

**Hon'ble Speaker,**

I took oath of the office of Chief Minister in the name of farmers and I have accorded top priority to the welfare of farmers and the development of agriculture sector. In these 33 months, I have made honest attempts to formulate and implement several pro-farmer policies and programmes. Poet Kuvempu's famous poem " ಉಚುವ ಯೋಗಯ ನೋಡಲ್ಲ", which inspires us, has been accepted as our farmers' song so that we salute the farmers who deserve to be remembered every morning.

“ ನೇಗಲ ಕುಲದೊಳಗಡಗಿದೆ ಕರ್ಮ  
ನೇಗಲ ಮೇಲೆಯೇ ನಿಂತದೆ ಧರ್ಮ”  
*(duty resides in the tip of the  
plough while 'dharma' stands  
on the plough)*

These words though brief convey a deep thought.

2. “ಕೋಣ ವಿದ್ಯೆಗಳಲ್ಲ ಮೇಣ ವಿದ್ಯೆಯೇ ಮೇಲು  
ಮೇಣಿಯಿಂ ರಾಣ ನಡೆದುದಲ್ಲದೆ  
ದೇಶದಾಟವೇ ಕೆಡಗು ಸರ್ವಜ್ಞ”

— ಸರ್ವಜ್ಞ

*(of all numerous learnings, farming is  
superior. The farming cycle keeps the  
entire nation on the move)*

This meaningful vachana of Sarvagna reflects the importance of agriculture as well as the farmer.

3. “ಕೃಷಿ ಕೆಡಗುಪೇಕ್ಷೆಯಿಲ್ಲ” (neglect of agriculture leads to ruin) – When neglected, not only does the agriculture sector get ruined but food security also gets compromised and the country faces disaster, is the warning given by the poet in his saying. I have therefore been giving top priority to agriculture right from my first budget till now. Taking one more step forward, I have made a novel attempt to formulate an exclusive budget for the agriculture sector. This attempt is the first and the only one of its kind in the entire country. I hope that my effort in this regard will get unanimous support from the people of the state.

4. For many decades, about 70 per cent of the population of our country as well as the state were dependent on agriculture. In recent years this proportion has come down to 61 per cent. The condition of the farmers, who are the back-bone of the country, has not improved to the expected level. In this direction it is necessary to take some more and varied steps.

5. With this objective, for the first time in our state, I have made this unique attempt to give a new dimension to the schemes related with land and water. While making this attempt, I have taken into consideration the advice of experts and farmer leaders, the main points in the evaluation reports relating to agriculture and public opinion expressed in the media.

## **6. Why a separate budget for agriculture?**

- Agriculture is a State subject, and the role of state government in the development of agriculture sector is very important.
- The average size of holdings is declining gradually. There were 35.51 lakh holdings in 1970-71, which increased to 70.79 lakh in 2001-02, and further to 75.81 lakh in 2005-06. The average holding size has come down from 3.20 hectares in 1970-71 to 1.63 hectares in 2005-06.
- Agriculture sector has got a high potential to create employment and generate income in rural areas.
- While in the recent years, the share of agriculture in total employment has come down from 65% to 61%, its contribution to the GDP has decreased by half, i.e. 36% to 18%.
- As stipulated in the agriculture policy, it is not an easy task to achieve a growth rate of 4.5 per cent in agriculture GDP. It is a challenge to double the growth rate of agriculture GDP achieved during the 10<sup>th</sup> Five Year Plan. This requires greater attention to both the demand and supply sides of the agriculture sector.

7. The important deficiencies observed in the development of agriculture and allied sectors are as follows.

- **Lack of investment:** One of the main deficiencies, over several decades, has been the inadequate investment provided to the agriculture and allied sectors at the national and the state levels. Most of the investment currently made is farmer's own. This investment is substantially less than investments in other sectors. Besides, the farmers do not easily get the required capital assistance through financial institutions.
- **Lack of appropriate technology:** In spite of development of technology in laboratories and private research institutions, the fruits of these developments have not adequately reached the farmers. This applies to the appropriate crop varieties, agricultural practices, training to farmers and all related matters.
- **Processing and marketing:** The farm produce of the farmers, who sweat to grow them with great hardship, without caring for rain or sun, do not fetch reasonable prices. The farmers do not get remunerative prices because of the lack of grading facilities,

warehousing, cold-storage, processing centres and marketing facilities. At the same time agriculture and allied products are also not available to the consumers at reasonable prices.

- **Lack of partnership:** In spite of availability of the expertise of many national and international level institutions, it has not been possible to fully utilize their services. There is a need to formulate appropriate policies in this direction.

8. The outlays towards agriculture and allied activities have always been met through the general budget. Though several initiatives have been taken, and substantial increases have been made in every scheme, their impact is not visible because of the resources being spread thinly among various schemes in the entire budget. This has made it difficult to overcome the shortcomings, and to provide the necessary fillip to the agriculture sector. In order to provide the required impetus for growth in agriculture sector it is time to have a separate budget for agriculture.

9. This Agriculture Budget integrates the land and water centred schemes along with allocations for their sub-sectors. I believe that this Agriculture Budget will facilitate serious discussions to find a comprehensive solution for the problems in agriculture and also to identify necessary strategies to tackle them.

## **Important achievements**

10. I would like to mention here some of the highlights of the achievements of our government relating to the land and water related schemes, during the last 33 months.

### **Agriculture**

**11. Agricultural loans – lowering the interest rate:** It is to the credit of our government that the rate of interest on agricultural loan has been reduced to 3 per cent for the first time in the country. The goal of our government is to provide farmers with adequate and timely credit at a low interest rate for agriculture and related activities. Therefore, arrangements have been made to provide loan at the rate of 3 per cent interest not only through co-operative institutions, but also through commercial banks.

**12. Substantial growth:** It is highly satisfying that the growth in agriculture sector, in the year 2010-11, in the state has increased to 5.9 per cent. (This was 0.5% and 4.3% in the years 2008-09 and 2009-10 respectively). I wish to state that after many years this rate of agricultural growth has been possible because of several measures taken by us.

**13. Record production:** The foodgrains production which was 109 lakh tonne during 2009-10 is likely to

reach 125 lakh tonne during 2010-11 recording a growth of 15 percent. Though the area under cultivation has increased only by 3%, this record growth in production was due to the impressive growth in productivity.

14. The yield of oilseeds and cotton has increased by 32% and 38% respectively.

15. **Bhoo-chethana:** The objective of the Bhoo-chethana programme, being implemented through the technical assistance of ICRISAT, is to increase the crop productivity by at least 20% during 2009-2014 through technological inputs and supply of micro nutrients. During 2009-11, 8.7 lakh farmers cultivating 12 lakh hectares of dry land in 16 districts have benefited from this scheme through increase in yield of 25 to 40%.

16. During the last 3 years, 21.7 lakh quintals of quality seeds have been distributed at subsidized rates to 81 lakh farmers for improving the productivity of crops.

17. **Organic farming:** For the first time in the country, an Organic Farming Mission has been constituted. During the last two years through this Mission an assistance of ₹ 74 crore has been given to 87,200 farmers in an area of 1,18,000 hectares to adopt organic farming practices.

**18. Supply of fertilizers :** Due to government's intervention the fertilizer market in the State has stabilized. During the last two years, the Karnataka State Marketing Federation has handled 23 lakh tonne of fertilizer valued at ₹ 1800 crore. The Karnataka State Marketing Federation now handles one third of the total volume of fertilizers in the state. In order to reduce the burden of the Federation, State Government will give ₹ 400 crore as working capital loan.

### **Bio-fuel**

19. The achievements of Karnataka in the field of bio-fuel has attracted national attention. The state has left an imprint in bio-fuel sector by taking effective measures like (a) announcement of a bio-fuel policy (b) constitution of task force and (c) establishment of a State Bio-fuel Development Board, which is the first in the country. In the last two years bio-fuel plantation has been taken up in an area of 35,000 hectares. Eight Bio-fuel Centers have started functioning as "Information and Demonstration Centres". Steps have been taken to establish clonal orchards for developing quality seedlings. To promote the use of Bio-fuel, necessary guidelines will be incorporated in the Bio-fuel policy.

20. During 2010-11, 13,000 Million Units of energy has been provided to 17 lakh irrigation pumpsets. For

this an amount of ₹ 3,576 crore has been given as subsidy to the ESCOMs. This amount constitutes 6% of the total budget. Every farmer with a pump-set thus benefits to an extent of ₹ 21,000 per annum.

## **Horticulture**

21. **Increase in crop-area :** The area under horticulture in the state is 19.29 lakh hectares. In the last one year the area under horticulture has increased by 37,600 hectares. The total value of horticultural output is more than ₹ 18,000 crore. While the area under horticulture has increased by 4%, an increase of 5% has been achieved in the horticultural output.

22. **Bio-Centres, Horticulture Colleges and University:** The Government has established 4 Bio-centres for developing high yield variety seeds. Further, to promote horticulture, a separate university with 9 horticulture colleges and one post-graduate center has been established.

23. **Horticulture Boards:** Mango Board and Wine Board have been established for giving special attention to these valuable horticultural produce.

24. **Drip-irrigation:** Financial assistance has been provided for bringing 43,660 hectares of land under drip irrigation and to 7000 farmers to procure farm equipment.

## **Water Resources**

25. **Completion of 14 projects:** In the last two and a half years, 14 incomplete and lingering irrigation projects have been completed and an area of 1,34,700 acres has been brought under irrigation.

26. **Commencement of Upper Bhadra Project:** At the time of my Government coming to power, some irrigation projects under Scheme-A of Krishna Basin were at the preliminary stage. After expeditiously completing the preparatory works, these projects have been brought under implementation. In order to bring water to the highly drought-prone areas of Chitradurga, Tumkur and Kolar districts the Upper Bhadra Project has been commenced.

27. **Modernisation of canals and tank filling:** The modernizing of Bhadra, Tungabhadra and Kabini canals has brought 1,03,784 acres of land under irrigation. A project has been taken up to improve the ground-water level, by supply of water to tanks in the districts of Bijapur, Tumkur, Davangere and Cauvery basin areas.

28. **More funds from AIBP:** For the first time, approval for eight projects has been obtained for the balance amount of ₹ 2,039 crore under the Accelerated Irrigation Benefit Programme.

29. **Krishna Basin Projects:** The long-standing demand of the Krishna Basin farmers to extend the works of Chimmalagi and Gutti Basavanna and commencing the Mallabad Projects has been met by starting these works and arrangements have been made for implementation of Mulavad Lift Irrigation Project.

30. The projects of Nanjapura Lift Irrigation, Taraka, Uduthore Halla, Kama Samudra, Huchana Koppalu, Bennahalli Hundi have been completed. The drinking water projects of Gulur-Hebbur and Honnavali are under implementation.

31. **Modernisation of old dams:** A massive project for renovation of old anicuts has been taken up. The Shimsha Left Bank Canal development works have been commenced. The long pending Yagachi project which was started during 1986 has been completed. The K.R.S. gates which were in a dilapidated condition have been replaced at a cost of ₹ 7.4 crore.

32. **Rehabilitation:** ₹ 289 crore has been released for rehabilitation and resettlement under Upper Krishna Project. The rehabilitation and resettlement packages under Bhima, Singatalur, Hirehalla and Hipparagi and also shifting of 10 villages affected by back-water of Narayanapura dam are being implemented.

## **Animal Husbandry**

33. There has been considerable improvement in the field of animal husbandry on account of various steps taken by our Government in the last 33 months.

- **Increased dairying:** Milk production in the State has increased to 48 lakh tonne from 41.24 lakh tonne during 2006-07.
- **Incentive to milk producers:** The milk subsidy of ₹ 2 per liter provided during 2008-09 has benefited 6.5 lakh members. An amount of ₹ 247.58 crore has been provided for this during 2010-11. On account of this, there is an increase of 6.42% in milk production.
- For establishment of a Mega Dairy with milk processing and cold-storage units at Chikballapura, an amount of ₹ 10 crore is provided. An amount of ₹ 10 crore is provided for establishing cold-storage units at Gulbarga and Belgaum.
- Under the scheme of Amrutha Yojane assistance of ₹ 33.69 crore has been provided in the last two years to 27,353 widows and Devadasi women who have been in distress.
- To overcome the shortage of veterinary doctors, veterinary colleges have been established in Shimoga and Hassan districts. Administrative approval has been given for establishing veterinary colleges in Gadag district and in Athani.

- In the year 2009-10, the output from animal husbandry sector is estimated to be at ₹ 13,273 crore. This is 19% higher when compared to the previous year.

### **Fisheries**

34. About 1.16 lakh inland fishermen and 1.42 lakh coastal fishermen have benefited from fisheries. I am glad to announce that the fish production has increased in the State from 2.97 lakh tonne during 2007-08 to 4.90 lakh tonne during 2010-11.

### **New Strategies**

35. Our Government has decided to take bold steps to solve the problems faced by agriculture, allied and irrigation sectors in the State. In this direction, I propose to accord more importance to formulating appropriate schemes for the increasing numbers of the marginal and small farmers, addressing the lack of appropriate technology, providing essential and modern processing facilities, construction of godowns and cold-storages and organizing partnerships with Institutions having expertise and mobilizing adequate capital for implementing these strategies alongwith formulating supporting policies.

36. I propose to take the following important steps to rejuvenate agriculture and its allied sectors in our State.

- (i) **Setting apart ₹ 17,857 crore for the development of agriculture, allied and irrigation sectors.**
- (ii) **₹ 1,000 crore will be provided for development of 10 lakh farmer families under Suvarna Bhoomi Yojana.**
- (iii) **Crop loan will be made available at 1% rate of interest to the farmers through co-operative credit institutions.**
- (iv) **₹ 200 crore will be provided for organic farming.**
- (v) **₹ 125 crore will be provided for promotion of bio-fuels.**
- (vi) **₹ 100 crore will be provided for giving subsidy for drip irrigation and sprinkler irrigation.**
- (vii) **₹ 100 crore will be provided for giving subsidy for purchase of agricultural equipment.**
- (viii) **₹ 40 crore for extending Bhoos-Chethana programme to all 30 districts.**
- (ix) **Provision of ₹ 40 crore for providing one modern mobile unit to each taluk for extension work in agriculture, horticulture and animal husbandry.**
- (x) **₹ 10 crore special grant for floriculture development.**
- (xi) **Organising Global Agro Investment Meet for the first time in the country.**
- (xii) **Formulating Karnataka Agri Business Development Policy.**
- (xiii) **Establishing Agriculture Infrastructure Fund of ₹ 500 crore.**
- (xiv) **Increasing the Agriculture Revolving Fund to ₹ 1000 crore.**

- (xv) Providing ₹ 3,900 crore for supplying quality power to irrigation pumpsets.**
- (xvi) For rejuvenation of tanks and for filling up of water in the dried tanks, an amount of ₹ 1,000 crore will be provided.**
- (xvii) ₹ 100 crore will be provided for regularisation of one lakh unauthorised pumpsets.**
- (xviii) Declaring 2011-20 as “Irrigation decade”, and mobilising ₹ 50,000 crore for water resources development.**
- (xix) Providing ₹ 7800 crore for irrigation sector during 2011-12.**
- (xx) Making interest-free loan available to the farmers’ children for higher education.**
- (xxi) Incentives to rural cottage industries.**
- (xxii) Subsidy will be provided to 50,000 youths for starting bee-keeping industry.**
- (xxiii) Special emphasis on updating of land records and amendment to the Land Reforms Act.**
- (xxiv) Priority to transparency and computerization of agricultural markets.**
- (xxv) Provision of ₹ 5 crore for construction of 50 fish markets.**
- (xxvi) Providing ₹ 100 crore for construction of small harbours.**
- (xxvii) Providing ₹ 100 crore for construction of warehouses.**

**Agriculture development**

37. **Suvarna Bhoomi Yojana** : There are 76 lakh farmer families in the State. 8.82 lakh of these families belong to the Scheduled Castes and 4.39 lakh belong to the Scheduled Tribes. Of the total farmer families 75% are small and marginal farmers. To improve the economic condition of these small and marginal farmers, it has been decided to evolve a comprehensive scheme in co-ordination with all land and water development departments, Agricultural Universities and expert Institutions. The details are as follows:

- i. A special scheme will be implemented this year for rejuvenating the lives of 10 lakh farmer families, including 2 lakh families from the Scheduled Castes and 1 lakh from the Scheduled Tribes.
- ii. Under this scheme every farmer family with land holding up to 2 acres will be given financial assistance amounting to ₹ 10,000 in two installments, directly through banks or co-operative societies. In case of the holding being less than 2 acres, the incentive will be given proportionately.
- iii. The sectoral breakup of the 10 lakh beneficiaries is as follows: Horticulture – 2.5 lakh (mango, grapes, pomegranate, lemon, banana, pineapple, sapota, papaya and

others), Sericulture - 50,000, Bio-fuels – 1 lakh (honge, seemaruba and others), Organic farming – 2 lakh, Oil seeds of high yielding varieties, Pulses and BT cotton – 3 lakh, Apiculture – 50,000, Fish farming in water logged and saline lands - 50,000. I hope, through this scheme the standard of living of farmers on about 15 lakh acres of land will improve.

- iv. This scheme will be applicable mainly to dry land farmers and will not include command areas of irrigation projects.
- v. Technical co-operation will be taken from national and international expert institutions (ICRISAT, IIMB, ISEC, etc.), to formulate this scheme meticulously for efficient implementation and effective monitoring. The departments concerned will co-ordinate as the nodal departments for their respective areas. All details of the beneficiaries will be put on the internet and all beneficiaries will be given pass books. At the preparatory stage, ₹ 20 crore will be set apart for project formulation.
- vi. Detailed action plans will be prepared by the end of March 2011, so that the scheme can be implemented from April 2011 and the farmers are able to get benefits of this scheme

before monsoon begins. Beneficiaries will be selected from all parts of the State.

- vii. An amount of ₹ 1000 crore will be spent during this year for effective implementation of all these components.

**38. Agricultural loan at 1% interest:** From this year, for crop loans upto ₹ 3 lakhs from co-operative institutions, the rate of interest will be reduced from 3% to 1% and arrangements would be made to provide easy credit to the farmers. The difference of interest on account of reduction will be met by the State Government. The rate of interest on crop loans upto ₹ 50,000 taken from commercial banks will continue to be 3 per cent.

**39. Organic Farming Mission:** For the first time in the country in the year 2008, it was our State which constituted the Organic Farming Mission Committee with farmers as members. Programmes for promotion of organic farming are being implemented through organic farmers associations. In order to give more prominence to this, I am participating once a month regularly, in a programme called “Annadathana Angaladalli Mukhyamanthrigalinda Savayava Samvada”. The number of organic farmers which presently is 72,000 will be increased to 5,28,000 in the coming years, with every taluk having 3000 organic farming families. An amount of ₹ 200 crore will be

provided for their training, skill development foreign tour, product processing, marketing assistance and evaluation activities.

40. **Micro irrigation scheme for agricultural and horticultural crops:** It is necessary to have micro irrigation to promote optimal utilization of water, to encourage conservation of ground water, to achieve higher crop yields and production and also to get efficient use of electricity. This scheme will be implemented with the Central share of 40% and the State component of 35% through the Antharganga Corporation in partnership with expert institutions. An area of two lakh hectares each of agriculture and horticulture will be brought under micro irrigation. An amount of ₹ 100 crore will be provided for this during the year 2011-12. Priority will be given to the taluks with severe ground water depletion.

41. **Farm Mechanisation:** There is a need for more mechanized farm equipments so that farmers can undertake timely agricultural activities. As per the requirement of the farmers, equipment such as, tractor tiller, paddy harvesting machine, sugarcane harvesting machine, etc. will be made available with a subsidy upto 50% and not exceeding ₹ 50,000. A provision of ₹ 100 crore will be made for this. Priority will be given to backward taluks in distribution of agricultural equipment.

42. **Bhoo Chethana:** The 'Bhoo-Chethana' scheme will be extended to 30 districts during 2011-12. About 30 lakh farmers covering 31 lakh hectares (including 3 lakh hectares in irrigation area) will benefit under this scheme. ₹ 40 crore will be provided for extending this scheme.

43. **Promoting Investment for Agricultural Infrastructure:** It is required to give more emphasis to sustainable farming, horticulture, animal husbandry, fisheries and processing in our State. Three factors need to be considered in this context, firstly, comprehensive development of agriculture and allied sectors; secondly, extending linkages between agriculture and industries throughout the State; and thirdly, procuring modern technology and necessary capital from national and international sources. In this direction, we are taking two bold steps – one is formulating the right policy; and the second is to supplement by organizing a global investment meet.

- i. **Karnataka Agri – Business Development Policy:** For the first time in the country, in order to provide facilities for processing and marketing of agricultural and allied products and to arrange the required investment as also to create a conducive environment, the “Karnataka Agri Business Development Policy” has been formulated.

- ii. **Global Agri-Investment Meet:** There is a need to invest more capital on agriculture and other related activities in our State. It is estimated that about ₹ 51,000 crore would be required to implement strategies for improving the livelihood of farmers, give required training to their children, construct warehouses and cold storages throughout the State, have a system of grading of agricultural products in order to obtain better prices, establish connectivity with national and international markets, and to provide infrastructural facilities for agriculture and allied activities in the State. In order to attract large investments for the agriculture sector, “Global Agri-Investment Meet” will be organized in June 2011.
- iii. In order to support both these initiatives technical and financial project reports will be prepared. ₹ 50 crore will be provided for this purpose.
- iv. **Agri-Infrastructure Fund:** It is proposed to establish Agriculture Infrastructure Fund with a minimum annual capital of ₹ 500 crore, to attract investment towards infrastructure for agriculture and allied areas., to establish processing units, to construct cold storages and warehouses and develop and maintain markets and undertake other related activities.

44. **Agri-Revolving Fund:** Farmers incur losses many a time when they do not get remunerative prices for their hard earned produce. Though the Central Government has fixed Minimum Support Prices, farmers are not getting a fair deal in the market. In order to take up price support operations to ensure that the prices of the five important crops of our State, namely, paddy, jowar, maize, ragi and toor do not go below the Minimum Support Price fixed by the Central Government, the Agri-Revolving Fund will be increased to ₹ 1000 crore.

45. **Production of paddy and sugarcane:** Paddy and Sugarcane are the two main crops grown in irrigated areas of Karnataka. In order to increase their productivity by 30% a scheme will be introduced from this year. Accordingly, in 4 years time, productivity of paddy and sugarcane will be increased in 8 lakh hectares and 4 lakh hectares respectively. An allocation of ₹ 9 crore will be made for this purpose.

46. **Supply of seeds:** Farmers of all categories will be facilitated to buy quality seeds with a subsidy of 50 per cent. This facility will be limited to 2 hectares of land per farmer. An amount of ₹ 60 crore will be provided during 2011-12.

47. **Diploma and Certificate Courses in Agriculture, Horticulture, Animal Husbandry and Fishery subjects:** In the field of agriculture, annually,

only a thousand graduates are passing out from all the universities put together; of which 80% go on to pursue post-graduation courses and the remaining 20% join private companies for employment. As a result, there are no technical hands available to assist the agriculturists in rural areas. In order to overcome this shortage, diploma and certificate courses will be started in various subjects through the Universities of Agriculture, Horticulture and Animal Husbandry and Fisheries and agriculture science centres. During this year, long duration training will be provided to 1000 students and short duration training to 3000 students. ₹ 1000 per month will be given as stipend to each student.

48. **Mobile Extension Services for Agriculture and Horticulture:** It is necessary to start mobile extension units so that technical knowledge in the field of agriculture, horticulture and animal husbandry is made available to the farmers. It has been planned to provide one vehicle for every taluka, so as to reach the farmers for solving their agricultural problems, providing right information on various schemes, and giving relevant advice and training. This will be planned and implemented in partnership with the agriculture universities and expert institutions in the Government and private sectors. An amount of ₹ 20 crore has been proposed for this.

49. **Priority to integrated farming:** In order to increase the agricultural income, it is necessary to revitalise the present agriculture system through comprehensive measures. Therefore, there is a need to establish integrated farming systems in the entire State. On an experimental basis in the first year, every university will be asked to implement integrated farming practices on a minimum of 25,000 hectares from 2011 monsoon season. Demonstration will be made in an area of 1,25,000 hectares. For this purpose, ₹ 75 crore will be provided.

50. **Increased production of seeds:** It is proposed to triple seeds production capacity in each university, so that the farmers of the State will be able to get high quality seeds. An amount of ₹ 5 crore will be provided as additionality for this purpose. This programme will be implemented by the Agriculture Department with the help of the Agriculture Mission.

51. **Priority to Apiculture:** By giving priority to bee-keeping and its products, more employment opportunities can be created for the youth in rural areas through promoting cottage industries. It will be necessary to provide skill-training and financial assistance for this purpose. In the first stage 50,000 honey boxes, each box costing about ₹ 1,250 will be given. This scheme will be implemented through the Organic Farming Mission.

52. **Bio-fuels:** Under the “Hasiru Honnu” and “Baradu Bangara” programmes coming under the Special Development Plan for the backward areas, an action plan is being prepared to take up bio fuel plantation ( honge, semaruba etc), in the next three years, in one lakh hectares of wasteland. Under the Mahatma Gandhi National Rural Employment Guarantee Programme, ₹ 75 crore will be required at the rate of ₹ 15 crore per annum, for 5 years. An amount of ₹ 25 crore will be released for various activities undertaken by the State Bio-fuel Board.

53. **Agro-forestry promotion scheme:** In order to achieve 33% forest cover in the state a scheme has been formulated for promotion of agro-forestry, with active participation of farmers. In this scheme, for 5 years, 3 crore saplings will be distributed, every year for planting in the land of the farmers. Incentive amounts of ₹ 10, ₹ 15 and ₹ 20 will be given for three years to take care of every sapling. This scheme will be implemented in association with the Village Forest Committees and Self-help Groups. An amount of ₹ 50 crore has been provided for this purpose. Suitable steps will be taken to cover these plants under agricultural loan schemes.

54. **Single Window for the facilities to farmers:** There are several departments providing financial assistance to the farmers. It is necessary to bring them

together under a single window for effective services. In some gram panchayaths of Gubbi taluk, computerized public service centres have been successfully implemented, which will be replicated in all gram panchayaths of the state. This service centre scheme will be implemented at a cost of ₹ 50 crore through E-governance and Agriculture Department's Raitha Samparka Kendras.

55. Prof. Nanjundaswamy who had devoted his entire life for farmers' movement and given a new momentum to their struggle, will be awarded "Krishi Rathna Prashasti" in recognition of his efforts. A grant of ₹ 10 lakh will be provided to his pratisthana.

56. Shri Thirthahalli Purushotham Rao, who planned the organic farming abhiyana, working hard for several years for this purpose and who was the source of encouragement to thousands of farmers, will be honoured with the "Savayava Krishi Rathna Prashasti". A grant of ₹ 10 lakh will be provided to his pratisthana.

### **Horticulture**

57. Coconut farming is being done in an area of 4.71 lakh hectares, in the state; out of which 80% area is dependent on rain. ₹ 25 crore will be provided during this year for formulation of Coconut Crop Production Scheme to be implemented with 50% contribution from the farmers.

58. **Neera Processing Unit:** A Neera Processing Unit will be established at the Horticulture Farm at Thumbi in Bantwal taluka in Dakshina Kannada district under the joint partnership of Coconut Development Board and Central Food Technology Research Institute, Mysore.

59. Areca nut crop is grown in an area of 2.13 lakh hectares in Karnataka. Due to yellow leaf disease, around 10,400 hectares area has become affected in the recent years. A provision of ₹ 2 crore is made to control this disease.

60. An allocation of ₹ 60 crore has been made for development of the Horticulture University, Bagalkot and its associate colleges for providing teaching infrastructure such as buildings, student hostels and for research activities.

61. **Incentives for Floriculture:** There has been a lot of development in the floriculture industry in recent years and there is good demand at the international level for various flowers grown in the State. There are flower gardens in an area of 3,500 hectares in the organized sector in the State. In order to give encouragement, the rate charged per unit of electricity has been reduced to ₹ 2 per unit for their cold storage units, and VAT is exempted on sale of flowers. It is proposed to provide ₹ 10 crore to International Flower Auction Centre for establishing a special floriculture zone on the outskirts of Bangalore.

62. There is a need to reorganize Horticulture Department and the various organizations dealing with horticulture (example: Hopcoms, Horticulture Farms, etc.). In this regard it is proposed to prepare a plan, after examining the pros and cons, with the guidance of expert institutions and implement the plan

### **Sericulture Development**

63. Sericulture in Karnataka has a history of 200 years. This is an agriculture-based cottage industry, creating employment opportunities for around 10 lakh people. A target has been set to increase silk production from 7500 to 8500 tonnes and increase the mulberry cultivation to an area of 2 lakh acres. Incentive will be given for chaki farming of bivoltine variety throughout the state, and sericulture farming will be developed in cluster model especially in North Karnataka. Silk farming areas will be rejuvenated and encouraged through private partnership on a large scale. An amount of ₹ 10 crore will be utilized for all these activities.

### **Electricity to Agriculture**

64. Free electricity supplied to about 17 lakh irrigation pump sets constitutes 35% of total electricity consumed in the state. In the absence of metres to measure this consumption, it is very difficult to measure the usage and bring about accountability in the energy sector. As electricity charges are increasing considerably

and because of the need to measure actual electricity consumed by the farmers, it is necessary to introduce an effective energy measurement and accounting system.

65. In this regard the Government is taking the following measures:

- i. **Niranthara Jyothi Scheme:** This scheme is being implemented in two phases in 126 talukas at a cost of ₹ 2,123 crore. In the first phase, uninterrupted power supply will be provided to 12,689 villages of 70 taluks at a cost of ₹ 1203 crore. The first phase will be completed by March 2011. With this scheme adequate electricity will be supplied to the village and cottage industry and quality power will be available for a specified period to the agriculture pumpsets. An amount of ₹ 500 crore is being provided in the budget.
- ii. A sum of ₹ 100 crore is being provided for regularization of 1 lakh unauthorized pumpsets.
- iii. **Energy-saving agricultural pumpsets:** Generally, since agricultural pumpsets are not energy efficient there is considerable loss of electricity. For effective use of water and electricity, a model scheme has been

formulated for implementation in Dodballapur under BESCOM and Mangalore and Udupi under MESCOM. This will be an experiment to reduce consumption of electricity by the pumps and increasing their efficiency. Under this scheme, efficient pumps will replace existing pumps. It is estimated that there will be a saving of 35% in consumption of electricity.

- iv. The proposal for implementation of this model scheme by other distribution companies is before the Government. On an experimental basis it is planned that old pumpsets will be replaced by new pumpsets in association with Central Government and expert institutions, in a few taluks. The expenditure for this does not have to be borne by the farmers.

### **Agricultural Markets**

66. An amount of ₹ 10 crore has been provided under the Rashtriya Krishi Vikasa Yojane for development of Agricultural Marketing Committees in Chinthamani, Srinivasapura, Athani, Chennapatna, Nagamangala and Jewargi. In order to bring about transparency in the procedures of the Agricultural Produce Marketing Committees, e-tendering will be adopted in sale of agricultural produce along with computerization of daily activities of the marketing

committees through installation of management software. An amount of ₹ 5 crore has been earmarked for this purpose.

67. In Chamarajanagar and Tiptur Agricultural Produce Marketing Committees, coconut and copra produce processing units will be established at a cost of ₹ 4 crore per unit; for which ₹ 8 crore has been provided.

68. A fully equipped, large and modern vegetable wholesale market in Byatarayanapura on Bangalore - Bellary Road will be developed under public private partnership.

69. Lack of sufficient warehouses in the state is a major problem. In this direction, as a first step, the State Warehousing Corporation will be directed to construct 100 warehouses in 100 different taluks at a total cost of ₹ 100 crore including loan from NABARD. Financial assistance would be given to small and marginal farmers to avail of the facilities of Government warehouses for their produce.

### **Special Package for Sugarcane Development**

70. An amount of ₹ 2.5 crore will be provided for development of Sugarcane Research Institute at Mandya and Belgaum.

71. An assistance of ₹ 15 crore will be given for the ailing MYSUGAR factory.

## **Animal Husbandry**

72. **Epidemic Prevention Programme:** With the assistance of the Central Government, in 30 districts, on the lines of pulse polio, all livestock will be vaccinated twice a year. An amount of ₹ 5 crore will be provided for this. ₹ 2.5 crore will be given for prevention of PPR disease of sheep & goats.

73. **Strengthening of veterinary hospitals and clinics:** An amount of ₹ 18.70 crore will be spent over the next two years for strengthening building, expansion and modernization of 339 veterinary hospitals and 1941 veterinary clinics.

74. **Dhanavantri units for animal husbandry:** An amount of ₹ 20 crore will be given for purchasing 174 vehicles to provide emergency care to animals and to distribute medicines. There will be one such mobile unit for every taluk, which will be run on PPP basis on the model of 108 ambulance of the Health Department.

75. **Animal feed unit:** In order to meet the growing demand for animal feed, a unit in Shimoga district will be established at an estimated cost of ₹ 45 crore. An allocation of ₹ 25 crore has been made for this.

76. For establishing a mega dairy in Mysore Government will facilitate KMF to mobilize the required capital.

77. **Development of Malnad Gidda breed:** A sum of ₹ 1 crore will be provided for establishment of Malnad Gidda Cattle Centre at Uppalli in Sagar taluk of Shimoga district, through Veterinary University in order to develop Malnad Gidda Cattle breed.

78. A report is already prepared for the restructuring of the State Animal Husbandry and Veterinary Services Department. To implement the recommendations made, a high power committee chaired by the Development Commissioner will be set up. Suitable steps will be taken to implement the recommendations of the committee by the end of May 2011.

79. A special scheme will be formulated for the conservation of 'Cow Wealth' of the state.

### **Fisheries**

80. **Incentives for Fish farming:** There is an area of 9.90 lakh hectares of brackish/saline land which has been rendered unfit for agriculture. There is sufficient scope to take up pisciculture in this area. It is proposed to obtain financial assistance from the National Fisheries Development Board so as to provide 50% subsidy to such farmers, with State share of 30% and Board's share of 20%. It is proposed to take up construction of fish ponds in 2000 hectares this year by providing financial assistance of ₹ 50,000 per hectare. An amount of ₹ 10 crore will be provided for this.

**81. Construction of Fish Markets:** A scheme has been prepared to provide a well-equipped and a well organised market for marketing fish in urban and rural areas of the state. An allocation of ₹ 5 crore is proposed this year, so that 50 new markets can be established, through Public Private Partnership with an assistance of ₹ 10 lakh per market from the State Government.

82. The present quantity of 85,000 kilo litres of tax free diesel for mechanised fishing is proposed to be enhanced to 1 lakh kilo litres. It is also proposed to continue the VAT exemption on ice sold to the fishermen.

**83. Mathsyashraya Scheme:** So far, an assistance of ₹ 40,000 per house was being given, for construction of houses for the houseless fishermen. Under this scheme 25,000 fishermen have been given assistance. This year the assistance per house will be increased to ₹ 60,000/-. It is proposed to construct 2,000 houses, for which an allocation of ₹ 9 crore will be made.

**84. Construction of small fishing harbours:** Fishermen are facing several problems due to lack of suitable harbours in coastal areas of the State. It is proposed to construct small harbours for fishermen in the coastal areas through partnership with organizations having such experience, An allocation of ₹ 100 crore will be made for this purpose.

## **Co-operation**

85. Recommendations of the Vaidyanathan Committee on rehabilitation of co-operative credit institutions will be implemented. This will strengthen District Co-operative Credit Banks and other co-operative institutions. An assistance of ₹ 770 crore is being given by way of recapitalization. The State's share of ₹ 92 crore has been provided to 21 DCC Banks and 4,474 Primary Agriculture Co-operative Societies.

86. In order to solve financial problems of coffee growers in the State, the coffee debt relief package 2010 is being implemented. An amount of ₹ 20 crore has been sanctioned to meet 50% to 75% of the financial implication of this package in the districts of Chikmagalur, Hassan and Kodagu.

87. The State Government has been providing loan at concessional rate to self help groups through co-operative institutions. During this financial year more than 20000 self help groups have been given a total loan of ₹ 212 crore at 4% rate of interest. An amount of ₹ 15 crore has been provided to continue this scheme in 2011-12.

88. Yeshaswini Scheme has been running successfully since 2002-03 and providing quality health care free of cost to the members of rural co-operatives. During this financial year more than 40000 members

have been benefited from surgical procedures, utilizing ₹ 33 crore. An amount of ₹ 40 crore will be provided to continue this scheme during 2011-12.

89. State Government will meet the treatment expenses of the women from farmers' families who suffer from uterus ailments.

90. Family of the person killed in attacks by wild animals would be given a relief of ₹ 2 lakhs. Besides, the relief for crop loss caused by wild animals would be increased to ₹ 25,000.

**Priority to development of professional skills and cottage industries in rural areas**

91. There is need for providing appropriate training, guidance and financial assistance to establish cottage industries in rural areas. In this direction, to begin with, an assistance of ₹ 4 crore will be provided for market development and establishment of more units of Shri Dharmasthala Siri Rural Employment Institution. With this assistance, the institution will be able to establish ready garment units in rural areas of Haveri and Dharwad districts, expand market facilities for rural products in ten cities of the state and facilitate supply of raw materials and finished goods to the rural industries.

92. While there is need to provide professional skill development training to the youths of rural areas and

provide facilities to them for becoming entrepreneurs, an amount of ₹ 5 crore will be provided for establishment of a research and training centre in the name of Sri Deendayala Upadhyaya, who toiled in this field for several decades at the national level.

93. In the recent years, it has become difficult for the children of poor farmers, who inspite of their difficulties have studied and secured good marks, to obtain the required loans for higher education from commercial banks. Therefore, these children are unable to pursue higher education. Realising this problem the Government proposes to allocate ₹ 20 crore to provide interest free loans for children of poor farmers for pursuing higher education.

### **Land acquisition for housing schemes**

94. Development of housing layouts in Bangalore city and other urban areas will be given priority. The land acquisition process is cumbersome and also results in hardships to the farmers of the State. In order to expedite the acquisition process and also to give a fair compensation to the farmer, land acquiring authorities like the BDA, KHB and other city development authorities would follow the 60:40 ratio and give 40% of the developed land to the land owner farmer as compensation for the acquired land. This will provide higher income to the farmers and also a share in the developed areas.

**Hon'ble Speaker****Updating of land records**

95. Citizens face various difficulties to update their land records from time to time. However, these problems have been addressed to some extent after implementation of Bhoomi scheme; However problems still persist. In order to ensure easy availability and updating, it is proposed to take up the following steps.

- i. To expedite the process of computerization of land records.
- ii. To ensure that records pertaining to land acquisition, land grants, land reforms and inam abolition, and disputed mutation entries etc; are easily available it is proposed to scan all such records and index them. This work is likely to be completed by December 2011.
- iii. It is proposed to develop a necessary system for automatic change of khata after land acquisition under Bhoomi.
- iv. Software required for online capture of land transactions would be developed which would establish convergence among Bhoomi, Kaveri and Mojani schemes.

96. The existing regulations on land availability, sale, conversion and other processes are complex, leading to scope for middlemen's menace. For making

more land available to the public and simplifying the regulations, it is proposed to bring suitable amendments to Sections 79A, 79B and 109 of the Land Reforms Act 1961. It is also proposed to amend the Land Revenue Act 1964 to make land easily available for all purposes. It will then be possible to convert land for various purposes within 3 months.

97. Government lands are valuable assets. Several steps have been taken through the task force to identify encroachment of these lands, by taking up measurements and to remove encroachments. It is important to protect these lands to maintain the natural drainage patterns, and for other public purposes. Such lands are denoted as phot kharab in Revenue records. All these lands will be identified, measured and protected. Such lands would be released only in special cases.

98. Natural water-bodies like ponds, lakes etc., help in storage of water and also flood control. In order to protect these water-bodies, survey measurement will be done, and wherever required rejuvenation work will be taken up.

99. Our Government has decided to take bold steps for resolving land related disputes. Efforts will be made to dispose all pending phodi cases in rural areas within the next 3 years.

100. A sum of ₹ 20 crore will be provided for taking up re-survey of land holdings in two districts on a pilot basis, in collaboration with private organizations, through modern GIS technology.

### **Water Resources Development**

101. **Water Revolution (Jalakranti):** The country's agriculture, horticulture and rural development depend on rejuvenation and management of water resources. This budget aims at optimum and effective utilization of the natural water resources so as to mitigate water scarcity in drought prone areas through "water revolution i.e. Jalakranti." In this context, the Government has declared the period from 2011 to 2020 as Irrigation Decade. I assure the people that all schemes towards effective water management will be completed in the next 10 years, thereby increasing the State's agricultural income and also achieving food security. I wish to reiterate that in the coming days irrigation will play an important role in the growth of State's economy.

102. **Krishna Award:** As per the award of the Krishna Water Dispute Tribunal -2, permission has been given to raise the height of Almatti dam to 524.25 meters. The Tribunal has awarded 911 TMC of water to Karnataka. Though we had demanded for additional 278 TMC of water, the Tribunal has awarded us 177 TMC of water. Our Government is committed to the

fullest use of our share of water so as to benefit the farmers.

103. More emphasis will now be given to develop water storage capacity, water management and integrated water resources management systems. For the first time in the country, our State Government has prepared a proposal based on integrated water resource management in rivers and valleys, in consultation with the Asian Development Bank. In order to undertake reforms of irrigation sector, to develop a policy framework and to attract private investment in the coming days an agreement has been signed with the World Economic Forum's Water Resources Group 2030.

104. There is a need for establishment of a state-of-the-art design centre at the Water Resources Development Organisation. An amount of ₹10 crore will be provided for this purpose. For the first time in the country, LiDAR (Light Detection and Ranging) 3D survey technology will be used for survey of irrigation schemes and accurate and quick detection and estimation of siltation in canals and reservoirs.

105. **Telemetry:** For the first time in the country, telemetric devices were used successfully in the Ghataprabha Right bank canals. Action has been taken now to extend this to other canals. This scheme will be implemented in partnership with institutions having the expertise. An amount of ₹ 45 crore will be provided for this purpose.

106. **Rejuvenation of saline and brackish lands:** It is proposed to rejuvenate 1,12,000 hectares of saline and brackish lands in command areas of the major and medium irrigation schemes. For this purpose an assistance of ₹ 80 crore has been sought from NABARD and with an allocation of ₹ 20 crore from the State Government this scheme will be implemented in association with expert institutions.

107. **National Remote Sensing Agency (NRSA):** A survey with the help of NRSA, regarding diversion of water from west flowing rivers to supply drinking water to Bangalore Urban and Rural, Tumkur, Chickballapur, Kolar and Chitradurga Districts has already been completed. Action will be taken in phases to provide drinking water through pipelines, while ensuring at the same time that there is no damage to the environment. In the first phase, water would be made available from Yettinahole canal. ₹ 200 crore has been provided for implementing this scheme through institutes with requisite expertise.

108. An amount of ₹ 674 crore has been provided for completing 30 major and medium irrigation schemes during 2011-12 (including Bairanpada lift irrigation scheme of Harihar and Kachavi scheme of Sorab Taluka).

109. An amount of ₹ 25 crore will be provided for the construction of Bekkodi canal in Sagar taluk.

110. All approvals have been given to the Dandawati irrigation project in Sorab Taluk. The project will be implemented accordingly.

111. It is necessary to increase the capacity of water user co-operative societies across the State. Financial assistance will be provided as an incentive to such societies based on efficiency of water rate collection. A sum of ₹ 20 crore will be utilised for this purpose based on the model proposed by the ADB.

112. **Advanced Centre for Integrated Management of Water Resources:** A special unit needs to be established for adoption of integrated water resource management principles in state's water resources sector. For this purpose, financial assistance would be available from the Asian Development Bank. An advanced centre for integrated management of water resources will be set up by revamping and merging the Water and Land Management Institute (WALMI) at Dharwad, the Karnataka Engineering Research Centre at Mysore and the Central Mechanical Organisation located at Bangalore. ₹ 50 crore will be utilised to develop this into a model institute.

113. In order to arrest the flow of water into the sea and enable utilisation of water stored by the farmers, ₹ 30 crore will be provided for construction of check dams and vented dams and a sum of ₹ 15 crore for constructing foot bridges in coastal districts of Uttar Kannada, Udupi and Dakshina Kannada.

114. An amount of ₹ 5 crore will be provided for construction of foot bridges in coastal districts.

115. There are about 36000 tanks in the state. Since maintenance and repair of these tanks is supervised by different departments, their rejuvenation becomes difficult. The condition of 23,000 tanks under Zilla Panchayats is also not satisfactory. The water storage capacity of these tanks has decreased due to siltation and lack of rejuvenation for the past several decades. Ground water level has also gone down in the numerous wells existing in the catchments and other areas in the vicinity of these natural tanks. There is a need to desilt these tanks, and to repair the main canals and sluice gates. It is also necessary to recharge the dried up tanks from surplus water of nearby rivers and dams. ₹ 1,000 crore will be given to Jala Samvardhan Yojana Sangha, Minor Irrigation Department, Water Resources Department and RD and PR Department, for this scheme which will be operationalised from April 2011.

116. A scheme for development of various tanks and filling water from the Kabini river in Chamarajanagar district will be taken up with an investment of ₹ 100 crore.

117. A total of ₹ 7,800 crore has been provided for the irrigation sector. This allocation is 50% more than that made during the year 2010-11. Depending on the progress of implementation, more funds will be provided.

118. For effective implementation of the schemes and programmes of the Agriculture and allied sectors including irrigation, it is proposed to spend a sum of ₹ 17,857 crore in the 2011-12 Agriculture Budget. A separate Agriculture Budget Volume containing details of allocations made to various schemes is placed alongwith the Annual Financial Statement.

ಜತ್ತದ ಹೊಲದಲ್ಲ ಮೊಕೆತಾವೊ ಬೀಜ  
ಕಣ್ಣ ಕೆರದಾವಣ್ಣ ಹಸುಲಿನ ತೇಜ  
ಹೊಲದ ಅಟ್ಟಣೆಯಲ್ಲ ನಾನೇ ರಾಜ  
ಬಲ್ಲರು ಯಾರಣ್ಣ ಈ ಎಲ್ಲ ಮೋಜ ?

- ಡಾ: ಜಿ.ಎಸ್.ಶಿವರುದ್ರಪ್ಪ

*(The seeds have sprouted in the sown field. The green light from the seedlings has just come out. The lush green fields make the farmer feel as if he is the king. This pleasure cannot be felt by anyone else.)*

119. In this poem, national poet Dr: G.S. Shivarudrappa has captured the happiness of the farmer who is overwhelmed on seeing the green fields. The poem reflects the farmers' confidence and faith in good crop and remunerative price. I wish that such days are not far for the farmers. This special Agricultural Budget also wishes the same.

**Hon'ble Speaker and legislator friends**

120. Our concern for the well being of our farmer brethren and their overall development is contained in this Agriculture Budget. I solicit your co-operation, partnership and support for this unique effort made for the first time in the country.

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