

**Hon'ble Speaker,**

1. 'ಅನ್ನವ ಕೊಟ್ಟ ಹೊಲಕೆ ನಮಿಸಿ, ಚಿನ್ನವ ಸುಲಿದ ನೆಲಕೆ ನಮಿಸಿ, ಅನ್ನದಾತ ರೈತನನ್ನು ಸ್ಮರಿಸಿ' ('Salute the land which gave food, salute the land which gave gold, remember the farmer')

It is my pleasure to present the Agriculture Budget for 2012-13. This is the second exclusively presented Agriculture Budget. The first Agriculture Budget presented last year with the intention of comprehensive development of agriculture sector and empowerment of the farmers has been widely supported and appreciated. Farmers have especially welcomed this initiative, which has greatly enhanced our enthusiasm.

ಇಕೋ ನೆಲ-ಅಕೋ ಜಲ  
ಅದರ ಮೇಲೆ ಮರದ ಫಲ  
ಮನದೊಳದೆ ಪಡೆವ ಫಲ  
ಬೆಳವಗೆ ನೆಲವೆಲ್ಲ ಹೊಲ.  
ಜಲಧಿವರೆಗು ಒಂದೆ ಕುಲ  
ಅನ್ನವೆ ಧರ್ಮದ ಮೂಲ  
ಪ್ರೀತಿಯೆ ಮೋಕ್ಷಕ್ಕೆ ಬಲ

ಇದೇ ಶೀಲ ಸರ್ವಕಾಲ // ಇಕೋ ನೆಲ....

.....ಚಿನ್ನವೀರಕಣಿ

The above lines by the great poet Sri Channaveera Kanavi reflect the tireless efforts

of the farmer who toils day and night in harsh conditions to give us food and life.

ಭೂಮಿಯೇ ದೈವ,  
 ಭೂಮಿಯೇ ತಾಯಿ,  
 ಉಳುಮೆಯೇ ಅರ್ಚನೆ,  
 ಬೆಳೆಯಾರೈಕೆ ಮಂತ್ರ,  
 ಸುಲ್ಗಿ ಫಲವೇ ದೇವರು ಕೊಟ್ಟ ವರ.

If we can understand these lines of the great poet about the faith of the farmer, we will come to know the importance of Agriculture and the Agriculturist.

2. The credit of presenting the first ever exclusive Agriculture Budget in the country goes to our Government. This new initiative has been applauded by the Members of the Planning Commission and several other states in the country. Many states have sent their representatives to understand various aspects of our Agriculture Budget and to study its implementation strategy.

3. As a result of the efforts of our Government, Agriculture sector had achieved a growth of 13.3 per cent in the year 2010-11. Because of drought conditions in 123 taluks during 2011-12, the growth in agriculture sector has come down. The main objective of our second Agriculture Budget is to make improvements in agricultural growth.

4. Agriculture is considered a life supporting activity and the source of sustenance for entire animal kingdom including human beings. Activities in industry,

commerce and business are mostly dependent on agriculture. It is not possible to think of any productive activity without agriculture. Hence, comprehensive strengthening of agriculture sector and welfare of farmers who are the patron of agriculture have been the main priorities of our Government. In this background, high priority has been accorded to agriculture, horticulture, animal husbandry, sericulture, fisheries, marketing, co-operation and water resources sectors.

### **An overview of the previous year**

5. Our state had to face natural calamities and environmental constraints during 2011-12. Despite all this, our Government has formulated several innovative schemes last year and successfully implemented them for the development of agriculture and allied sectors.

### **Drought management**

6. During the current year, though monsoon was normal initially, in the month of September and the second week of October, there was severe deficit of rainfall in the northern and inland areas. Since the deficit in rain fall was more than 20% and the dry spell continued for more than 4 weeks, the Government declared 123 taluks in 24 districts as drought- hit areas so as to provide immediate relief to the farmers.

7. Due to the dry spells, 22.36 lakh hectare of agricultural crop and 0.69 lakh hectare of horticultural crop in kharif season and 12.11 lakh hectare of agriculture crop in Rabi season suffered losses.

8. A memorandum seeking central assistance of Rs.2606 crore to tackle drought situation has been submitted to the Government of India. Central teams visited 13 districts of the State from 15 to 18<sup>th</sup> December 2011 to assess the severity of drought and losses caused to the State, and submitted reports to Union Ministry of Agriculture. The State Government is in touch with the Central Government, and their response is awaited.

9. State Government has released Rs.301 crore for various activities to tackle the drought situation. These include supply of drinking water through tankers and bore-wells, opening of 34 goshalas, purchase and storage of fodder by opening fodder banks and other relief measures. These relief measures have been taken up as per the directions of the Cabinet Sub-Committee and in consultation with the District Administration co-ordinated through video conferencing.

10. In the usual course, the production of food grains would have come down by 50% due to drought conditions. But due to various schemes implemented by the State Government throughout the State, the production has come down only by 10% compared to the production in the previous year (production during 2010-11 was 140 lakh tons, during 2011-12, it is 124 lakh tons).

## **11. Main achievements of the Agriculture Budget 2011-12**

### **Agriculture**

- In spite of drought conditions, State has achieved 92% of the targeted foodgrain production (124.24 lakh ton).

- 6.92 lakh farmers were provided assistance under the Suvarna Bhoomi Scheme.
- Bhoochethana scheme has been extended to 30 lakh hectares, and increase of 21 to 43% in yield has been achieved in areas not affected by drought.
- Seed for sowing has been distributed in excess of demand.
- Fertiliser has been supplied on time.
- For the first time in the country an integrated Agri- Business Development policy has been announced and Agriculture Investment & Food Processing Meet 2011 was organised during 1-2, December 2011. In this Meet, 62 agreements were signed for Rs.60,976 crores.
- Under the Farm Mechanisation and Agriculture Processing scheme, 765 pumpsets, 244 Agriculture Processing Units and 4500 high-tech agricultural implements have been supplied to farmers.
- Under Micro Irrigation scheme Rs.73 crore was provided, covering 43,435 hectares under sprinkler and drip irrigation units, distributed to farmers at 75% subsidy.
- Inter-action with organic farmers was held in 14 districts and organic farming has been extended to 1,18,677 hectare area. More than 65 organic farming retail units have been started; Karnataka Amruthabhumi Implementation Unit has been established to give institutional support.

- Short-term certificate and diploma courses have been started in Agriculture Universities.
- A total credit assistance of Rs.28,242 crore has been provided to agriculture sector through co-operative and commercial banks.

### **Horticulture**

- 43,783 hectares of additional area brought under micro irrigation during 2011-12.
- Organic Horticulture adopted in 19,390 hectare.
- Neera processing unit started with the DFRL and CFTRI technology at Thumbe in Dakshina Kannada.
- 3,300 acres brought under assured banana cultivation; this scheme is implemented entirely for the Scheduled Caste and Scheduled Tribe farmers.
- 28 Horticulture Information Centres started at district level to provide information in respect of horticulture and allied services.
- 5 new botanical gardens being developed in Chikkaballapura, Tumkur, Mysore, Sirsi and Kannamangala in Bangalore.
- 2 flower auction centres will be established and made functional at Chikkanahalli in Tumkur district and at Davanagere. Mango Development Centre has been started in Hogalagere farm in Kolar district.

## **Animal Husbandry**

- Incentive to milk producers at Rs.2 per litre has been given, number of milk producers increased by 11.3% and quantity of milk produced increased by 13.2%.
- Tenders have been invited for private partnership under Dhanvanthri Scheme on PPP model in 86 taluks for emergency treatment of animals.
- Construction of 583 veterinary buildings and 66 dispensaries.
- Cattle Feed Plant with a production capacity of 300 Metric Tons at Shikaripura is under progress.
- New veterinary polytechnic has been established at Konehalli in Tumkur district.
- Assistance of Rs.37.85 crore given under Amrutha scheme to widows, Devadasis and destitute women.

## **Fisheries**

- Increase of 35% in production of fishlings.
- Supply of tax-free diesel to fishermen increased to 1.15 lakh kilo liter.
- Subsidy of Re.1 per unit of electricity given to ice production units and cold storages.
- Dredging work completed in Hejamadi Kodi fishing harbour and Jetty construction work completed in Belikeri fishing harbour.

**Sericulture**

- In order to protect the interest of silk growers and to provide relief from distress sale, an assistance of Rs.30 per kg has been announced if the price of cocoon falls below Rs.160 per kg.
- Full subsidy has been provided in all pending cases of the last year in respect of such beneficiaries.

**Co-operation**

- By the end of 2011-12 total amount of loan distributed is likely to exceed Rs.6,000 crore.
- 81,555 members will be benefited under Yashaswini scheme.
- 20,201 farmers have been benefited under the support price scheme for procurement of paddy, onion and tur.

**Water resources**

- A total of 1,35,850 acres of area has been brought under irrigation facility through major and medium irrigation schemes during 2011-12. An additional extent of 16,557 hectare has been brought under minor irrigation and irrigation potential has been stabilised for 11,100 hectares of area. Modernisation of Tungabhadra Left Bank Canal and distribution canal works have been completed during the current year with an expenditure of Rs.310 crore and modernisation of Kabini Canal, Katteपुरa reservoir in Cauvery



basin is under progress. Filling up of 16 tanks and Bandaras in Bijapur district is under progress.

- Under Upper Krishna Project, work of Gutti Basavanna Scheme and Chimmalagi, Mallabad lift irrigation scheme head works and Stage-3 of Muluvad lift irrigation scheme are in progress. Drinking water projects of Gulur-Hebbur and Honnavalli have been completed and water is being released on trial basis. In Krishnarajasagar, modernisation of 16 damaged gates is completed and renovation of the remaining 6 gates is under progress.
- The ADB has submitted a technical report for improvement of integrated water resources management system and the detailed project report is under preparation. The report submitted by the Water Resources Group-2030 of the World Economic Forum is under consideration. A State-of-Art Centre has been established for water resources development.
- Latest technical equipment have been installed to measure water level in reservoirs. A Resource Centre has been established in Karnataka Neeravari Nigama.
- Rejuvenation of tanks in Chamarajanagar district and the project of filling them with Kabini river water are under progress with an outlay of Rs.212 crore.

- Action has been initiated to improve 88,800 hectare of marshy and saline lands under NABARD scheme.

### **Some Challenges:**

12. Though several steps have been taken, the condition of the farmers needs to be improved further. In this direction, the challenges that we need to face are as follows.

#### **(a) Increase in productivity in dryland and irrigated farming:**

In our State (including all seasons) 88 lakh hectares of dry land and 41 lakh hectares of irrigated land are under cultivation. In order to improve productivity in these areas it is necessary to supply adequate quantity of quality seeds, use micro-nutrients for improving soil fertility and provide information to the farmers. Besides, supplementary field extension activities are required. In this direction, providing training to farmers about innovative farming techniques is essential.

#### **(b) Modern marketing facilities for agricultural produce and remunerative prices:**

The condition of our farmers is very weak as they do not get remunerative prices for their product, even when they sweat to grow crops with great hardship. It is necessary to establish markets with transparent systems, direct procurement centres, farmer-consumer market facility and e-trading facilities. Besides, it is required to facilitate services for gradation of products and quality-certification.

**(c) Scientific support and supplementary investment:**

The farmers of our state and country need to come out of vicious circle to improve their living condition. For this, it is required to make available facilities for scientific testing at all levels (soil, quality of product and gradation etc.) and to make information available to all. Similarly, additional investment at all levels, machines and implements of the required efficiency, right technical specialists, assistance from private sector expertise are required.

**Hon'ble Speaker,**

13. I have made efforts to discuss various action-plans required to face these challenges. In this endeavour, in addition to the efforts of our officers, advice of the experts, opinions of vice chancellors of Agricultural and other Universities, advice of farmer leaders, reports and proposals submitted by different task forces and people's organisations and reports from media have been considered.

14. This Agriculture Budget of 2012-13 not only includes land and water-centred programmes, but also allocation for allied sectors. I hope that this Agriculture Budget will inspire us to conduct fruitful discussions and find solutions for overall development of the farmers of our State.

**New strategies**

15. During the last year, our main effort was to focus on tackling the serious problems in the area of agriculture. In particular, the problems of small and

marginal land holders, untimely supply of quality seeds, delay in supply of adequate fertilizers, increase in the cost of agricultural production, non- remunerative prices for agricultural produce, lack of marketing facility, added to these there was shortage of timely rainfall - while most of these factors relate to agriculture economics, the other main reason is inadequate application of appropriate technology. Moreover, these issues are not restricted to a particular department or institution, but relate to many departments of Central and State Government, NABARD and Commercial Banks for finances, and also to problems connected with supply of fertilizers and seeds.

16. In the Agriculture Budget last year, while giving attention to the points mentioned above, we formulated various schemes to tackle them, and accorded priority to value addition in the area of agriculture. All the stake holders in the field of agriculture wholeheartedly welcomed these programmes and appreciated their implementation. It was because of these initiatives that in spite of the depressing conditions of drought in 123 taluks, it is expected to reach 124 metric tons of food grain production in our state during 2011-12.

17. It is not an easy task to understand various dimensions of such a vast field as agriculture. In order to bring about development in agriculture and allied sectors, it is essential not only to formulate programmes and policies, but also to mobilize huge resources and build capacity for effective implementation. Those who work in this field have realized this. On the basis of

the experience gained in this direction, and since many such schemes have been useful to farmers, I have decided to continue these schemes this year also. For example, Suvarna Bhoomi Yojane, Bhuchetana, Organic farming and development of bio fuel. Taking into account the experience acquired during the recent years and considering the feedback from experts, some of the programmes will be revised and reformulated for more effective implementation. Besides, the scope of some of the programmes will also be expanded. The objective of these initiatives is to ensure that quality inputs reach our farmers in time. In this background, in the Agriculture Budget 2012-13 emphasis has been given on the following points:

- (1) Credit facility at low rate of interest;
- (2) Cluster-villages / area- based programmes;
- (3) Programmes to increase productivity in dry land farming;
- (4) Supply of nutrients through scientific methods in irrigated lands to increase productivity;
- (5) Increase in buffer stock of fertilizers from 4 lakh to 8 lakh metric tons;
- (6) Reforming market systems with assistance of NCDEX;
- (7) Value addition in the field of horticulture and animal husbandry;
- (8) Use of appropriate technology and mechanized implements;

- (9) Follow-up action to implement the proposals received during Global Agriculture and Processing Meet.
- (10) Better efficiency in capacity utilization of water in the

**irrigated areas;**

- (11) Application of sprinkler and drip irrigation together with development of tanks;
- (12) Implementation of schemes under Upper Krishna Project 3<sup>rd</sup> stage and rehabilitation works;

18. In order to ensure that our farmers in the coming years are protected from facing frequent drought conditions, steps have been taken to formulate special action plans in collaboration with international level scientific institutions such as International Crop Research Institute for Semi Arid Tropics, International Rice Research Institute, Maize and Wheat Research Institute, International Animal Husbandry Research Institute and International Food Policy Research Institute. Right strategies will be designed with assistance from these institutes, and implemented on pilot basis in some taluks/districts, which will then be extended to other areas. I am happy to inform that our state will be the first in the country to start such new initiatives.

19. I have strong confidence that by implementing these schemes it will be possible to achieve significant progress in agriculture and allied sectors and to improve the living conditions of our farmers.

20. I shall now discuss the details of these schemes and complementary strategies.

### **Agriculture**

21. Rs.2921 crore has been provided for various activities of Agriculture Department.

**22. Extension of Suvarna Bhoomi Scheme:** Farmers in large numbers have benefited from the Suvarna Bhoomi Scheme. Due to drought conditions during 2011-12 and various other reasons, the results have not been up to the expectations. In order to improve the living condition of the farmers by helping them shift to high-yielding crops, government is committed to continue this scheme during this year. In the light of the experience of its implementation in 2011-12 and its evaluation, this scheme will be reformulated and implemented in 2012-13.

**23. Bhuchethana throughout State:** Government of Karnataka has launched a special scheme 'Bhuchethana' since 2009-10. This will be continued up to 2012-13 with a view to increase crop yield in dry-land at least by 20%, and thus improve the living standard and financial status of the farmers. The scheme is being implemented by Agriculture Department in collaboration with ICRISAT (International Centre for Research in Semi Arid Tropics), Watershed Development Department and Agriculture Universities. Under this scheme agricultural implements are being provided to farmers at 50% subsidy as supplement to dryland farming technology at the village cluster level.

24. During 2012-13 Bhuchethana scheme will be expanded from the present 30 lakh hectare to 50 lakh hectare in all the districts, including 5 lakh hectare of irrigated area. This will be implemented with the help of 10,000 farmer facilitators and 50,000 progressive farmers. During this year, Rs.110 crore will be provided for this scheme involving 45 lakh farmer beneficiaries.

**25. Water-utilisation potential and increase in crop productivity:** In our state the productivity of paddy and sugarcane crops has been less than optimal. With the objective of increasing the yield of these crops by 30%, action on the lines of Bhuchethana scheme presently implemented in dry lands will be taken in 5 lakh hectares of irrigated areas.

26. A programme with an outlay of Rs.110 crore will be taken up to increase the yield in dry as well as irrigated areas. The target of total production of foodgrains during 2012-13 has been set at 136.55 lakh tones; oilseeds production will be 15.20 lakh tonnes.

27. **Extension of organic farming:** In view of increasing demand by farmers for adopting organic farming, it will be extended to more villages through the redesigned Amrutha Bhoomi Project for which an amount of Rs.200 crore will be provided during 2012-13.

28. **Distribution of seeds at subsidized rates:** An amount of Rs.100 crore will be provided during 2012-13 for providing quality seeds to about 30 lakh farmers so that crop productivity can be increased by 25%.



29. **Own seed development scheme:** Arrangements will be made through various agencies for processing and certification of seeds grown by farmers. Necessary infrastructure and financial assistance will be provided for this new scheme.

30. **Farmer Friendly Fertilizer Supply Scheme:** Agriculture Department has been implementing a scheme since kharif season of 2008 to have buffer stock of chemical fertilizer to ensure timely supply to the farmers. During 2011-12 kharif, 4.10 lakh metric tons of chemical fertilizers had been stocked through Karnataka State Co-operative Marketing Federation; this quantity will be increased to 8 lakh metric tons of various types of chemical fertilizers in 2012-13. Government guarantee will be provided to the Marketing Federation for raising Rs.1,000 crore for this purpose. An amount of Rs.50 crore will be provided for the interest requirement, storage and transportation cost.

### **31. K-KISAN**

(a) **Computerization and co-ordination of departmental offices:** Farmers need to be given timely information about agricultural production, market, technology and other services through strengthening and modernisation of agricultural extension systems. They can be empowered by providing 24X7 services through information and communication technology. In this direction, Agriculture Department intends to computerise farmers' communication centres from hobli to Secretariat levels, with co-operation of public and private expert organizations in collaboration with e-Governance Department.

(b) **Creation of database of farmers:** With the integration of Bhoomi project with UID (Aadhar) Scheme running in the State, a comprehensive database of landholdings, categories, address etc. of the farmers can be prepared. Based on this data, analysis can be made regarding various facilities provided to each category of farmers (small, marginal and big farmers) and distribution among the zones. This data will be useful in formulating agriculture-related policies. A sum of Rs.10 crore is provided in 2012-13 for implementation of this programme in collaboration with e-Governance Department in Tumkur & Mysore Districts on pilot basis where UID (Aadhar) scheme is completed. It is estimated that 60 lakh farmers will benefit from this scheme.

**32. Strengthening Raitha Samparka Kendras:** Agriculture Department has established totally 747 Raitha Samparka Kendras - one each in every Hobli in 2000-01. Services of extension workers are essential for informing the farmers about technological details and schemes implemented by the Department. To bring various agriculture-related activities under one roof, and to strengthen Raitha Samparka Kendras, an amount of Rs.50 crore has been provided in 2012-13 for taking up the following schemes.

- **Deputation of Agriculture Students:** The students graduating from Agriculture, Horticulture and Animal Husbandry Universities will be deputed at least for 3 months to Raitha Samparka Kendras for acquiring minimum practical skills, field experience and knowledge.

Monthly honorarium of Rs.1,500 will be paid to them.

- **Single window facility for Agriculture services:**

It is essential to have good co-ordination between officers of agriculture and allied departments, scientists and farmers. Besides, there is need to bring them under one umbrella to provide the required services and equipment to the farmers at hobli level. It is planned to implement this project in collaboration with government and expert private institutions on pilot basis in 8 taluks with 2 each in 4 Revenue Divisions at an estimated cost of Rs.8 crore in 2012-13. Based on the experience it will be extended in a phased manner throughout the State.

**33. Hire service centers for farm machines:** As many as 75% of farmers in our state are small and marginal, and it is difficult for them to conduct timely agricultural operations because of the high cost of farm equipment and scarcity of agricultural labour. In order to overcome these problems, the Department proposes to establish hire-service centres for the farmers to hire tractor and other high-tech implements on rental basis.

34. During the previous year 660 hire service centers have been started, one each for a cluster of ten villages for providing agricultural implements to farmers under Rastriya Krishi Vikas Yojana through registered Primary Agricultural Credit Co-operative Societies. Based on the success of this scheme, a sum of Rs.50 crore has been proposed for opening 500 hire service centres each at a cost of Rs.10 lakh through selected registered co-operative societies.

**35. Strengthening of Universities:** There are 4 Agricultural Universities and one university each for Horticulture and Animal Husbandry in the State. An amount of Rs.524 crore has been provided for these universities in 2012-13. To supplement them, several new Agriculture, Horticulture and Animal Husbandry colleges have been opened in the recent years. In spite of this, there are demands from many districts/taluks to open such colleges. Apart from the lack of adequate funds, infrastructure facilities and faculty, there is lack of co-ordination between these universities. Considering all these points, it is intended to form an Expert Committee to suggest a road map for their further development and to formulate a plan of action. Government will take appropriate action in 6 months to examine the report and initiate implementation.

36. **Bio fuel development:** An amount of Rs.50 crore has been proposed for strengthening of the existing bio fuel scheme; this will be of benefit to 50,000 farmers.

### **Sugar**

37. Mysugar Company of Mandya will be given an assistance of Rs.30 crore for its revival.

### **Horticulture**

38. A sum of Rs.867 crore has been provided for various activities of Horticulture Department.

39. It has been proposed to implement “Karnataka State Integrated Horticulture Development Scheme” during 2012-13 in selected clusters on the principles of integrated development. By this 28,000 hectare of

land can be brought under cultivation of value added horticulture crops. It is estimated that about 50,000 farmer families will get direct benefit under this scheme. It is expected that Rs.450 crore worth of horticultural production will be increased every year by implementation of this scheme, with an increase of 5% in production and 7% in productivity. It is proposed to implement this scheme at a cost of Rs.305 crore.

40. With assistance of Israeli technology, it has been proposed to establish high technology expert centres for vegetable crop development in Belgaum, pomogranate in Bagalkot and mango development in Kolar districts.

41. At present 75% subsidy is given under Micro Irrigation Scheme. It is proposed to increase this to 80% from the year 2012-13.

42. Exact area under horticulture and production achieved during this year will be assessed through the survey of horticultural crops. An amount Rs.5 crore is provided for this scheme.

43. Areca nut is being grown in 2.13 lakh hectares in Karnataka. For many years farmers have been facing severe distress due to yellow leaf disease afflicting areca plants in an area of around 10,400 hectares. During 2011-12 subsidy of Rs.5.7 crore has been provided to farmers under Areca Rejuvenation Programme and this scheme will be continued during this year also.

44. Along with providing suitable assistance to increase productivity of horticulture crops, Karnataka Government is also committed to provide necessary

marketing facilities so that horticulture farmers get remunerative prices. In this regard it is intended to form farmer's groups/associations to provide suitable storage and transportation facilities to the horticulture produce grown by the farmers, and also to provide assistance to establish contacts with market co-ordinators. This scheme will be implemented in four districts on pilot basis.

45. Apart from facilitating the farmers in growing, storing and selling the produce, this system will also provide market security. This will help consumers in getting good quality products at fair prices.

46. Hopcoms and Karnataka Horticulture Federation will be restructured, and will be strengthened in stages.

### **Animal Husbandry**

47. For various activities of Animal Husbandry Department a total of Rs.989 crore is provided.

48. Milk subsidy scheme will be continued with an outlay of Rs.300 crore for the benefit of 22 lakh farmers.

49. **Computerisation:** An amount of Rs.20 crore will be provided for establishing network between 4,110 animal husbandry institutions and state level offices.

50. **Diploma Course:** Action has been taken by the Department to start two-year Diploma Course at Konehally, Tumkur District during 2012-13 for those who have passed 10th standard. This will help in creating employment-opportunities for the rural youth.

51. **Go Samrakshane:** Under the Karnataka Go Samrakshane Yojane, assistance will be given to Non-

Government Organisations. The main objective of this scheme is conservation and protection of the local cow breed. NGOs with 10 acres of land and rearing at least 50 cows will be given financial assistance.

52. As already done in some other States, Go Sewa Aayog will be set up to protect and promote our cattle wealth.

**53. Provision for Animal Husbandry Colleges:** An amount of Rs.60 crore will be provided for construction of buildings and purchase of essential infrastructure equipment in respect of new veterinary colleges at Shimoga and Hassan, and also for construction of new veterinary colleges at Athani, Gadag and Puttur during the current year.

### **Priority for Fisheries**

54. Rs.215 crore is provided for various activities of the Fisheries Department.

**55. Fish Production:** Demand for fishlings in the State is about 80 crore fry, whereas the present production is about 40 crore fry. To meet the remaining demand, an amount of Rs.10 crore will be provided for upgradation of Fish Production Centres.

56. Rs.24 crore will be provided for construction of 4000 houses during 2012-13 for the fishermen without houses.

**57. Additional diesel for mechanised boats:** As there is a great demand for diesel used by mechanised boats, the quantity of tax-free diesel will be increased to 1.25 lakh kilo litres. Rs.4.5 crore will be provided for

supply of life jackets costing Rs.1500 each to 30,000 fishermen. Insulated boxes costing Rs.4,000 each will be supplied to 6,000 fisher women.

58. **Construction of Oceanarium:** An Oceanarium of international standard will be constructed at KRS Brindavana and Pilikula at Mangalore under public private partnership.

59. During 2012-13 an amount of Rs.26 crores will be provided for the II Stage of Hejmadi Kodi harbour in Udupi district which requires a total investment of Rs.60 crore.

### **Sericulture**

60. Rs.293 crore is provided for various activities of Sericulture Department.

61. **Increase in production:** There is a target to raise new mulberry plantation in 50,000 acres, produce Rs.12 crore silk eggs and 64,600 tonnes of cocoons during the year 2012-13.

62. **Incentive for quality silk cocoons:** Quality and production based assistance at the rate of Rs.10 per kg. will be given to those farmers who grow mixed variety of cocoon and produce more than 60 kg from 100 eggs and Rs.40 per kg to those farmers who produce bivoltine variety. A provision of Rs.35 crore will be made for this purpose.

63. **Power subsidy to silk reeling units:** A subsidy of Rs.1.50 per unit will be given for the electricity being consumed in 7,430 silk reeling units in the State.



64. For the reelers who repay their loan without delay, interest subsidy of 6 per cent will be provided on their working capital loan raised up to Rs. 1 lakh. Capital subsidy up to 25 per cent limited to Rs. 50,000 will be provided for purchase of reeling equipment.

65. With a view to improve the quality of silk cocoons and raw silk, it is proposed to earmark Rs.112 crore with central assistance for strengthening of beneficiary oriented schemes at the field level, in collaboration with the Central Silk Board.

66. **Rejuvenation of old silk factories:** Silk Weaving Factory at Mysore is completing 100 years in 2012. An amount of Rs.5 crore will be provided for incentive to workers, publicity of the products of the factory, production of a documentary and for conducting cultural activities and Rs.6 crore will be provided to rejuvenate loom unit at Channapattana by providing infrastructure facility, and introducing new loom units with the assistance of expert institutions.

67. An assistance of Rs.2 crore will be provided to the Karnataka Silk Marketing Board.

### **Free electricity to Agriculture**

68. The scheme of free supply of electricity to the irrigation pumpsets up to 10 HP will be continued this year also, and for this purpose subsidy of Rs.4600 crore will be provided to ESCOMs.

### **Co-operation**

69. Rs.634 crore is provided for various activities of the Co-operation Department.

70. The rate of interest on short-term crop loan up to Rs.3 lakh raised through co-operative institutions was reduced to 1 per cent during 2011-12. From 2012-13 the rate of interest will be reduced to zero per cent for short term crop loan up to Rs. one lakh.

71. Rs.300 crore is being provided for giving subsidy to co-operative institutions for lending to farmers.

72. Government provides 3 per cent interest subsidy on short term crop loan up to Rs.50,000 taken from commercial banks. This crop loan limit will be raised to Rs.1 lakh during 2012-13.

73. **Yashaswini Health Protection Scheme for co-operative farmers:** Yashaswini Trust may need to bear an expenditure of Rs.100 crore during 2012-13 as there is a possibility of 82,000 members taking treatment during 2011-12. Therefore it is estimated that the State Government has to provide Rs.60 crore as grants. The remaining Rs.40 crore has to be contributed by the members.

74. **Interest at 4% to Self Help Groups:** It is proposed to continue the scheme of distributing loans through co-operative institutions at the rate of 4% interest rate to Self Help Groups and there is a plan to distribute Rs.750 crore during 2012-13.

75. **Construction of Additional Warehouses:** Karnataka Warehousing Corporation has taken up construction of 2 lakh ton capacity warehouses at a cost of Rs.100 crore during 2011-12. It is proposed to construct 1 lakh ton capacity warehouses with an

investment of Rs.50 crore during 2012-13. In addition to this, 1 lakh ton capacity will be created under public private partnership.

76. Kolar Chikkaballapura Co-operative Bank will be rejuvenated. Reserve Bank will be approached through NABARD for issue of permit. State Government will provide the required financial assistance.

77. District Central Co-operative Bank will be started separately for Udupi district during 2012-13.

78. On the recommendations of Vaidyanathan Committee revival-package has been implemented in respect of short term Co-operative credit institutions in the State with an expenditure of Rs.643.29 crore. In accordance with the recommendations continuous efforts are being made to improve efficiency of these institutions in stages.

### **New Dimension to Agriculture Markets**

79. In spite of increase in production in agriculture and allied sectors, financial condition of the farmers is weak due to lack of appropriate market facilities, lack of transparency in the marketing system, lack of direct linkages between the producers and the consumers, and non-remunerative prices in the absence of e-trading. In order to remove this weakness and to strengthen the farmers permanently in the coming years, appropriate action plans have been formulated to rejuvenate the marketing system in the state. It is a matter of pride that these initiatives being made in our State are first of its kind in the Country.

80. Apart from providing necessary infrastructure for marketing of controlled produce under the Karnataka Agricultural Produce and Marketing (Control & Development) Act 1966, scope will be provided for private markets, direct procurement centres, establishing farmer consumer market centres, e-trading, establishment of exchange centres and agreement based marketing.

81. The total size of the revolving fund is Rs.650 crore, which will be increased to Rs.1000 crore so that timely support can be provided to the farmers when prices in the market become low.

82. **Development of Rural Markets under RIDF Scheme:** Rural markets will be provided with auction yards, warehouses, roads, underground drainage, retail shops, water facility and sanitation, solar lights and electricity.

83. **Technology Park:** A tur technology park in Gulbarga district, maize technology park in the 60 acre land of TAPCMS at Ranebennur, coconut technology park including coconut products research and development unit in Tiptur taluka in Tumkur district will be established. The Government will provide 20 per cent assistance under public private partnership.

### **Establishment of e-markets**

84. National Commodity Exchange Centre (NCDEX) was established in the year 2003. In this national level body, institutions like NABARD, LIC, nationalised banks and specialized institutions are stakeholders. This body is being managed by experts and facilitates

technology based transparent market system, on line exchange yard, provide remunerative prices, and also plays an important role in controlling interference by the middlemen in respect of 36 commodities in the Country, which include 23 agricultural produces. There is a necessity to extend the activities of this institution in our State.

85. As announced in 2010-11 Budget, agriculture produce marketing centers, through NCDEX have been set up in some marketing yards. Encouraged by this success, farmers are requesting for extension of this facility in an upgraded form throughout the State. These demands of farmers and advice of experts have been considered. New agreements will be entered with NCDEX and other expert bodies for modernization of agriculture produce markets.

### **Enhancing the role of e-marketing**

86. During 2012-13, e-tender system will be adopted in 50 APMC markets for selling 11 important produces. In the first stage, 11 main produces e.g. tur, dry coconut, turmeric, dry chillies, raisin, rice, arecanut, maize, groundnut, cotton and sunflower will be brought under this scheme. Starting with 20% of total produce in the State, the coverage will be extended gradually to 70%. (For details please see Annexure-1).

**87. Grading:** In the first stage, modern warehouses, cleaning and grading equipment and other value adding facilities will be provided under PPP model in Raichur, Ranebennur, Bagalkot, Chamarajanagara, Shikaripur and Channarayapatna agriculture produce markets,

based on the advice of transaction advisors approved by the State Government.

88. **Credit facility by Co-operative institutions for produce stored in warehouses:** This facility gives additional support to farmers to sell their produce at a later date to get higher prices without selling it at lower prices immediately after harvest. There will be no need to make products physically available in the market yard if the quality of the products can be guaranteed. Such products can be marketed through online trading.

89. **Scheme implementation:** It is proposed to implement this scheme through other stakeholders like Agricultural Marketing Department, Agriculture Department, NCDEX and Spot Exchange. In order to monitor formulation of the plan and its implementation a High Power Committee will be constituted. An amount of Rs.10 crore will be provided for this scheme.

90. **Long term storage of produce:** New storage units at Dasanapura Market Committee land at Bangalore will be established on a pilot basis in the first phase to enable long term storage, improve shelf life and to promote export of food grains, fruits and vegetables produced in the State.

91. **Rating of markets:** Action will be taken to rate the markets in the State according to the infrastructure available in various agricultural markets, considering their working efficiency and availability of services, after a survey by a reputed and independent private institution. Such a system of ratings will help in

identifying efficient markets at the national level, and also facilitate in initiating reforms for good marketing practices.

### **Importance to Water Resources Development**

92. Resources will be mobilised to provide Rs.10,500 crores to water resources sector during 2012-13.

93. As this decade (2011-2020) has been declared as Irrigation Decade, suitable action will be taken to complete the irrigation projects which are in progress.

94. **Upper Krishna Project Stage-3:** Administrative approval has been given to this scheme with an estimate of Rs.17,207 crore for utilising the State share of 130 TMC of Krishna water to provide irrigation facility in 13.09 lakh acres in the districts of Bijapur, Bagalkot, Gulbarga, Yadagiri, Raichur and Koppala which are frequently affected by drought. These schemes are expected to be completed in 7 years. Central assistance will be obtained for this scheme. Besides, investment will be mobilised from various sources for this project.

95. During the year Mulavada Lift Irrigation scheme, Narayanapur Right Bank Extension Canal (after 95<sup>th</sup> KM), Chimmalgi Lift Irrigation scheme, Mallabad scheme etc. will be commenced. Other Lift Irrigation schemes to be started include Nandavadagi in Lingasugur taluk of Raichur district, Thubachi Babaleshwara in Bijapur and Jamakhandi taluk and Budihaal in Muddebihal taluk.

96. **Yethina Hole yojane for drinking water:** As the districts in the eastern part of State, such as Kolar,

Chikkaballapura, Bangalore Rural, Tumkur and other districts are facing acute shortage of safe drinking water, a scheme of Yethina Hole Yojane has been prepared by the Government to provide drinking water to the people of this area. Feasibility report has already been prepared and a plan has been prepared to supply 24 TMC of water through construction of a small barrage at Yethina Hole and some other villages near Saklespur of Hassan district. As water is proposed to be stored within the villages, there is no fear of inundation of forest areas, and nor is there any threat to environment. An amount of Rs.400 crore will be provided for this project during the year 2012-13.

97. Besides, action has been initiated to prepare a detailed project report based on Shri Paramashivaiah Report to utilise surplus water from west-flowing rivers for drought affected regions. On the basis of the DPR, action will be taken during the year.

98. **Soubhagya Sanjeevini** : It is proposed to take up "Soubhagya Sanjeevini" scheme to link west-flowing rivers. It will facilitate drinking water supply, irrigation, fishery, flood control and power generation in the undivided district of Dakshina Kannada.

99. **Desilting of Tungabhadra Reservoir**: The water storage capacity of Tungabhadra reservoir has decreased because of siltation. Some specialized institutions have expressed willingness to take up pre-feasibility survey for desilting, along with removal of silt from the reservoir through dredging, which will be taken up on an experimental basis after preparing a proper action plan.



100. **Modernisation:** During 2012-13 work of Narayanapura Left Bank, Gondi, Thunga, Vijayanagara, Century Old Chamaraja, Mirley and Ramasamudra, Mandagere and Hemagiri, Devaraya- virija, Ramaswamy and Chikkadevaraya canals and Ulsooru, Ullahalli modernisation works will be taken up.

101. **Modernisation of VC Branch Canal:** Modernisation of 500 km Vishweswaraiiah Canal Network, Branch Canal, improvement of Sub Canal, modernisation of 600 KM line canal of Cauvery Basin, filling of 4 tanks, rejuvenation of Arakavathy river and rejuvenation work of 100 tanks, these 7 projects will be taken up during this year.

102. 24,454 acres will be brought under irrigation under ongoing Yegachi project during this year.

103. It is targeted to bring additional 1,55,000 acres under irrigation under major and medium irrigation project of Water Resources Department, to construct field channel for 1,00,000 acres and construction of field drainage canal in 2,00,000 acres and reclaiming 60,000 acres of marshy and saline land during 2012-13.

104. **To improve the service delivery to farmers, the following action will be taken.**

- (a) Issue of soil health certificate in achcut area.
- (b) Increase in efficiency of water rate collection by strengthening water consumer Co-operative societies. The water rate will be collected through Revenue Department and 70% of it will be given to water consumer Co-operative societies. This

system is already in vogue in Bihar, Maharashtra and other States.

- (c) A centre of excellence will be established under Integrated Water Resources Management (IWRM) with an objective to co-ordinate efforts for effective irrigation maintenance and to improve the services provided to the farmers emphasising on efficient water management from storage to maintenance.

105. Apart from this, the following projects will be completed and dedicated to the State during 2012-13 e.g., modernisation of canals of Kattepura Anicut area, modernisation of Kabini Right Bank Canal, 2<sup>nd</sup> Stage drinking-water works of Gulur, Hebbur and Honnavalli, Shiggavi Lift Irrigation, Souparnika Project, Bennehalli-Honnur-Kolachi lift irrigation, Amarja Project, modernisation of Bhadra Channel Project and Rajanahalli Lift Irrigation.

### **Increased Importance to Minor Irrigation**

106. It is proposed to spend Rs.250 crore utilising the amount available under AIBP from Government of India and State Government share to implement about 176 schemes in DPAP taluks during 2012-13. Additional irrigation facility in new 15,000 hectares area, stabilisation of irrigation potential in 11,100 hectare and 5,000 meters river bund protection work will be implemented during 2012-13.

107. A scheme was taken up to rejuvenate small irrigation tanks on a large scale during 2011-12. There

is a need to restructure and integrate this scheme with NREGA. Rs.150 crore will be provided for this scheme.

108. **Construction of Kindi Anicut and barrages in coastal districts:** Rs.50 crore will be provided in coastal districts during this year to construct Kindi anicut and barrages across rivers/streams wherever necessary.

109. **Ground Water Control Authority:** Our Government have already decided to establish a Ground Water Control Authority, considering the importance of ground water in drinking-water and irrigation sectors. The entire responsibility of management of ground water will be entrusted to Minor Irrigation Department.

110. **Rejuvenation of tanks under Farmers Community Co-operation:** Under the Karnataka Community based tank maintenance Scheme, Jala Samvardhana Yojana Sangha has been created in the year 2000 for sustainable and integrated development and management of tanks with a view to generate additional income to farmers. Jala Samvardhana Yojana Sangha has successfully created 3,126 sustainable tank maintenance institutions with a member strength of 11.6 lakh. 2,038 hectares of tank encroachment have been evicted through community participation. Rs.61 crore is spent on supplementary income generating activities for the benefit of 99,453 weaker section people below poverty line, and they have earned additional profit.

111. An expert agency has evaluated the scheme in two stages in 2008 and 2011, and recognised the

invaluable experience and the expertise gained by the Jala Samvardhana Yojana Sangha in community based tank maintenance system and has found encouraging results. Though the grants provided to this scheme by the World Bank have ended in January 2012, the State Government has provided Rs.120 crore to complete this scheme.

**Hon'ble Speaker,**

ರಾಜ್ಯಗಳುದಿನಲ ರಾಜ್ಯಗಲಳಯಲ,  
ಹಾರಲ ಗದ್ದುಗೆ, ಮುಕುಟಗಲು,  
ಮುತ್ತಿಗೆ ಹಾಕಲ ಸೈನಿಕರೆಲ್ಲಾ,  
ಅತ್ತುಳವುದನವ ಅಡುವುದೆ ಖಲ್ಲ.

Great poet Kuvempu has spoken in appreciation of  
the annadata Farmer

ಮಣ್ಣು ಮನುಜರು ನಾವೆಲ್ಲಾ  
ಧೈಯದಾರಿಗೆ ಇರದು ಅಡೆ-ತಡೆ ಭಯ  
ನ್ಯಾಯನೀತಿಗೆ ಕಟ್ಟಟ್ಟದ್ದು ಜಯ  
ಕರ್ಮಯೋಗಿಗೆ ದುಡಿಮೆ ಎಂಬುದೇ ಧೈಯ

We all wish that our farmers get what they rightly deserve.

These lines of an unknown poet about the farmer are always to be remembered. I want to convey my Government's commitment for the security and welfare of the respectable farmers, and to make Agriculture a remunerative profession. I hope all these programmes mentioned in the Budget will help strengthening agricultural sector in a big way.

112. During 2012-13 Rs.19660 crore is provided for agriculture and agriculture related allied activities.

113. This Agriculture Budget contains thinking on new dimensions for integrated development of farmers and other families engaged in agriculture and allied activities in our Sstate. I seek your guidance, Co-operation, participation and support for this second effort which is unique in the Country.

**Annexure - 1**  
**Major Products and Market Yards**

Sl. No.	Products	Name of the Marketing Committee	Production in the State (MTs)(in Lakhs)	Implementation of the scheme in the I Phase (2012-13)	Implementation of the scheme in the II Phase (2013-14)	Implementation of the scheme in the III Phase (2014-15)
1	Tur	Gulbarga, Bidar, Yadgir, Raichur, Sedam, Talikote	3.95	80%	85%	90%
2	Copra	Tiptur, Arasikere, Channarayapatna	4.5	20%	30%	50%
3	Turmeric	Chamarajanagar, Gundlupet, Kollegala, Mahalingapura, Athani, Jamakhandi, Kuduchi,	2.83	20%	30%	40%
4	Dry Chillies	Byadagi, Gadag	1.2	30%	40%	50%
5	Dry Grapes	Bijapur, Bagalkote	0.38	25%	40%	50%
6	Rice	Gangavathi, Karatagi, Sindhanur, Raichur, Mandya, T.Narasipura	22.75	25%	40%	50%
7	Arecanut	Shimoga, Sagara, Thirthahalli, Mangalore, Puttur, Sirsi	3.2	40%	50%	60%
8	Maize	Shimoga, Shikaripura, Chitradurga, Davangere, Ranibenuur, Haveri, Bagalkote	35	20%	25%	30%
9	Ground Nut	Chitradurga, Challakere, Hiriyyur, Kottur, Ballary	4.8	20%	25%	30%
10	Cotton	Bailahongala, Soundatti, Ranibenuur, Haveri, Raichur, Hubli	11.5	20%	25%	30%
11	Sunflower	Chitradurga, Gadag, Ranibennur, Raichur	2.8	15%	20%	25%