

RE-PURPOSING Rs. 9000/- CRORES TOWARDS PRODUCER PROSPERITY AND CONSUMER NUTRITION SECURITY IN KARNATAKA

BACKGROUND:

Karnataka's Congress Party had promised to BPL household members 5 kilos of additional rice per person, free of cost, under the state's PDS program as one of its election manifesto commitments and after coming to power, found itself unable to access FCI rice stocks because of the Union (BJP) Government refusing to supply the same towards the fulfilment of the Congress party's promise. 2.28 lakh metric tonnes of rice were needed additionally as per the original plan, to be supplied to 4.42 crore persons. The newly-sworn-in state government had to then resort to paying Rs. 170/month/person (in lieu of spending Rs.34 per kilo of rice, @ 5 kgs a person) as DBT into the account of each household head. **This adds up to around 750 crore rupees/month and around 9020 crore rupees a year.** *The DBT system was announced clearly as an interim temporary measure.*

OUR PROPOSAL:

There is no nutritional benefit of supplying 5 more kilos of rice per person per month. The 9000 crore rupees being spent on DBT to PDS beneficiaries should be **re-purposed into supply of 5 kilos of millets (ragi or jowar), one kilo of dal and one kilo of edible oil to every PDS rationcard-holding household.**

WHY?

- a. To convert the large public expenditure into something that goes into supporting producer livelihoods in the state thereby giving a boost to rural economy;
- b. To use the money to support ecologically sustainable cropping patterns in the state (millets, pulses and oilseeds) that will also address issues of rainfed farmers – millets for instance will not consume as much water or chemical inputs as paddy;
- c. To enhance the nutrition security of the BPL PDS beneficiary household. Nutritionally speaking, 6 kilos of rice should be adequate per person per month. Further, Ragi and Jowar do not have the high GI of polished rice and have better micronutrient availability, thereby bringing down the malnutrition load (under-nutrition as well as obesity) in the state. In their production also, these two crops do not consume as much chemical fertilisers and pesticides as paddy crop does, thereby providing safer food grains to poor households.

HOW?

1. **RAGI & JOWAR:** Announce a procurement target for ragi and jowar for at least the next season, to meet the requirement of 5 kilos of millets to each BPL household per month (1.1 crore such households in the state). This means 6.6 lakh tonnes' requirement per year (3.3 lakh tonnes of ragi and 3.3 lakh tonnes of jowar, which are figures that build in for processing and storage losses, while the actual distribution requirement is 5.5 lakh tonnes). Current production figures hover around 11 lakh tonnes of Ragi, half of which is estimated to be kept for household level consumption. Similarly, current production of jowar is around 7 lakh tonnes where half of the production has local consumption uses. At around 7 quintals per acre of ragi or 5 quintals of jowar productivity, the current 8 lakh hectares of ragi and current 7 lakh hectares of jowar will suffice. Ragi can be procured on MSP (Rs.38.46/kilo) with the cost to the state government being Rs. 43.5/kg (procurement, processing & distribution cost) and Jowar can be procured at MSP (Rs.32/kilo) with the cost to the state government being Rs. 37/kilo. This will require 2656.5 crore rupees (for ragi, total cost will be 1435.5 crores and for Jowar, total cost will be 1221 crores).

2. **PULSES:** State Government can supply at least one kilo of tur/arhar dal per PDS household per month at a cost of Rs.90/kg for the government. That would mean 11000 metric tons requirement per month and 1.6 lakh MTs of procurement per year (at MSP of Rs.70/kg of whole tur) with around 20% dal processing recovery and other losses kept in mind and quantity for distribution being 1.32 lakh tonnes. The production in the state already hovers at 11 lakh tonnes/year normally. This will require 1440 crore rupees outlay. (The productivity is estimated at around 3.5 quintals per acre on an average, and the current levels of cultivation and production should suffice for this procurement and distribution). This can be a combination of tur and bengalgram in reality (with the MSP of gram being lower than tur). In terms of cultivation on the ground, it need not be a separate crop only and can be intercropped with cotton, jowar etc. The priority districts can be Belagavi, Dharwad, Bidar, Raichur, Bagalkote, Kalaburagi, Vijayapura etc. with tur/chana included.
3. **EDIBLE OIL:** Karnataka grows numerous oilseed crops like groundnut, sesamum, soybean, safflower, sunflower etc. The promise of one litre edible oil to every ration-card holding BPL family can give a big boost to local oilseed production, with producer livelihoods supported by procurement. 1.3 lakh MTs of edible oil would be required for this purpose (3.25 lakhs tonnes of oilseed with Rs.64/kg being the MSP), and the budget requirement could be Rs. 2700 crores at Rs. 200/kg of such oil including Rs. 40/kg for handling (procurement at MSP being 2080 crore rupees, and the remaining for processing costs including by setting up cold pressed oil expeller units at panchayat level). For giving a boost to oilseeds, districts can be shortlisted like Chitradurga, Tumkur, Dharwad, Bellary etc. Investments on local bullock-driven, or electric cold-pressed oil units can be made, after selecting the dense cultivation areas. The government can support value addition through village level enterprises in around 120 such units. The infrastructure investment cost of around 60 crores is included in Rs.2700 crores mentioned above.
4. **KARNATAKA MILLETS MISSION:** Millets, which are beneficial in building nutrition security in terms of better nutritional profile in addition to food safety, need a greater push in the state where maize crop which is not even a food crop anymore is taking over. However, for most millets to make a comeback, a lot of end-to-end work is required, starting from seed quality maintenance, to production systems improvements, to appropriate processing technologies and finally, popularisation amongst consumers. This requires a Millets Mission, as is happening in Odisha ([Home | Odisha Millet Mission \(milletsofodisha.com\)](http://milletsofodisha.com)). A budget of around 100 crores can be visualised here.

For all the above to happen, procurement operations have to be improved and decentralised. Community Based Organisations can be drawn in as is happening in other states, including women's SHGs, FPOs etc.

BUDGETARY IMPLICATIONS

No new budgets are needed. About 6900 crores of rupees of the already announced budgets will be needed for the above, which is basically a re-purposing of the temporary DBT arrangement that has been made by the state government.

This means that around 2000 to 2100 crores can be freed up for the proposals that are presented in the subsequent pages of this note.

(Data used for this explanatory notes is from [2019-20 FRE.pdf \(karnataka.gov.in\)](#) and [2021-22 Final Estimates.pdf \(karnataka.gov.in\)](#))

REVIVAL OF TRADITIONAL SEED VARIETIES OF KARNATAKA – CONSERVATION, MULTIPLICATION AND DISTRIBUTION

Background

At a time when climate change poses an immediate need for better resilience in farming systems, and at a time when nutritional profile of our foods is a matter of increasing concern, it is important that Karnataka Government also invest on reviving traditional seed varieties known for their superior nutritional composition and for their stress tolerance abilities. Karnataka's native agro-diversity is well-known across the country, and several landraces of paddy, millets, pulses, fruits and vegetables are popular amongst both farmers and consumers. Moreover, Karnataka's seed-conservator farmers are well known across India for their passion for conservation of traditional landraces. It is also important to note that several other states have already started schemes that seek to conserve, multiply and distribute traditional seed varieties in addition to supporting seed conservator farmers.

OUR PROPOSAL

Announce a special scheme for revival of traditional agro-diversity in Karnataka, whereby investments are made on landraces conservation, multiplication and distribution to interested farmers. Support the whole initiative with large scale consumer awareness campaigns.

WHY

- a. Because revival of agro-diversity, and diversity-based cropping adds to soil health, plant nutrition and human nutrition, even as it builds resilient farms in the age of climate change.
- b. Because farmer/community-level seed sovereignty is important for sustainability of farm livelihoods, to be free of corporate control on agriculture to a significant extent.
- c. Because some individual farmers who are taking up seed conservation work out of their own passion, need support to continue their work.
- d. Because numerous other states like West Bengal, Odisha, Tamil Nadu, Kerala and Andhra Pradesh have already initiated such schemes and programs successfully.

HOW

- a. Extend support of Rs. 3 lakhs each to shortlisted and verified seed conservator farmers in Karnataka, upto 20 in number. This can be along the lines that Tamil Nadu government has announced in this year's budget. *(TN Budget being attached)*
- b. Prepare an indent for traditional seed varieties that need to be multiplied and distributed. Use the Kerala model of per hectare cultivation incentive, as well as procurement of the seed at an attractive price back from the farmers, and distribution of the same amongst interested farmers. Interested FPOs/SHGs can be used for this purpose by KSSDC *(Kerala Orders being annexed)*
- c. Involve the state agriculture department to conserve and characterise, using the state seed farms, a select set of traditional varieties each and organise varietal diversity blocks for participatory varietal selection by local farmers. This could include trainings to be organised for interested seed conservator farmers and traditional seed producers through CSOs.
- d. Hobli level seed banks to be supported wherever Panchayats or women's SHG federations step forward to manage them.

BUDGETARY IMPLICATIONS

The total budget required for the above would be **around 5 crore rupees**. All the above may be directed mainly towards women farmers/women's collectives.

SETTING UP ORGANIC MARKETS (D2C)

Background:

Karnataka was the first large state in India to have declared an Organic Farming Policy way back in 2004 itself, much before the rest of the country woke up to the need for ecological restoration and pulling farmers out of the agrarian crisis caused to an extent by intensive agriculture paradigm. Karnataka also revised its organic farming policy in 2017. Through the Horticulture Department's initiative, the first organic processing unit was also set up in the state using the funding available under RKVY. Karnataka also created farmers' cooperatives and their federations for organic produce marketing, along the lines of dairy cooperatives. However, the state has not set up any infrastructure and other support for organic farmers' markets so far. This will become important, to support farmers who are attempting to transition to chemical-free farming and regenerative farming.

OUR PROPOSAL

Support the setting up of different kinds of D2C markets and their basic infrastructure, for organic farmers and their collectives to take up direct marketing with consumers.

WHY

- a. To incentivise a larger transition towards agro-ecology by farmers, at a time when many organic farmers have been supported to make changes in their production practices.
- b. To ensure that consumers of all classes of society get access to authentic organic produce.
- c. To ensure that organic farmers get the maximum benefit out of direct marketing to consumers, and rural youth and women's collectives enjoy the margins of value additions made.

HOW

- i. Set up Highway Organic Hubs which are like "Experience Centres" related to organic food, which also help producers in the local area market their produce directly to consumers, in addition to women's SHGs and youth collectives taking up marketing of processed and value-added products. Each Hub can have an eatery, fresh vegetables and fruits marketing stalls, grocery shops, bakeries and cafes using organic produce etc, in addition to processing infrastructure. This can be done in a Public-Farmer-Partnership model. At least 5 pilots can be announced and incubated to begin with.
- ii. Set up Organic Farmers' Markets in urban centres, which are exclusively for only verified organic produce.
- iii. Change building byelaws to make sure that any residential complex above a particular number of units should have an organic outlet with complete infrastructure built within.
- iv. Provide space of 10X20 in all Indira Canteens for any CSOs that have been involved in the Krishi Bhagya scheme to run outlets on behalf of organic farmers.

BUDGETARY IMPLICATIONS

It is estimated that each Highway Hub as well as Organic Farmers' Market in urban centres will cost upto Rs. 2 crore rupees each. This includes the land rental value being provided to the partnering farmer(s) in the initial 2 years until the enterprises start paying a share of the profits to the farmer. **A total budgetary allocation of 25 crores** can be made for incubating 5 Highway Hubs, 5 Organic Farmers' Markets and 15 Indira Canteen spaces.

INTEREST SUBVENTION + CREDIT GUARANTEE FUND FOR FARMER PRODUCER ORGANISATIONS (FPOs)

Background

There are more than 600 FPOs in Karnataka formed by different agencies at different points of time, with or without government support. A handful of them are now part of the Centrally Sponsored Scheme of 10000 FPOs, which means that they receive additional equity support as well as easier financing for their business operations, in addition to a good deal of support for institution building. It is worth noting that other FPOs are not treated on par with the FPOs under the CSS on 10K FPOs.

WHAT

Subsidise interest subvention for FPOs which are availing of credit financing from institutional lenders. Also set up a credit guarantee fund for easier access to financing by FPOs.

WHY

While a few FPOs are receiving equity, institution building and infrastructure support from the Government of India scheme, many are floundering in terms of raising finances for their business operations. The finances are required for fixed as well as running capital. However, such financial support is difficult to come by and is also expensive, at high interest rates.

Given that individual farmers are supported with interest subvention when they take up short term crop loans and given that governments themselves are promoting farmers' collectives, it is important that these farmers' post-production enterprises also receive interest subvention.

HOW

Open an application process for all eligible FPOs in the state, whereby they are asked to present documents showing their current borrowals from institutional lenders. Based on the stage of the FPO formation and existence, a senior team of officials in the government (with a NABARD/SFAC/CBBO nominee included if needed) can decide on the interest subvention that can be supported in each case, with any ceiling announced on this scheme in each case.

BUDGETARY IMPLICATIONS

90 crore rupees as far as interest subvention is concerned (calculated at 3000 crore rupees borrowals from lending institutions by 600 FPOs, with 3% interest subvention by state government). For Credit Guarantee Fund, **about 25 crores** can be set aside. Total: **115 crore rupees**.

SUPPORTING WOMEN FARMERS FROM FARM SUICIDE FAMILIES

Background:

Karnataka continues to be the state with the second highest incidence of farm suicides every year. It is a good thing that the state government is not declaring zero farm suicides like other states do. Similarly, the GOs issued in the state for ex-gratia support, and education support to the children of the deceased are progressive and are being implemented well, as per micro-studies. However, there are two major gaps in the existing support systems which need to be addressed. It is seen that the government does not have any databases maintained of the women in the farm suicide families, and it is also seen from micro-studies that the women continue to bear the burden of outstanding loans even though in several cases, she may not even have been consulted about the borrowal!

OUR PROPOSAL

Bring in one-time debt settlement of outstanding loans of a farm suicide family, to a tune of 2 lakh rupees, so that the woman farmer in the household can continue with farming on a fresh slate rather than spend a lifetime of repayments of old loans. The Government should also maintain the database of spouses and their contact details for all farm suicide households.

WHY

So that the woman farmer can be liberated from the debt burden she is confronted with, in around 5000 families in the state, which have witnessed farm suicides since 2018.

HOW

Adopt the systems that exist in Maharashtra (for women farmers in farm suicide families and their database/identity cards) and in Andhra Pradesh (for one time debt settlement by the government functionaries designed for the purpose).

The hazards of publicising this new order are acknowledged and this support to farm suicide families between 2018 and 2023 can be taken up silently.

Both the relevant GOs are being annexed.

BUDGETARY IMPLICATIONS

Around 100 crore rupees.

REGISTERING WOMEN FARMERS IN “FRUITS” PORTAL

Background:

Women who are engaged in Agriculture are not recognised as Farmers, even though it is mostly women-days of labour that contribute to agricultural production and India's food security. In our patriarchal set up, the person who owns the land title (mostly men) is still considered the Farmer, even though India's National Policy For Farmers 2007 has explicitly de-coupled land ownership from its definition of a Farmer. In Karnataka too, in the FRUITS portal registrations by the Agriculture Department, only the land owners are registered as Farmers, irrespective of whether they are the real cultivators or not, and there is no recognition accorded to the spouse who would also be contributing to the family's farming.

OUR PROPOSAL

Ensure that FIDs are generated for the spouse of the land owner in the FRUITS portal. Ensure that female livestock rearers are registered as Farmers and FIDs generated for them under the Animal Husbandry department's registration system for FRUITS in a campaign mode.

WHY

The largest number of women recognised as Workers in the Karnataka economy are engaged in farming/agriculture, but are not recognised as Farmers. They have a high stake in agriculture (includes livestock rearing, fisheries, forest dependent foraging etc.) and need to be given formal recognition as Farmers. Over a period of time, any appropriate entitlements can be thought of for them. For the time being, even the recognition as a Farmer will give them an equal space as their spouses to take up agricultural marketing, or get trainings, or become Members in FPOs etc. This will also allow them to access credit meant for livestock rearers in priority sector lending.

HOW

Allow the FRUITS portal software to fetch details of the spouse of the land-owner registered in the portal, from the ration-card details of the family, and allot an FID to the non-landowning farmer of the household. Similarly, register livestock rearing women, IFR/CFR holding forest dweller families and fisherwomen to be registered as Farmers in FRUITS portal in a campaign mode.

BUDGETARY IMPLICATIONS

None

CELEBRATE OCTOBER 15TH AS WOMEN FARMERS' DAY

Background:

Government of India had declared International Rural Women's Day, which is on October 15th, as Women Farmers' Day in the year 2017, after accepting the demand put forward by a civil society platform called MAHILA KISAN ADHIKAAR MANCH (MAKAAM). For a couple of years, the day was marked across the country as Women Farmers' Day but was subsequently forgotten.

OUR PROPOSAL

Karnataka's agriculture department should declare and mark October 15th as Mahila Raithara Dina.

WHY

To visibilise the contributions of women farmers and to give them identity and recognition as Farmers.

HOW

Ask Agriculture/Horticulture/Sericulture/Tribal Affairs/Fisheries/Rural Development departments to organise events at taluka and district level to mark Women Farmers' Day this October 15th. Women farmers can be felicitated, there can be round tables and workshops that discuss the issues being faced by women farmers, there can be seed and food festivals etc. etc. The events can be organised in collaboration with local CSOs, FPOs, Women's SHG federations etc.

BUDGETARY IMPLICATIONS

No new budgets required for small events to be organised everywhere.

RELATED SUPPORTING MATERIALS FOR VARIOUS PROPOSALS IN THIS NOTE ARE AVAILABLE HERE:
https://drive.google.com/drive/folders/1hKoigMnBZdIDo_aVUlaO5Q3UxeD09aaN?usp=sharing