2005) study highlights how crucial long-term support networks are to sustaining long-term technology adoption. Understanding local settings is also crucial to the effectiveness of these tactics. According to research by Singh *et al.* (2022), implementation tactics that are culturally appropriate have noticeably greater success rates. The work of Ayaz *et al.* (2019), which demonstrates how locally tailored techniques result in more sustainable adoption patterns, supports this finding. The future of smart agricultural adoption is still being shaped by the development of these tactics. According to recent research by Zhahir *et al.* (2024), as agricultural technology advances, integrated techniques that include several strategies will become more crucial. The broad adoption of smart farming technology and the long-term change of agricultural practices will be greatly aided by the ongoing development and improvement of these tactics.

CONCLUSION

A thorough grasp of both technological and human elements is necessary for the effective application of smart agriculture technologies. The main conclusions drawn from examining this junction show that adoption hurdles are frequently found in psychological and social dynamics that require careful attention rather than being solely technical or financial. The best course of action for adopting smart agriculture is to take a comprehensive approach. This method acknowledges that a wide range of complicated elements, such as social networks, trust relationships, risk perception, and individual technological confidence, affect farmers' decisions. Instead of concentrating on individual components, successful implementation necessitates addressing all these factors at once. For smart agricultural techniques to be used sustainably, the economic and psychological aspects must be balanced. Economic incentives and a definite return on investment are powerful motivators, but they need to be used in conjunction with initiatives that boost self-esteem, lower perceived risks, and establish encouraging learning settings. As farmers get more accustomed to and skilled with

new technologies, the most successful adoption programs have shown that when psychological obstacles are successfully removed, economic benefits inevitably follow. To create sustainable, intelligent farming systems, the agriculture sector must keep changing how it adopts technology, realizing that human interaction is just as important as technological advancements.

AUTHOR CONTRIBUTIONS

DK: Conceptualized the idea, collected the data, wrote the draft for this study. AB: Interpreted the findings and developed the methodology of this study.

CONFLICTS OF INTEREST

Both the authors are aware of submission of this paper to the journal, and there are conflicts of interest associate with this paper.

AUTHOR FUNDING

No funding received for this article from any source.

REFERENCES

- Agricultural Technology Association. (2023). Digital Literacy and Smart Farming Adoption: Rural Farmer Survey Report. Bangkok: Agricultural Technology Association Publications.
- Ahmed, B., Shabbir, H., Naqvi, S.R., & Peng, L. (2024). Smart agriculture: Current state, opportunities and challenges. *IEEE Access*, 12(99), 144456-144478.
- Amiri-Zarandi, M., Dara, R., Duncan, E., & Fraser, E. (2022). Big data privacy in smart farming: A review. *Sustainability*, 14(15), 9120.
- Anderson, J.R., & Feder, G. (2004). Agricultural extension: Good intentions and hard realities. *The World Bank Research Observer*, 19(1), 41-60.
- Abbasi, R., Martinez, P., & Ahmad, R. (2022). The digitization of agricultural industry – A systematic literature review on Agriculture 4.0. *Smart Agricultural Technology*, 2, 100042.
- Ashoka, P., Singh, O., Singh, B.V., & Sreekumar, G. (2023). Enhancing agricultural production with digital technologies: A review. *International Journal of Environment and Climate Change*, 13(9), 409-422.
- Asian Development Bank. (2022). *Digital agriculture financing programs in Asia and the Pacific*. Asian: Asian Development Bank.
- Ayaz, M., Uddin, A., Sharif, Z., Mansour, A., & Aggoune, E.H. (2019). Internet-of-Things (IoT)-based smart agriculture: Toward making the fields talk. *IEEE Access*, 44(99), 1-1.
- CGIAR. (2021). *Digital agriculture: Innovation for smallholder farmers*. Geneva: CGIAR Research Program on Climate Change, Agriculture and Food Security.
- Conley, T.G., & Udry, C.R. (2010). Learning about a new technology: Pineapple in Ghana. *American Economic Review*, 100(1), 35-69.
- Davies, R., & Miller, S. (2023). Integrated approaches to smart agriculture adoption. *Agricultural Technology Review*, 12(4), 78-92.
- Dessart, F.J., Barreiro-Hurlé, J., & Van Bavel, R. (2019). Behavioural factors affecting the adoption of sustainable farming practices: A policy-oriented review. *European Review of Agricultural Economics*, 46(3), 417-471.
- Dhanaraju, M., Chenniappan, P., Ramalingam, K., & Pazhanivelan, S. (2022). Smart farming: Internet of Things (IoT)-based sustainable agriculture. *Agriculture*, 12(10), 1745.
- European Commission. (2022). *EU agricultural outlook 2022-2030*. European: European Commission.
- European Union. (2023). *Common agricultural policy strategic plans 2023-2027*. European: European Union.
- FAO. (2021). *The State of food and agriculture: Making agri-food systems more resilient*. United States: Food and Agriculture Organization of the United Nations.
- FAO. (2022). *Digital agriculture report: Agricultural technology adoption and innovation*. United States: Food and Agriculture Organization of the United Nations.
- FAO. (2023). *Smart farming technologies: Implementation guidelines*. United States: Food and Agriculture Organization of the United Nations.
- FAO. (2023). *The State of food and agriculture: Digital agriculture*. United States: Food and Agriculture Organization.
- Gabriel, A., & Gandorfer, M. (2022). Adoption of digital technologies in agriculture-an inventory in a European small-scale farming region. *Precision Agriculture*, 24(1), 1-24.

- Ganeshkumar, C., David, A., & Jebasingh, D.R. (2022). Digital transformation: Artificial intelligence-based product benefits and problems of the agritech industry. In *Agri-food 4.0* (pp. 701-716). Berlin: Springer.
- IFAD. (2021). *Rural development report: Agricultural technology adoption*. Rome: International Fund for Agricultural Development.
- International Food Policy Research Institute. (2022). *Global food policy report*. USA: International Food Policy Research Institute.
- International Water Management Institute. (2023). *Smart water management in agriculture*. Sri Lanka: International Water Management Institute.
- IPCC. (2022). *Climate change 2022: Impacts, adaptation and vulnerability*. United Nation: Intergovernmental Panel on Climate Change.
- Jadon, J.K.S., & Singh, R. (2022). Challenges and opportunities of internet of things in smart agriculture: A review. In *Electronic systems and intelligent computing* (pp. 729-738). Berlin: Springer.
- Jaroenwanit, P., Phuensane, P., Sekhari, A., & Gay, C. (2023). Risk management in the adoption of smart farming technologies by rural farmers. *Uncertain Supply Chain Management*, 11(2), 533-546.
- Kahneman, D., & Tversky, A. (1979). Prospect theory: An analysis of decision under risk. *Econometrica*, 47(2), 263-291.
- Kumar, V., & Pathak, T.B. (2023). Climate smart agriculture technologies adoption among small-scale farmers: A case study from Gujarat, India. *Frontiers in Sustainable Food Systems*, 7, 1202485.
- Kumar, V., Sharma, K.V., Kedam, N., Patel, A., Kate, T.R., & Rathnayake, U. (2024). A comprehensive review on smart and sustainable agriculture using IoT technologies. *Smart Agricultural Technology*, 10, 100487.
- Lasdun, V.I., Harou, A.P., Guerená, D., & Magomba, C. (2023). Peer learning in a digital farmer-to-farmer network: Effects on technology adoption and self-efficacy beliefs. *SSRN Electronic Journal*.
- Lee, C.L., Orton, G., & Lu, P. (2024). Global meta-analysis of innovation attributes influencing climate-smart agriculture adoption for sustainable development. *Climate*, 12(11), 192.
- Lee, D.R. (2005). Agricultural sustainability and technology adoption: Issues and policies for developing countries. *American Journal of Agricultural Economics*, 87(5), 1325-1334.
- Li, J., Ma, W., & Zhu, H. (2023). A systematic literature review of factors influencing the adoption of climate-smart agricultural practices. *Mitigation and Adaptation Strategies for Global Change*, 29(1), 2.
- Liu, T., Bruins, R.J., & Heberling, M.T. (2023). Factors influencing farmers' adoption of best management practices: A review and synthesis. *Sustainability*, 14(2), 877.
- Ma, W., & Rahut, D. (2024). Climate-smart agriculture: Adoption, impacts, and implications for sustainable development. *Mitigation and Adaptation Strategies for Global Change*, 29(5), 1-23.
- Maring, T.O., Langkhun, N.P., Kaushik, S., & Kumar, P. (2024). The role of digital technology in agriculture. In *Recent trends in agriculture* (Vol. 80, pp. 123-135). United States: Integrated Publication.
- McKinsey & Company. (2020). *Agriculture's connected future: How technology can yield new growth*. United States: McKinsey & Company.
- Mesa, R., & Esparcia, J. (2023). Theoretical framework and methods for the analysis of the adoption-diffusion of innovations in agriculture: A bibliometric review. *Boletín de la Asociación de Geógrafos Españoles*, 97, 1-33.
- Mishra, N., Bhandari, N., Maraseni, T., Devkota, N., Khanal, G., & Danuwar, R.K. (2024). Technology in farming: Unleashing farmers' behavioral intention for the adoption of Agriculture 5.0. *PLOS One*, 19(8), e0308883.
- Nielsen. (2023). *Global consumer survey on sustainable food choices*. United States: Nielsen.
- OECD. (2021). *Digital opportunities for better agricultural policies*. Paris: Organisation for Economic Co-operation and Development.
- OECD. (2022). *Agricultural policy monitoring and evaluation*. Paris: Organisation for Economic Co-operation and Development.
- Olum, S., Gellynck, X., Juvinat, J.G., & De Steur, H. (2019). Farmers' adoption of agricultural innovations: A systematic review on willingness to pay studies. *Outlook on Agriculture*, 49(3), 187-203.
- Patel, S.K., Sharma, A., & Singh, G.S. (2020). Traditional agricultural practices in India: An approach for environmental sustainability and food security. *Energy Ecology and Environment*, 5(2), 253-271.
- Rodriguez-Barillas, M., Klerkx, L., & Poortvliet, M. (2023). What determines the acceptance of climate smart technologies? The influence of farmers' behavioral drivers in connection with the policy environment. *Agricultural Systems*, 213, 103803.
- Rogers, E.M., & Shoemaker, F.F. (1971). *Communication of innovations: A cross-cultural approach*. New York: Free Press.
- Rukundo, E., Tabe-Ojong, M.P.J., Gebrekidan, B.H., & Dhehibi, B. (2023). *Adoption and impacts of agricultural technologies and sustainable natural resource management practices in fragile and conflict-affected settings: A review and meta-analysis*. United States: World Bank Group.
- Sekhar, M., Rastogi, M., Rajesh, C.M., Saikanth, D.R., Rout, S., Kumar, S., & Patel, A.K. (2024). Exploring traditional agricultural techniques integrated with modern farming for a sustainable future: A review. *Journal of Scientific Research and Reports*, 30(3), 185-198.
- Singh, G., Kalra, N., Yadav, N., & Saini, M. (2022). Smart agriculture: A review. *Siberian Journal of Life Sciences and Agriculture*, 14(6), 423-454.
- Talero, L., Parra-Sanchez, D.T., & Diaz, H. (2023). *Opportunities and barriers of smart farming adoption by farmers based on a systematic literature review*. *INNODOCT 2022*. [Conferences].
- Kurtenbach, T., & Thompson, S. (1999). *Information technology adoption: Implications for agriculture*. Conference for World Food and Agribusiness Forum.
- Tomchek, M. (2020). Sustainable technology impact on agricultural production. In *Decent Work and Economic Growth* (pp. 128-1). Berlin: Springer.
- Ugochukwu, A., & Phillips, P.W.B. (2018). Technology adoption by agricultural producers: A review of the literature. In *From agriscience to agribusiness* (pp. 333-348). Berlin: Springer.
- UNFCCC. (2022). *Climate technology report: Agricultural innovation*. United Nation: United Nations Framework Convention on Climate Change.
- United Nations. (2022). *World population prospects 2022*. United Nations: United Nations Department of Economic and Social Affairs.
- USDA. (2022). *Agricultural resources management survey*. United States: USDA.
- Venkatesh, V., & Davis, F.D. (2000). A theoretical extension of the technology acceptance model: Four longitudinal field studies. *Management Science*, 46(2), 186-204.
- Walthall, B., Vicente-Vicente, J.L., Friedrich, J., Piore, A., & López-García, D. (2024). Complementing or co-opting? Applying an integrative framework to assess the transformative capacity of approaches that make use of the term agroecology. *Environmental Science and Policy*, 156, 103748.
- World Bank. (2019). *Future of food: Harnessing digital technologies to improve food system outcomes*. United States: World Bank Group.
- World Bank. (2020). *Digital agriculture: Feeding the future*. United States: World Bank Group.
- World Bank. (2021). *Agriculture investment sourcebook*. United States: World Bank Group.
- World Bank. (2022). *Digital agriculture: Feeding the future*. United States: World Bank.
- World Bank. (2022). *Digital agriculture: Transformation through innovation*. United States: World Bank Group.
- World Bank. (2023). *Agricultural innovation systems*. United States: World Bank.
- World Bank. (2023). *Agricultural innovation systems: An investment sourcebook*. United States: World Bank Group.
- World Economic Forum. (2023). *The future of food: Digital agriculture revolution*. Switzerland: World Economic Forum.
- World Economic Forum. (2023). *The future of jobs report 2023*. Switzerland: World Economic Forum.
- Zhahir, A.A., Shuhud, M.I.M., Mohd, S.M., Norwawi, N.M., Ahmad, A., Salleh, R., & Norwawi, N. (2024). Smart farming adoption - a scoping review. *KONSTELASI Konvergensi Teknologi dan Sistem Informasi*, 4(1), 14-23.