

“TRADE AND AGRICULTURE POLICIES OF KARNATAKA STATE A STUDY”

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Abstract:

Historical experience of almost all economies shows that the share of the agriculture sector in the total employment and national income falls with the progress in economic development and growth over time. However, this decline does not diminish the need to address various challenges facing the agriculture sector from time to time because of several reasons. The foremost is the dependence of human life on food for survival. This dependence goes beyond survival to adequate nutrition for an active and healthy life. The other significant reasons for the continuing importance of agriculture is its role in supporting and improving rural livelihoods, maintaining agro ecological balance, mitigating climate change and global warming, and ensuring sustainable use of land, water and other natural resources.

KeyWords: Maintaining agro ecological balance, Transformational change, Agriculture and allied sectors , Horticulture, Animal Husbandry, Fisheries, Karnataka state Agriculture Policy , Some of challenges, Soil Health , Conservation of Natural Resources .

INTRODUCTION:

Much of the economic activities including industrial production and supply chains, trade and commerce start with raw material supplied by the Agri -food sector. It is, thus, obvious that agriculture remains a core concern in all the countries, both developed and developing ones. It is now recognised by the United Nations that Sustainable Development Goals SDGs for 2030 cannot be achieved without paying attention to agriculture, as 11 out of 17 SDGs are directly linked to agriculture.

Role of agriculture in growth of Indian economy and overall development of the country hardly needs any elaboration. However, this needs to be re-oriented in the light of the changing environment and requirements and to meet the new challenges, and also to harness new opportunities. This will require a shift in our approach and thinking towards agriculture from ‘pushing for incremental change’ to ‘transformational change’.

The Agriculture and allied sectors viz., Horticulture, Animal Husbandry, Fisheries, Food Processing in the State requires a special focus and thrust in view of their direct impact on the livelihood of the farming community of the State. The value addition to agriculture, horticulture and other sector produce leads to extra income in the hands of farmer and also helps in boosting the economy of the State. Hence, there is a need to have an exclusive Agribusiness & Food Processing Policy to give focused attention for the overall development of agribusiness and food processing sector.

In Karnataka, about 3% of the total agro and allied produce is processed currently. The Ministry of Food Processing Industries, Govt. of India aims to achieve the food processing target of 25% by 2025 at the national level. In line with the National benchmark, the Karnataka Agribusiness & Food Processing Policy 2015 aims to achieve the target of 10% of agro processing by 2020 and 25% by 2025 in the State.

This policy aims to develop agribusiness and agro processing as a vibrant sector for creating employment opportunities and increasing the farm returns to farmers by value addition.

The vision of Karnataka Agribusiness & Food Processing Policy 2015 is to position Karnataka in a sustained growth path in the field of agriculture & allied sectors through global technologies & innovative tools, by creating enabling frameworks and state of art infrastructure facilities, thereby generation of higher returns to farming community.

The objectives of the policy are as follows:

- To increase the flow of investments across the supply chain from farm to market.
- To extend the supply chain and infrastructure opportunity in rural area.
- To increase the value addition and reduce wastage, thereby increasing the income of farmers.
- To maximize direct and indirect employment generation opportunities.
- To create necessary supply chain like transportation, warehouses, and cold storage in the agro processing sector.

Government desires to achieve these objectives through the following strategies:

- Encouraging investments in the supply chain infrastructure to reduce post harvest loss.
- Strengthening linkage between processing enterprises and Research & Development institutes.
- Fiscal incentives for setting up focused industrial clusters and food processing parks in potential food clusters.
- Encourage adoption of quality certifications, green and clean practices, energy efficient measures.
- Declaring the entire State as single zone for availing incentives and concessions.

At the all India level Karnataka stands First in the production of coffee, Bengaluru Rose Onion, Sunflower, Gherkins, Arecanut, Capsicum, Green Chilli, Tamarind and Vanilla. Second in the production of Maize, Tur, Jowar, Tomato, Sapota, Grapes, Pomegranates, Pepper, Cut Flowers, Cucumber, Watermelon and Cloves. Third in the production of Sugarcane, Mango, Tobacco, Jackfruit, Onion, Dry Chillies, Cardamom, Cocoa, Coconut and Cinnamon. Fourth in the production of Bengalgram, Papaya, Carrot, Turmeric and Cashewnut. Fifth in the production of Groundnut, Soyabean, Banana, Lime/Lemon and Sweet Orange. The State is also one of the leading producer of Milk, Ginger, Marine Fish, Garlic, Eggs, Guava etc. The agro based industries in the State are spread across all the 30 districts. Currently, there are about 54,905 agro processing units with an investment of Rs.4,42,879 Lakhs have employed 3,24,148 manpower. These are mainly in MSME sector. Agribusiness & Food Processing Sector in the State has witnessed a steady growth. Exports have increased from Rs.5158 crore in 2010-11 to Rs.11231 crore in 2014-15 registering a Compounded Annual Growth Rate CAGR of 21%. The State Government had formulated Industrial Promotion Policy for Agro Food Processing Industries vide G.O. No.CI 29 SPI 2002, Bengaluru, dated 28th June 2003 for promoting agro food processing industries in the State. State Government has also formulated Integrated Agribusiness Development Policy 2011 for the sustained development of agriculture and allied sectors. This policy covers warehousing, silos, cold storage logistics related to Agri-business, Export, Processing, Handling, Storage of Agricultural, Horticultural, Floriculture, Spices, Medicinal and Aromatic Plants, Fish, Meat, Poultry, Dairy, Organic Produce, Research for varietal development, Bio Technology, Bio informatics, Food Testing Laboratories, Tissue culture Laboratories, Seed Processing Units, Irradiation Units, Food Grade Packaging material units and preservatives, Horticulture hub, Food Parks, Sea food parks and Spice park. The policy has been drafted through the consultation process with the Agriculture, Horticulture, Co-operation, Animal Husbandry & Fisheries Departments. The views / opinions from the cross section of Industry Associations, Food Processors & other stakeholders were also obtained by interacting with them. The current Karnataka Industrial Policy 2014-19 was taken as a base to formulate the Karnataka Agribusiness & Food Processing Policy 2015. Whatever is not defined / mentioned here

in this Policy will have the same meaning as given in the Karnataka Industrial Policy 2014-19 for all purposes and also for calculating the eligibility criteria, claiming incentives & benefits.

The Government of Karnataka considers high growth of agriculture and allied sectors as a means to accelerate the state's GDP growth, enable farmers to earn higher income and ensure food security. Karnataka has rich biodiversity and ten agro-climatic zones suited for majority of the agricultural & horticultural crops and a long coastline that encourages fisheries. The state contributes around 7% of the agricultural production and 15% of the horticultural production in the country. It contributes around 10% of the fruit & vegetable production in India. Its climate endowment suits cultivation of cash crops like coffee, coconut, mango, spices, commercial flowers, aromatic plants, cotton, sugarcane, oilseeds, grapes, pomegranate, sapota, etc. Even though the state has inherent natural advantages, the performance of agriculture and allied sectors has been slow and volatile. Agriculture still supports nearly 65% of the population in the state and its share in the state GDP has been declining fast.

Karnataka state Agriculture Policy:

Karnataka state forms the South Western part of the Deccan Peninsula and lies between 11.5° and 18.6° North latitude and 74.0° and 78.4° East longitudes. It is the 8th largest state in the country having an area of 191,791 Sq. Kms 6.25% of India's total area of 3,065,027 Sq.Kms.. As per the census of 2001, the State has a total population of 5.27 crores accounting for 5.13 per cent of the country's total population of 102.70 crores. The rate of growth of population in the considerably from 21.12% in 1991 to 17.25% in 2001. Sixty six per cent of the total population resides in rural areas, whose main occupation is Agriculture and allied activities. Out of the total population, 44.6 per cent is working population, of which 69.36 lakh are cultivators and 62.09 lakh are agricultural labourers. One important feature, of agricultural labourers is that the percentage of women 58.19% overrides the percentage of men 41.81%. The literacy rate of the State is 67.04 per cent, while in rural areas it is 59.68% and that of urban areas it is 81.05 per cent. The State has 27 districts, 176 taluks, 745 hoblies, 29,483 Villages 27,575 inhabited and 1908 uninhabited and 5692 grama panchayaths. As per the Agricultural Census of 2000-01, the State has about 123.07 lakh hectares of cultivable area out of total geographical area of 190.50 lakh hectares, accounting for 64.60 per cent. The total number of operational holdings is 70.79 lakhs with 1.74 hectares, as average size operational holding. Small and marginal farmers account for 72.9 per cent of the total holdings, cultivating only 34.4 per cent of the total cultivable area. The number of holdings increased by 8.58 lakhs due to fragmentation of the land in the last five years. The average size of holding has decreased from 1.95 hectares to 1.74 hectares. Out of the total cultivable area of 123.07 lakh hectares, as per the statistics of 2001-02, the net cultivated area was 100.31 lakh hectares and the gross cultivated area was 116.70 lakh hectares, indicating a cropping intensity of 116 per cent. Out of the gross cultivated area, the area under irrigation was 30.89 lakh hectares 26.5%.

Karnataka state Agricultural Policy 2006:

The State is divided into 10 Agro-climatic zones on the basis of soil structure, humidity, elevation, topography, vegetation, rainfall and other agro-climatic factors. The State receives normal annual rainfall of 1139 mm, mainly through southwest monsoon June to September - 806 mm and Northeast monsoon October to December - 195 mm. The rainfall during post monsoon period, i.e January- March is about 14 mm and in pre-monsoon period, April to May it is 124mm. Accordingly, the state has three agricultural seasons - KHARIF April to September, RABI October to December and SUMMER January to March. Agricultural crops are cultivated in an area of about 107 lakh hectares annually. Out of this, in Kharif season it is about 69 lakh hectares 64%, in Rabi season it is about 32 lakh hectares 30% and the rest 6 lakh hectares 6% come in summer season. Out of gross cultivated area of agricultural crops an area of about 22 lakh hectares 20.5% comes under irrigation. Karnataka State with a foodgrains production of about 100 lakh tonnes contributes nearly 5 per cent to the national foodgrains production. However, owing to successive droughts during the last three years 2001 - 02 to 2003 - 04 the foodgrains production had decreased substantially.

Some of challenges the sector are:

- There is a need for change both in the content and approach of research which can be taken up in partnership with private sector on aspects like development of improved crop varieties or hybrids suited to diverse agro-ecologies and micro conditions, production of hybrids, sustainable crop production and protection technologies, conservation and sustainable use of genetic resources of plants, insects and other invertebrates, agriculturally important microorganisms, gene prospection, greenhouse production of flowers and vegetables, research in veterinary science, animal science, dairy science, fisheries science, development and improvement of technologies for value addition, shelf life enhancement and quality assurance of livestock and poultry products, cutting edge technologies for various food processing, value addition and exports. However, all these would require creating enabling environment for private sector as well as collective participation of particularly farmers and local entrepreneurs.
- The state government has come up with the ‘Integrated Agribusiness Development Policy, 2011’ at the right time to increase capabilities and income of farmers and rural communities thus playing a significant role towards nutrition security for the country besides positioning its produce in the global arena. The policy aims to benefit marginal land owners, farmers, SHGs, fishermen, rural workforce, other producers and improve the competitiveness of SMEs leading to better unit value realization, besides facilitating large investments and opening avenues for export markets.
- Constraints for Exports inadequacy of exportable varieties, lack of post harvest infrastructure, high cost of obtaining certification for exports, etc
- To address these issues, agriculture sector would require substantial changes in terms of technology, markets, institutions and policy. New and appropriate technology will directly help in improving productivity both at cultivation and post harvest stages and result in better value addition. Competitive and efficient marketing arrangements would lead to higher value realization. Appropriate institutional arrangements would enable improving productivity, better value realization as well as better value addition possibilities.
- Supply Chain Management Issues – uneconomic scale of operation, lack of consistency in supply and quality, lack of cost competitiveness, inadequate and inappropriate storage and distribution infrastructure, lack of technical support for the sector, etc.
- Technological Constraints Small and un-irrigated, unproductive plantations needing replacement or rejuvenation, low productivity of crops due to inferior genetic stocks, inadequate supply of quality planting materials of improved varieties, high incidence of pests and diseases, heavy post harvest losses, serious erosion and even extinction of some of the indigenous animal breeds, subsistent livestock farming, quality deterioration due to improper handling of milk and milk products, poor hygienic conditions and practices in slaughterhouses, lack of fish handling facilities, etc.
- This necessitates substantial increase in the investments aimed at streamlining agricultura value chain, bringing state of the art technology, encouraging best practices in every aspect of agribusiness which will help in reducing total transaction costs and improve realization for farmers.
- Harnessing the opportunity presented by global trends and local advantages require an enabling framework to accelerate growth. The ‘**Integrated Agribusiness Development Policy 2011**’ has been formulated to address key concerns affecting the agricultural growth and allied sectors namely improving productivity, minimizing post harvest losses, enhancing post harvest processing and value addition, enhancing value realization through better marketing channels, sustainable practices in production, processing, branding, marketing, etc. The policy lays stress on animal husbandry and dairy in terms of generating income and rural employment, increasing the availability of animal protein in the food basket and for generating exportable surplus to target markets. The vast fishery resources of Karnataka state offers potential for development of the sector in a sustainable manner. One of the main objectives is to enhance fish production in the state by utilizing offshore resources and increase the fisherman’s standard of living.

➤ Thus, the policy enables a holistic and sustainable growth of the sectors Agriculture, Horticulture, Agroforestry, Dairying and Animal Husbandry, Fisheries, Sericulture, Apiculture and Food processing sectors including the related and allied industries. To harness the expertise of private sector, the policy facilitates a structured and pragmatic approach for development of agri-infrastructure through PPPs which will lead to greater industrial opportunities in agribusiness. The policy envisages technology/know-how driven growth in agriculture and allied sector based on skill development, knowledge dissemination, bringing information technology into farming and enhanced quality of service through innovative models.



The marketing sector is of two tier system. At the state level the Karnataka state cooperative marketing federation is functioning at the Apex institution and Taluk Agricultural Produce Co-operative Marketing societies at the taluk levels are functioning as primaries. All the taluks in the states are covered by these primary marketing cooperatives. Besides, there are other commodity-wise marketing societies. The marketing societies undertake prominent of food grains on behalf of the Government and the Karnataka food and civil supplies corporation by opening purchase points at village level. They are also entrusted with the vital activity of rural distribution system. In Karnataka there are 179 Taluk Agriculture Produce Co-operative Marketing Societies. Apart from these societies there are five specialized marketing societies dealing with Commercial Crops like arecanut etc, In order to achieve various objectives of such societies effectively and to restructure the marketing system, District Cooperative Marketing Unions at District level in the Districts of Belgaum, Bijapur, Bellary, Raichur, Mandya, Haveri, Mysore, Gulbarga, Shimoga, Hassan, Bidar and Bagalkot have been established.

❖ **Karnataka co-operative societies Act :** The Karnataka State Co-operative Marketing Federation Ltd . The Karnataka State Co-operative Marketing Federation was registered on 11-11-1943 under the. In the initial years the Federation was involved in the distribution of coffee seeds, sugar, clothes, cement and other consumer items. In the subsequent years the Federation has involved itself in procuring and distributing of agricultural inputs essential to the farmers such as fertilizers and insecticides and also purchase of agricultural produce from the farmers. The major activities of the Federation are supplying fertilizers and pesticides necessary to the farmers through co-operative

societies, under the minimum price support scheme of the Govt, and purchase of agricultural produce from the farmers as per Market Intervention Scheme and its own funds and construction of godowns in important centers of the State and thereby providing storing facility for the agricultural produce.

In order to ensure timely supply of fertilizers to the farmers, the Government has implemented the Fertilizer Buffer Stock Scheme from the year 2008-09 through the Karnataka State Co-operative Marketing Federation. Upto 2019 the Federation has distributed 79.65 lakhs MT of Fertilizer to the tune of Rs.5563 crores. By implementing this scheme the financial position of the Federation improved gradually. The Government stands guarantee to the loan obtained by the Federation through Bank to the tune of 400 crores during 2018-19. **The Federation has 451 co-operative societies** as its members with total share capital of Rs.684.33 lakhs and working capital of Rs. 357837.16 lakhs. During the year 2018-19 the turnover in respect of sale of fertilizer is Rs.33786.14lakhs and that of agricultural produce purchase is Rs97425.00 lakhs.

❖ **Agricultural Produce Co-operative Marketing Societies :** As at the end of 2018-19, these 179 co-operative societies have 4451 co-operative societies and 307945 individuals as its members. The total share capital is Rs.3221.48lakhs, of which Government Share capital is Rs.1513.37 lakhs, it has working capital of Rs.75158.78lakhs and business turnover is Rs.147173.72 lakhs. 179 Taluk Agriculture produce Co-operative Marketing Societies working in the State. The area of operation of these societies extends to a taluk and they function at the taluk headquarters. The main objectives of these societies are to procure agricultural produce from the farmers and enable marketing of these produce thereby ensuring right price for the agricultural produce, construction of godowns for storage of these agricultural produce, along with this implementation of the food ration scheme of the Govt., distribution of ration to hostels prisons and marketing of fertilizers, insecticides, agricultural implements.

Philosophy and Approach : The philosophy of the present Agricultural Policy lies in the concept of ‘Pancha Sutra’ that was announced by the State in its budget 2006-07 for accelerated growth in agriculture. The five components of Sutra are, to protect and improve soil health, Conservation of natural resources, with special emphasis on water and micro irrigation, Timely availability of credit and other inputs to the farmers, Integrate post harvest processing with the production process, and Reducing the distance between ‘Lab to Land’ in transfer of technology. His Excellency the President of India Dr A P J Abdul Kalam during his address on 20th November 2005 to the Joint Session of the Karnataka legislature put forth a four fold mission statement for agricultural prosperity in the State. Energy Mission: Growing bio-fuel trees like Honge, Jatropha etc, in about 50 per cent of waste lands result in producing 35 lakh tonnes of bio-fuel per year to generate income of Rs. 875 crores and provide employment to 14 lakh persons, Horticulture Mission: There is need for development in irrigation, infrastructure, distribution, farm mechanization and agro processing. Horticulture Mission will result in an accrual of income of Rs. 10,000 crores with higher employment potential, Agro Processing: Karnataka is rich in Agriculture and Horticulture produce and there is lot of scope for converting them into value added food products. This mission will provide export revenue of Rs. 50,000 crore and ,Water Management: There is a need to create water harvesting and wastewater recycling facilities. This is kept in view as the intrinsic goal of this policy.

‘**Farmer Centric**’ approach as the focal points of this policy, the State has set for itself a few major achievements in terms of goals. The policy therefore addresses more to the farmers’ problems than to the technology per se. from the ‘supply pushed’ This is a ‘Farmer Centric’ policy; therefore the process of development begins at the farm. It further covers the role of the State in terms of budgetary support and macro-economic adjustments, production and technology sector, environmental friendliness of the farmer, land issues, agroprocessing, associated trade and value addition to the farm products, removal of distortions in domestic market, and finally strengthening of the allied agricultural sector and linkages.

Goals of this Farmer Centric Policy

- ❖ Soil Health
- ❖ Conservation of Natural Resources
- ❖ Growth rate of 4.5 percent per annum
- ❖ mainly land and water
- ❖ Availability of Credit
- ❖ Integrated Post Harvest Management
- ❖ Shift to 'demand driven' technology
- ❖ Lab to Land at quick pace
- ❖ Double the agricultural production in a decade and net income of the farmer

First, this policy envisages achieving a growth rate of per cent per annum during the next decade. It is expected that this growth rate will help to increase the net income of the farmer. It will also help to bridge the income differentials between the agricultural sector and the non agricultural sectors. Employment generation in the farm sector as well as in the allied agricultural sector is the key to provide incremental income across different regions and classes of farmers. In overall policy scenario, this needs to be attended to by dovetailing employment generation in most of the programmes. Second, the policy focuses on the bypassed regions, as well as bypassed groups of farmers in the process of development adopted thus far. That will bring in the question of attending to regional disparities and providing the growth drivers for the weak regions. Third, hitherto the technological change has been 'supply driven' rather than 'demand driven'. The distance between the 'Lab to land' has always created a lag in reaching the technology at the doorsteps of farmers.

Macro Economy of Agriculture :

The macroeconomic situation of agricultural sector during last decade has not been very encouraging. Inadvertently though, agricultural sector received less than its due share of public resources as well as private investment. Similarly, the budgetary allocation to development schemes for agricultural sector has not been very satisfactory. It is essential to correct this imbalance in investment from public sources, and the budgetary allocation to the agricultural sector needs to be allocated on the basis of per hectare area or per farmer basis. It is suggested that in future budgets, agricultural sector should be allocated resources on the basis of the earlier trends and keeping in view the requirements of growth rate of 4.5 per cent per annum in the sector. The expenditure from budgetary resources for development purpose will have to be about 10 per cent of the total development expenditure and the non-development expenditure in the agriculture sector should be between 22 and 25 percent. Generally 8 to 10 per cent of the total expenditure from the budgetary resources goes to agriculture (other than irrigation). However, in the recent past it has gone further down. This should be brought back to the level of 10 percent range.

Schemes Capital investment :

from private sector in rural areas, and especially the backward talukas identified by the Nanjundappa Committee should be encouraged. A suitable scheme, in terms of tax incentives and land incentives will be provided to such investment. However, any such enterprise will not be given good agricultural lands. More than that it will be very clear that, if the investor does not start the promised agro processing plant, within the stipulated time, the caution deposit kept while purchasing of land from the State shall be forfeited. In addition, the land purchased for the agro processing unit shall revert back to the State. Suitable legal framework has to be drafted for this purpose. This will attract investment in rural areas and especially in the backward talukas..

Sponsored Schemes :

Various subsidies provided to the farmers under Central Schemes and Centrally Sponsored Schemes can be grouped into two separate typologies. The first typology of schemes includes those programmes that

help in boosting the growth of crop economy, horticultural economy, and input sector. These schemes could be easily adopted by all farmers and economically productive on medium and large farms. Therefore, while designing such schemes, the distinction between small, marginal and large farmers should not be adhered to. It makes both the scheme as well as its implementation difficult. The second group includes the schemes that essentially support the livelihood of small and marginal farmers. Only in these schemes, the distinction between small, marginal and large farmers should be maintained and preference should be given to them.

Distress in the farm sector :

Net income generated in the farm sector during the last decade has shown more or less a complete stagnation in real terms. Naturally, farmers' distress has been increasing in the State like elsewhere in the country. Fortunately, the agricultural administration in the State and the State policies have effectively controlled the spate of farmer's suicides in the State. This policy focuses on all the major reasons of distress in the farm sector of the State.

Food security:

of the State will be of prime importance, even though we welcome the open economy model. Our food basket really comes from the rainfed region and that will be the area on which our future growth depends. The Agricultural Commission of the State will look into this aspect. In order to harmonise the agriculture relationship the State will ask the Land Use Board to have clear demarcation of zones for the purpose. This will collaborate with Land Zonation teams proposed by Dr.M.S.Swaminathan.

Land is certainly a crucial element:

in the group of all natural resources. Land use trends can impact the economy and ecology simultaneously and at times with serious effects. Therefore, a long-term policy for land use based on trends and carrying capacity is clearly needed. However, given the present trend of liberalization, it is difficult to theoretically justify the process of directing a total land use policy from above with State intervention. This can only be achieved with the help of a proper incentive structure and chalking out a broad development path for the policy purpose. Karnataka Land Use Board can take a lead on this aspect and prepare an idealistic plan for the sectors.

Land reforms in Karnataka:

are heralded as better-implemented reforms compared to many other states in the country. Not only analysts from Karnataka but also from by other states endorse this. The reforms in Karnataka were pragmatic in their content but the process of implementation left a large grey area that remained unattended. Major achievements in this process included the acquisition of surplus land, abolition of intermediaries and abolition of tenancy at least the recorded tenancy and ensuring land to the tillers. The main failures listed by a few analysts in the context of reforms are the inadequate distribution of surplus land, quality of surplus land, economic viability of the distributed land and unabated concealed tenancy with usurious practices. There are significant changes in the land use structure. Cultivable land in the state is declining and at the same time, land used for non-agricultural purposes is increasing. Trends in the cultivable wasteland

The Panchayat Raj institution:

Government should be the grass-root agency for developing operational (investment) plans and promoting the desired land use on participatory micro-watershed basis. Decentralisation of land revenue administration and the social development programmes like drinking water, primary education and health care to a constitutional self-government closer to the people need to be put in place.

Policy Steps:

Farmers' groups at Panchayat level will manage wasteland, Public debate on next phase of land reforms, Wasteland to be used for biofuels, medicinal trees and trees with economic value Biofuel development through mission mode. Land use Board will be strengthened, PRIs to involve in land use management, Bhoomi project to be strengthened, Diversification of Agriculture into other allied activities.

Record of Rights:

Classification and maintenance of land will be given high priority and land records will be fully prepared before any field level investment planning is taken up in the microwatersheds. 'Bhoomi Project' of the State has covered a significant ground in this direction. The land use planning recognises the capability of land resources for alternative uses, but their social benefit-cost calculations vary depending on the ownership. For this reason, a clear demarcation of biosphere reserves, yielding forest, community lands, urban green belt and private lands will be made on a priority basis.

Bhumi - Taiya Arogya:

Karnataka has seven major types of soils. Presently, soil erosion is noted in 60 per cent of the area under crops. Water logging, salinity and alkalinity are also major problems. The Tungabhadra project area, Upper Krishna project area and the Malaprabha-Ghataprabha project regions have large area, either degraded or problematic. A planned programme of conjuring soil health will be taken up by covering 35,000 hectares per year. This will be called "Bhumi-Taiya Arogya" programme and its operational core will be public private partnership. This will be achieved with the help of 20 percent contribution from the land owner and 80 percent of the expenditure coming from the State. In addition to manual intervention to restore soil health, agronomic conservation reduced tillage, residue management and crop cover, integrated plant nutrient system, bio inoculums and application of green manure will be encouraged.

Crop Economy:

The University of Agricultural Sciences and Krishi Vijnana Kendras will be made accessible and responsible for demonstrating appropriate technology and provide training. Availability of Certified Seeds and quality planting material will be enhanced at university level. Campaign for adoption of hybrids of rice, maize, jowar, bajra, cotton and sunflower will be taken up, Agricultural Universities will contribute towards this. Investment in bio-technology research and extension will be stepped up at both Universities. Agricultural Universities will endeavour to establish their brand name in the seed and technology sector. They will also host a toll free telephone help line and an interactive Internet site to provide technical advise to farmers. Integrated farming approach will be demonstrated and popularized in the rainfed areas. Post-harvest treatment, processing and contract farming will be encouraged in selected crops. There is a perceptible shift in Karnataka's diversified agriculture to high value crops But production in most of the crops is stagnant and is decelerating in some of the crops. There are four phases prominently visible in the crop economy of Karnataka. The last two phases spanning the decades of 80's and 90's are quite contrasting, indicating dismal performance during the last decade. The policy priority is to bring back the crop economy to sound footing by adhering to proper crop mix and deliberate crop planning upto panchayat level.

CONCLUSION:

Karnataka has always taken a lead ahead of the other States in India; in many respects as far as Agricultural Policy initiatives are concerned. It became the first State in the country to have unveiled its own Agricultural Policy as early as 1995, in order to demonstrate that agriculture is a subject enshrined in the State list under the Constitution of India. Two years before that, sensing the impending stagnation in the agricultural sector, the State Government appointed a High Power Committee under the Chairmanship of Shri T R Satishchandran and the recommendations of this Committee were far

reaching. The State did not lag behind any other State in preparing a document assessing the situation emerging out of Agreement on Agriculture under the WTO. The Agriculture and allied sectors viz., Horticulture, Animal Husbandry, Fisheries, Food Processing in the State requires a special focus and thrust in view of their direct impact on the livelihood of the farming community of the State. The value addition to agriculture, horticulture and other sector produce leads to extra income in the hands of farmer and also helps in boosting the economy of the State.

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