INTERNATIONAL JOURNAL OF IOT
(ISSN: 2692-5184)
VOL.06 ISSUE01 (2026)

Research Article

Integrating Agroforestry Economics with Blockchain-Enabled IoT Systems: A Comprehensive Framework for Sustainable Sandalwood-Based Agricultural Value Chains

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Received: 12 November 2025
Revised: 2 December 2025
Accepted: 20 December 2025
Published: 01 January 2025

Abstract

Sustainable agriculture in the twenty-first century faces a dual challenge: ensuring long-term ecological balance while simultaneously improving economic viability for farmers and rural communities. Agroforestry systems, particularly those centered on high-value tree species such as sandalwood, have emerged as a promising solution to this challenge by integrating ecological conservation with income generation. However, despite their potential, agroforestry value chains remain constrained by issues of traceability, transparency, policy misalignment, inefficient monitoring, and limited trust among stakeholders. In parallel, rapid advancements in digital technologies—specifically the Internet of Things (IoT) and blockchain—have demonstrated transformative impacts in agriculture, supply chain governance, and resource management. This research develops an integrated theoretical and conceptual framework that synthesizes agroforestry economics, sandalwood production systems, and blockchain-enabled IoT architectures to address systemic inefficiencies across the agricultural value chain. Drawing strictly from established literature on sandalwood history and markets, traditional agroforestry practices, public policy impacts, and emerging digital agriculture technologies, this article offers an extensive analytical exploration of how decentralized ledgers, smart sensing, and edge-cloud coordination can enhance sustainability, accountability, and farmer empowerment. The study adopts a qualitative, systems-oriented methodology, emphasizing descriptive analysis and interdisciplinary synthesis rather than empirical experimentation. The findings suggest that blockchain-based IoT infrastructures can significantly improve traceability, reduce transaction asymmetries, enhance policy compliance, and support long-term resource stewardship in agroforestry systems. Furthermore, the integration of these technologies aligns with broader goals of digital agricultural democratization by enabling smallholders to participate more equitably in global markets. The discussion critically examines implementation challenges, including governance complexity, energy consumption, and socio-technical adaptation, while outlining future research directions for scalable and inclusive deployment. The article concludes that the convergence of agroforestry and decentralized digital technologies represents a foundational shift toward resilient, transparent, and sustainable agricultural economies.

Keywords: Agroforestry systems, Sandalwood economics, Blockchain technology, Internet of Things, Agricultural traceability, Digital agriculture, Sustainable supply chains

INTRODUCTION

Agriculture has historically been shaped by the interaction between ecological constraints, economic imperatives, and institutional frameworks. In recent decades, this interaction has intensified due to climate variability, population growth, market globalization, and increasing demands for sustainability and transparency. Agroforestry systems—defined as land-use practices that deliberately integrate trees with crops and/or livestock—have gained renewed attention as a multifunctional approach capable of addressing environmental degradation while enhancing rural livelihoods (Viswanath et al., 2018). Among agroforestry species, sandalwood occupies a unique position due to its high economic value, cultural significance, and complex ecological requirements (Arun Kumar et al., 2012).

Despite its promise, sandalwood-based agroforestry remains constrained by fragmented governance structures, inconsistent policy enforcement, illegal harvesting, and opaque supply chains. These challenges undermine both conservation goals and farmer incentives, resulting in underutilization of the species' economic and ecological potential (Guillerme et al., 2011; Thomson, 2020). Simultaneously, the broader agricultural sector is undergoing a digital transformation driven by IoT-enabled sensing, cloud computing, and blockchain-based data management. These technologies have demonstrated substantial benefits in precision agriculture, food traceability, and supply chain transparency (Mishra et al., 2020; Bhaskar et al., 2020).

Blockchain, as a distributed ledger technology, offers immutability, decentralization, and trustless coordination, making it particularly suitable for complex agricultural ecosystems involving multiple stakeholders with divergent incentives (Chen et al., 2020). When combined with IoT architectures, blockchain can enable real-time, tamper-resistant data flows from farm-level operations to end consumers, thereby addressing long-standing issues of traceability and accountability (Tseng et al., 2020; Vangala et al., 2021). However, existing research has largely examined these technologies in isolation or within short-cycle crops and conventional food supply chains, leaving a significant gap in understanding their applicability to long-rotation agroforestry systems such as sandalwood.

This article addresses this gap by developing a comprehensive, interdisciplinary analysis that integrates agroforestry economics, sandalwood production dynamics, and blockchain-enabled IoT systems. By synthesizing insights from agricultural economics, environmental management, and digital infrastructure research, the study aims to provide a theoretically grounded framework for enhancing sustainability and transparency in sandalwood-based agroforestry value chains.

METHODOLOGY

The methodological approach adopted in this study is qualitative, integrative, and theory-driven. Rather than relying on primary empirical data or experimental validation, the research systematically analyzes and synthesizes existing literature across multiple domains, including agroforestry practices, sandalwood economics, agricultural policy, IoT architectures, and blockchain applications in agriculture. This approach is particularly suitable given the exploratory and conceptual nature of the research objective.

The first methodological step involved an in-depth examination of agroforestry systems with a focus on traditional practices, ecological functions, and socio-economic outcomes. Foundational studies on traditional agroforestry in India and other tropical regions were analyzed to understand land-use dynamics, farmer decision-making, and policy interactions (Viswanath et al., 2018; Guillerme et al., 2011). Special attention was given to sandalwood due to its unique biological characteristics, regulatory history, and market structure (Arun Kumar et al., 2012; Thomson, 2020).

The second step focused on digital agriculture technologies, particularly IoT and blockchain. Literature on smart sensing, precision agriculture, and edge-cloud task offloading was reviewed to identify architectural patterns and performance considerations relevant to long-term crop monitoring (Rana et al., 2019; Almutairi & Aldossary, 2021). Blockchain studies were examined to understand consensus mechanisms, data integrity models, and governance implications in heterogeneous and resource-constrained environments (Atlam & Wills, 2019; Tseng et al., 2020).

The final methodological phase involved conceptual synthesis, wherein insights from agroforestry and digital technology domains were integrated into a unified analytical framework. This synthesis emphasized descriptive reasoning, theoretical elaboration, and critical comparison of alternative models. Throughout the process, claims and interpretations were strictly grounded in the cited literature to ensure academic rigor and reproducibility.

RESULTS

The integrative analysis reveals several key findings regarding the potential impact of blockchain-enabled IoT systems on sandalwood-based agroforestry value chains. First, agroforestry systems inherently generate complex, longitudinal data related to tree growth, soil health, microclimate conditions, and management interventions. Traditional record-keeping methods are ill-suited to capture this complexity, leading to information asymmetries between farmers, regulators, and market actors (Viswanath et al., 2018).

IoT-based sensing technologies, including low-cost visual and environmental sensors, offer a viable solution by enabling continuous, real-time data collection at the farm level (Kamath et al., 2019). When deployed in agroforestry contexts, these sensors can monitor tree health, host species interactions, and environmental stressors over extended periods. However, without a secure and interoperable data management layer, the value of this data remains limited.

Blockchain technology addresses this limitation by providing a decentralized, tamper-resistant ledger for storing and sharing agroforestry data across stakeholders. Studies in food traceability demonstrate that blockchain can significantly enhance transparency and trust by ensuring data immutability and verifiability (Wang et al., 2021; Xie et al., 2022). Applied to sandalwood, blockchain-based traceability can document the entire lifecycle of a tree—from planting and maintenance to harvesting and processing—thereby reducing illegal trade and supporting compliance with regulatory frameworks.

Another significant finding relates to market access and value distribution. Sandalwood markets are characterized by high price volatility, information opacity, and dominance by intermediaries (Thomson, 2020). Blockchain-enabled supply chains can facilitate more direct interactions between producers and buyers, reducing transaction costs and improving price discovery. This aligns with broader theories of digital agricultural democratization, which emphasize the role of decentralized technologies in empowering smallholders (Chen et al., 2020).

DISCUSSION

The findings highlight the transformative potential of integrating blockchain and IoT technologies into agroforestry systems, but they also raise important theoretical and practical considerations. From a sustainability perspective, enhanced traceability and monitoring can support more responsible resource management by aligning economic incentives with conservation outcomes. This is particularly relevant for sandalwood, where overexploitation and illegal harvesting have historically undermined ecological stability (Arun Kumar et al., 2012).

However, the adoption of blockchain-enabled IoT systems is not without challenges. One critical issue is the energy and computational overhead associated with blockchain consensus mechanisms, which may be ill-suited to rural and resource-constrained settings (Atlam & Wills, 2019). Hybrid blockchain architectures and edge computing models have been proposed as potential solutions, but their long-term feasibility in agroforestry contexts requires further investigation (Jo et al., 2018; Almutairi & Aldossary, 2021).

Socio-technical adaptation represents another major challenge. Farmers' preferences, institutional trust, and policy environments significantly influence technology adoption in agroforestry systems (Guillerme et al., 2011). Without adequate capacity building and supportive governance frameworks, digital interventions risk exacerbating existing inequalities rather than alleviating them. This underscores the importance of participatory design and policy alignment in the deployment of digital agriculture technologies.

Future research should explore hybrid governance models that combine decentralized technological infrastructures with localized institutional oversight. Longitudinal case studies and pilot implementations in sandalwood-growing regions could provide valuable empirical insights into system performance, stakeholder behavior, and ecological outcomes.

CONCLUSION

This research demonstrates that the convergence of agroforestry economics and blockchain-enabled IoT systems offers a robust theoretical foundation for reimagining sustainable agricultural value chains. By addressing long-standing challenges related to traceability, transparency, and trust, these technologies can enhance both ecological stewardship and economic resilience in sandalwood-based agroforestry systems. While significant implementation challenges remain, particularly in terms of energy efficiency, governance, and social inclusion, the potential benefits warrant sustained scholarly and policy attention. Ultimately, the integration of decentralized digital technologies into agroforestry represents not merely a technical innovation but a structural shift toward more equitable and sustainable agricultural futures.

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