CHAPTER-VIII

PROBLEMS AND PROSPECTS OF TUMKUR DISTRICT

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PROBLEMS AND PROSPECTS OF TUMKUR DISTRICT

8.1 INTRODUCTION:

The main economic activity of the rural people of Tumkur District is comprised of agriculture and horticulture. About 83 percent of populations live in villages and 75 percent of them are small and marginal formers. Artisans perusing traditional activities such as weaving, poultry, carpentry, black smithy, and so on. Agriculture is primarily rain fed marked by low productivity owing to depleting ground water resources. The present levels of infrastructure in agriculture and industries in the district were taken up by government. They are minor irrigation, land development from mechanism plantation and horticulture, sericulture animal husbandry trade and services.

8.2 DISTRICT PROFILE:

Tumkur district encompasses a geographical area of 10,596 sq. km with 2718 villages still 5.3 percent villages do not have electrification and potable water supply agro – climatically. It falls in the maiden area and is classified under the semi, arid zone. There are 2574 inhabited and 144 uninhabited villages and about 1500 hamlets in the district the district is divided administratively into 10 taluks.

Demographic Features:

About 83 percent of the total population of the district lives in villages. Nearly 25 percent of the population belongs to scheduled
caste /tribes. Women constitute 48.95 percent of the population with the ratio of women to men is 959 for 1000 male. The population during the decade 1999-2001 had grown by 18.58 percent cultivating families were 4 lakh with 75 percent of them being under small carpentry, black -smith were 38.836 in number.

Human development index recently brought out by the government of Karnataka has placed the district in the 17th place in terms of real GDP and 19th place in house-holds without electricity. The life expectancy in the district compared well at 60.64 as against the state average of 62.07 while adult literacy was low at 47.71 percent as compared to the state average of district as against the state average of only 77 percent.

Agriculture:

Agriculture is primarily rain fed marked by low productivity. Rainfall in deficient and erratic in many areas /years. Irrigation facilities are through minor structure. Major irrigation through Hemavathith Left Bank canal is under progress. Only 11.00 percent of net area shown under irrigation. The district economy is centred around two major crops viz., coconut, groundnut and Ragi is cultivated as a staple food crop. Paddy occupies prominence as an irrigated cereal crop pulses are raised as mixed crop with groundnut and also as pure early kharif crop. As per the latest data available during the year 2001-05 an area of about 2, 17,251 ha. was under cereals 58688 hectored, under pulses 160209 hectore, under oilseeds and 2122 hectore, under other crops in the district a comparative position of the
cropping pattern over the last 4-5 years reveals marginal increase in the area under cereals and oilseeds while the area under other crops had in fact declined. The total crop production in the district at 79626/ million tunes during the year 1989-99 has surpassed the target of 724628 Million tunes.

Horticulture occupies the second place. Sericulture activities are prominent in at least 6 taluks. Two taluks from the seed area for the Mysore pure race of silk-worm. Floriculture is making a beginning a switch over to irrigated agriculture is likely and the transition is likely to bring induction of new technology and improvement in the productivity levels under agriculture activities allied to agriculture are dairying with 1.4 percent of cows and 7.1 percent of buffaloes in the total sheep and goat consists 31.86 percent and 11.6 percent respectively poultry consists 23 percent total animal husbandry plough animal consists of 7.66 percent as per 2003 live stock census.

Size of landholdings:

There is fragmentation and sub-divisions of holdings over a period and per capita holdings is very low while 203464 which comprised 49 percent of the total holdings less than 1 hectar. 107342 (26%) holdings are between 1 and 2 hectar. and only 108367 (25%) holdings are above 2 hectar. in the district as a result nearly 75 percent of the holdings are below 2 hectar. The land holdings above 2 hectar are in the area of 64 percent the total less than 1 hectar are land holdings are consists of 14 percent total and between 1 to 2 hectar holdings occupied the area of 22 percent of total.
Other Features:

The water table is depleting and three blocks are in grey and five others in dark categories. This levels scope for improvement of irrigation through bore wells only in two blocks existing pump sets are under utilized due to erratic power supply and low voltage which consequently affect the productivity of crops and viability of investments. Erratic supply of electricity has affected the growth of industries also. The number of educated unemployed youth is substantially high.

Rural Infrastructure Development Fund (RIDF):

Under phase I of the rural infrastructure development fund of NABARD II minor irrigation tanks were taken up with financial assistance aggregating Rs.207.11 lakh and completed under RIDF II and III 43 roads and 8 bridges were assisted by NABARD similarly under RIDF-IV 27 road projects and 5 bridge projects have been sanctioned assistance from NABARD has increased the irrigation potential and helped in creation of infrastructural facilities for marketing of agriculture produce.

Recognizing the need of further augment the infrastructure at village level a policy decision has been taken by NABARD to bring the Panchayat Raj institutions /NGO's /SHG's under the preview of RIDF. Besides continuing to assist the state governments for MI, Rural roads and bridges. Rural markets etc., community irrigation primary school buildings including additions like Drinking water supply watershed
development works. Premises or primary health services cold storages /godowns /seed farms etc., are proposed to be covered under the phase-V.

**Important Features:**

The economy of the district centers around two major viz., groundnut and coconut the income levels from these two crops decides the buoyancy of the economic activities and new investments. Ragi serial crop is cultivated as a staple diet under subsistence farming this crop in unremunertive for commercial purpose. Paddy has gained popularity as an irrigated crop in the new achikat areas. Irrigation activities are poor and bore wells serve as an important source of irrigation. Canal irrigation under the Hemavathi project is under process and some areas have already received the benefit of irrigation under the project. Tanks receive in flow only after August and retain water up to February. In the areas dominated by coconut crop the tanks do not receive water due to bunding of land by the farmers. Rainfall is irregular and deficient.

**8.3 GOVERNMENT SPONSORED PROGRAMMES OTHER IMPORTANT PROGRAMMES:**

Various programmes sponsored by state and central governments and other organizations basically aim at poverty alleviation and increase in the production, productivity and income levels of the rural population. During the last two decades, several schemes with particular focus on production and improvement of backward sections
of the population was promoted by the government of India and the state government with the active support of specialized agencies like SC/ST development corporations, backward classes and minorities corporation and development department like Animal husbandry, sericulture, horticulture etc. The effective deployment of hitherto under employed rural work had remained in the focus all through. As a means to achieve the above objectives, the co-operation of bank as equal partners in the development of weaker section was sough by the government. Being endowed with the social responsibility, banks have been supporting such attempts of the government in bringing about transformation in the rural areas and in eradication of poverty. As a measure to provide margin /improve the surplus with the poorer sections and to enable them to raise their standard of living. The government of India and the State Government had introduced the component of subsidy for the beneficiaries of these programmes. Similarly for some of the production oriented schemes, subsidy was made available to improve the viability of the activity and to motivate the farmers to take up the desired activities. From the year 1999-2000 the government of India has launched ‘Swarna Jayanthi Grama Swarozgar Yojana’ (SGSY) as a main programme for promoting poverty alleviation through self employment SGSY is holistic package and replace the earlier IRDP, TRYSEM, DWCRA, SITRA and MWS programme major part of the programme is aimed at covering groups of beneficiaries, including SHG’s rather than providing assistance of individuals.
The Swarnajayanthi Gram Swarozgar Yojana SGSY has been launched by the Government of India from the year 1999-2000 with a view to provide holistic approach to the poverty alleviation in rural through the group approach. The emphasis in the programme is on identifying and developing sectors of economic activity in each district /block which can lift a large number of people above the poverty line. Further to equip large number of people to take up self-employment in each sectors intensive training programme for both skill development and development of entrepreneurial skills are also provided or. The programme envisages critical role for bankers and line departments and has a goal to enable each swarozgari family to earn to Rs.2000 per month (net of repayment) in a period of 2-3 years, with due emphasis on recovery of bank loans. Some of the salient features of the scheme are as under.

1. If replaces the earlier IRDP, DWCRA, TRYSEM, SITRA, MWS programmes.

2. Plants to cover 30 percent of the families below poverty line (BPL) in each block in 5 years.

3. Identification of key-activities and preparation of project profile training and skill up-gradation for Swarozgaries emphasis on group approach rather than individual.

4. Provision of revolving fund assistance to SHGS.
5. Ceiling on subsidy is 30 percent of the project cost with a maximum of Rs.7500 for other beneficiaries and 50 percent with a max of Rs.10,000 for SC/ST in case of groups a uniform subsidy of 50 percent of the project cost, subject however to a ceiling of Rs.1,25,000 has been stipulated procedure of providing back-end subsidy will continue.

6. Discretion to bankers in selection of Swarozgaries, provision of recovery based incentives.


Table 8.1

Agriculture land ownership by area and number of families in Tumkur District.

<table>
<thead>
<tr>
<th>Size of land holdings</th>
<th>Number</th>
<th>Area of land</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land holdings and area as marginal of</td>
<td>203464 (48.54%)</td>
<td>96733 (13.78%)</td>
</tr>
<tr>
<td>(below 1 Ha)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small formers (1-2 Ha)</td>
<td>107342 (25.6%)</td>
<td>153319 (21.84%)</td>
</tr>
<tr>
<td>Semi medium formers (2-4 Ha)</td>
<td>71288 (17.00%)</td>
<td>195055 (27.78%)</td>
</tr>
<tr>
<td>Medium formers (4-10 Ha)</td>
<td>32248 (7.69%)</td>
<td>184964 (26.35%)</td>
</tr>
<tr>
<td>Large formers (10 Ha)</td>
<td>4831 (1.15%)</td>
<td>71931 (10.25%)</td>
</tr>
<tr>
<td>Tumkur District Total</td>
<td>419173 (100%)</td>
<td>702002 (100%)</td>
</tr>
</tbody>
</table>

8.4 AGRICULTURAL LAND OWNERSHIP IN TUMKUR DISTRICT:

The agricultural land in the district consists 7,02,002 hectares which is the 66 percent of the total geographical area of the district, the size of the land holdings of the formers are given following table-8.1.

The formers below 1 hectare were called marginal formers who comprised of 48.54 percent of the total formers who possessed the area of agricultural land as low as 14 percent of the total agricultural land it shows the un economical land holdings are in the hands of marginal formers. Therefore it cannot be considered for employment generation or income generation. Out of this size of land holdings. The small formers are considered with 1 to 2 hectares of land who comprised of 25 percent of total formers passed the 22 percent of total agricultural area. Semi medium formers are with 2 to 4 hectares consists of 17 percent of total formers and occupied the land of 28 percent medium formers with 4 to 10 hectares are 7.69 percent total formers occupied 26.35 percent of agricultural land and large formers with 10 hectares only 1.15 percent of total formers occupied the ownership of land to the extent of 1.25 percent of the agricultural land in Tumkur district thus there are glaring land ownership in equality provided in the entire district.
### Table 8.2

**Work Participation in Tumkur district**

<table>
<thead>
<tr>
<th>Types of workers</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main workers total</td>
<td>794734</td>
<td>878343</td>
</tr>
<tr>
<td>Male</td>
<td>552618</td>
<td>587773</td>
</tr>
<tr>
<td>Female</td>
<td>242116</td>
<td>290570</td>
</tr>
<tr>
<td>Marginal workers total</td>
<td>176777</td>
<td>288447</td>
</tr>
<tr>
<td>Male</td>
<td>18007</td>
<td>60972</td>
</tr>
<tr>
<td>Female</td>
<td>158770</td>
<td>187475</td>
</tr>
<tr>
<td>Non-workers total</td>
<td>952145</td>
<td>946046</td>
</tr>
<tr>
<td>Male</td>
<td>404721</td>
<td>401552</td>
</tr>
<tr>
<td>Female</td>
<td>547424</td>
<td>54494</td>
</tr>
<tr>
<td>Cultivators total</td>
<td>489608</td>
<td>592485</td>
</tr>
<tr>
<td>Male</td>
<td>365573</td>
<td>382172</td>
</tr>
<tr>
<td>Female</td>
<td>124035</td>
<td>210313</td>
</tr>
<tr>
<td>Agricultural labour</td>
<td>185431</td>
<td>306309</td>
</tr>
<tr>
<td>Male</td>
<td>90411</td>
<td>112337</td>
</tr>
<tr>
<td>Female</td>
<td>95020</td>
<td>193972</td>
</tr>
<tr>
<td>Household Industries</td>
<td>16462</td>
<td>42126</td>
</tr>
<tr>
<td>Male</td>
<td>10252</td>
<td>17763</td>
</tr>
<tr>
<td>Female</td>
<td>6210</td>
<td>24363</td>
</tr>
</tbody>
</table>

**Source:** Census of India, 1991 and 2001, Economic Tables, Workforce Participation Workers and Non-workers Directorate and census of Karnataka.
There are different types of workers in the district who are marginal workers, main workers, non workers, cultivators, agricultural labour, workers in household industries etc., have been presented in Table -8.2. The main workers in rural area during 1991 and 2001 have increased at the average growth rate of 1 percent per annum. The female main workers have increased to the extent of 1.8 percent per annum but male rural main workers have increased only 0.6 percent even in urban area the female main workers as increased if the rate of 4.5 percent per annum their male urban main workers have also increased by 3.4 percent per annum. Total main workers urban area have also increased by 3.6 percent per annum. The total marginal rural workers as increased by 3.5 percent per annum. The marginal male workers in rural area have increased to extent of 13 percent per annum and in urban area it has increased by 18 percent per annum. The female marginal worker in rural area has increased by 1.7 percent in urban area its percentage as increased by 5.3 percent.

Non workers in rural area in respect of male and female is negative (-) in urban are the total non workers in urban are has increased at 2.3 percent per annum and among women the rate of non workers as increased by 2.8 percent and in case of male it is 1.4 percent.

The work participation of female cultivators in rural area has been increased by 5.4 percent in urban area it is 1.9 percent even in case of agricultural labour female participation which has been increased by 7.4 percent per annum. The work participation in household industry in rural and urban area female participation has been increasing at maximum extent of 14.6 percent and 11.9 percent respectively.

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**Table-8.3 : Literacy rate in sample taluk in Tumkur district**

<table>
<thead>
<tr>
<th>Populations</th>
<th>Gubbi</th>
<th>Koratagere</th>
<th>Pavagada</th>
<th>Tumkur</th>
<th>District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural Male</td>
<td>62.25</td>
<td>75.8</td>
<td>60.89</td>
<td>72.1</td>
<td>53.51</td>
</tr>
<tr>
<td>Rural Female</td>
<td>38.28</td>
<td>56.7</td>
<td>35.38</td>
<td>49.9</td>
<td>25.09</td>
</tr>
<tr>
<td>Rural Total</td>
<td>50.44</td>
<td>66.4</td>
<td>48.33</td>
<td>61.2</td>
<td>39.73</td>
</tr>
<tr>
<td>Urban Male</td>
<td>81.91</td>
<td>89.2</td>
<td>81.54</td>
<td>86.5</td>
<td>76.73</td>
</tr>
<tr>
<td>Urban Female</td>
<td>68.72</td>
<td>79.4</td>
<td>64.34</td>
<td>72.1</td>
<td>55.87</td>
</tr>
<tr>
<td>Urban Total</td>
<td>75.58</td>
<td>84.4</td>
<td>73.09</td>
<td>79.4</td>
<td>66.73</td>
</tr>
<tr>
<td>Total Male</td>
<td>63.48</td>
<td>76.7</td>
<td>62.54</td>
<td>73.3</td>
<td>56.75</td>
</tr>
<tr>
<td>Total Female</td>
<td>40.09</td>
<td>58.2</td>
<td>37.68</td>
<td>51.8</td>
<td>29.31</td>
</tr>
<tr>
<td>Grand Total</td>
<td>51.97</td>
<td>67.5</td>
<td>50.31</td>
<td>62.7</td>
<td>43.46</td>
</tr>
</tbody>
</table>

**Source**: 2001 Census of Tumkur District, Tumkur District at glance.
Fig. 8.1: Bar graph showing Literacy rate in Sample taluk in Tumkur District
The literacy rate in the Tumkur district has increased from 117.45 percent in 1951 and it has increased to 67 percent in 2001 during the current decade after 1991 to 2001. The literacy rate has increased from 64.48 percent to 67 percent. The male literacy rate has increased 66.49 percent to 76.8 percent and female literacy rate also increased from 41.9 percent to 56.9 percent. The rural female literacy rate is very low which has increased from 36.98 percent in 1991 to 52.3 percent in 2001 and urban female literacy rate is highest in the district that has also increased from 82.51 percent to 86.98 percent as shown in Table -8.3.

In Gubbi taluk the literacy rate in rural has increased from 50.44 percent to 66.4 percent. The rural female literacy rate has increased from 38.28 percent to 56.7 percent. Rural male also increased from 65.25 to 75.25 percent in rural area female literacy rate lower than that of male. The literacy rate of urban male has registered as highest percentage in Gubbi that from 81.91 percent to 89.2 percent the total literacy rate in Gubbi taluk has increased from 40.1 percent to 58 percent the total literacy rate of Gubbi taluk has increased from 52 percent to 67.5 percent In the taluk of Koratagere the female literacy rate registered at 35.38 percent 1991 and it has increased to 50 percent in 2001, The rural male literacy rate has increased from 61 percent to 72 percent then the urban male literacy rate has registered highest literacy rate which has increased from 81.54$ to 86.5 percent then total female literacy rate has increased
from 37.68 percent to 52 percent the total literacy rate of Koratagere taluk has increased from 50.31 percent to 52.7 percent.

In Pavagada taluk the female literacy rate is the lowest in sample taluk of Tumkur district that is from 25.15 percent to 41 percent. During 1991 to 2001 the urban male literacy rate is the highest at which it has increased from 76.73 to 83.2 percent. The total literacy rate of Pavagada has also increased from 46.46 percent to 56.5 percent.

Tumkur taluk even in the literacy rate depicted low in case of women rural literacy rate that 40.74 percent to 55.85 percent. The literacy rate of urban male is the highest rate in decade male literacy rate is grater than that of female literacy rate. The total literacy rate of Tumkur taluk has increased from 64 percent to 75 percent. Thus the male literacy rate is the higher than female in all sample taluk and even in the Tumkur districts.

**Policy Initiatives:**

The Union Government and the Government of Karnataka have announced a number of policies in their budget for 1999-2000. Many policy initiatives having a bearing on agriculture and rural development are enumerated below:

**Central Government:**

The main thrust of the Union Budget 1999-2000 is towards deepening and widening economic reforms and accelerating internal liberalization with a view to release productive energies of the economy and revitalize and redirect public programmes for human development.
8.5 AGRICULTURE AND RURAL CREDIT:

Underlining the critical importance of the agriculture sector, the budget has proposed a number of initiatives to further strengthen the sector. Some of the prominent sector/activity specific initiatives announced are enumerated below:

(i) Unifying the multiplicity of watershed development programmes into a single National initiative, a National Movement of Watershed Development has been launched to create community infrastructure for micro credit watershed project through active involvement of Grama Panchayats, SHGs and NGO's. For this Watershed Development Fund with NABARD has been created to cover initially 100 districts in 3 years. The Central Govt. will provide matching assistance to NABARD to promote the scheme.

(ii) In order to expedite the completion of on-going irrigation projects an Accelerated Irrigation Benefit Programme has been launched. Under the programme a matching assistance will be provided to status for rationalizing the water rates which cover at least the operation and maintenance cost.

(iii) The Central Govt. provides a one time management subsidy and recurring assistance to all registered Water Users' Association for initial 3 years to supplement States own contribution and encourage farmers participation in water management.

(iv) Introduction of a new credit linked capital subsidy scheme for construction of cold storage and godowns which will be implemented by
the Ministry of Finance with the help of NABARD. This would overcome the problem of weak post harvest storage and market infrastructure and prevent post harvest losses. The scheme stipulates creation of additional cold storage capacity of 12 lakh tones and rehabilitation and modernization of 8 lakh tones of existing units.

(v) Introduction of an incentive discount to farmers for lifting fertilizers from Co-operative Societies during the lean months of April and May which is expected to remove distortions in distribution as well as use of fertilizers.

(Vi) Reorientation of on going schemes for development of degraded and wasteland seeking greater participation of local SHGs and landless poor especially SC/STs and OBCs.

(vii) Introduction of National Programme for Rural Industrialization integrating various government agencies with a view to ensuring active community participation to set up 100 rural clusters every year to give a boost to rural industrialization. The program-me would be coordinated by Small Industries Development Organization with active assistance from KVIC.

(viii) Merger of the plethora of self employment programmes into a single programme called the Swarna Jayanathi Grama Swarojgar Yojana with greater involvement of Gram Panchayats.

(ix) Introduction of a new integrated handloom promotion scheme called Deendayal Hath Kargha Prathisthan Yojana which will encourage
processing facilities, new design inputs and opening of new avenues for marketing of handloom fabrics.

(x) Setting up of National Bio-resources Board under the Chairmanship of Minister of Science and Technology to coordinate policies, research, documentation and legal protection of the country's rights in precious genetic resources.

The following initiatives have been taken in the budget to improve the flow of Agricultural and Rural Credit:

a) The scheme of RIDF has been continued in the year 1999-2000 with a corpus of Rs.3,500 crore under RIDF-V and repayment period extended from 5 to 7 years. The scope of RIDF V has also been widened to include lending to Gram Panchayats and SHGs/NGOs and other eligible organizations for implementing village level infrastructure projects.

b) Encouraged by the success of Kisan Credit Card Scheme during the previous year the budget directs the Public Sector banks to extend the coverage of the scheme so that 20 lakh farmers can benefit from the scheme during 1999-2000.

c) Continuing the reform measures for RRBs the budget has made a provision of Rs.168 crore for their recapitalisation.

d) Recognizing the successes of Micro Credit and its growing relevance in the emerging context and imperatives of rural and agricultural development, particularly the micro enterprises, the
budget seeks to redouble the efforts to ensure the coverage of 50,000 SHGs during the course of the next year i.e. 1999-2000.

e) In order to accelerate the flow of credit to the Food and Processing Industries, lending by banks to this sector has been included under priority sector.

f) Reforms in the banking sector include setting up of five more Debt Recovery Tribunals(DRTs) and four additional Debt Recovery Appellate Tribunals(DRATs), introduction of a bill in Parliament to strengthen the provisions of Debt Recovery of banks and Financial Institutional setting up of a Working Group for restructuring of weak banks, and setting up of a Settlement Advisory Committee by Public Sector banks to deal with chronic cases of default.

8.6 ANNUAL PLAN FOR AGRICULTURE IN TUMKUR:

The total plan size for 1999-2000 has been kept at Rs.5,888 crore. The food grain production is envisaged at 101.62 lakh tones for 1999-2000 as against the target of 97.8 lakh tones for 1998-99. The budget continues to lay emphasis on the agricultural sector, especially mechanized agriculture and agro-processing. It is proposed to bring out an agro-food processing policy to encourage development of agro-processing industries and the State Government proposes to set up two agro-processing centers, one each in north and south Karnataka. There is a proposal to increase storage capacity of Agro Warehousing Corporation by 42,500 metric tones during the course of next two years.
with an investment of Rs.7 crore. To enhance production in the horticulture sector the Government proposes to extend 70 percent subsidy for popularizing of green house technology in vegetable cultivation in 100 selected taluks with a beneficiary contribution of 30 percent. A budgetary allocation of Rs.50 lakh has been made towards this scheme. With a view to giving a thrust to the sericulture activity, catalytic development programmes envisaging 15 special packages will be implemented in the State with the help of Central Government. The Government has decided to pay special attention towards increasing the productivity and quality of silk and to this end it is proposed to popularize 12 new technologies with sericulturists.

With a view to giving added thrust to the floriculture industry the State Government proposes to establish a Flower Auction Centre with the assistance of Agriculture Produce Export Development Authority (APEDA) and also a Floriculture Park with the help of South Indian Floriculture Association (SLFA) near Bangalore in order to promote hi-tech industry. Setting up of the Floriculture Park would provide a boost to the existing industry in exporting their produce and would also facilitate in their becoming economically viable.

8.7 INFRASTRUCTURE IN TUMKUR:

With a view to strengthening the market intervention system in the State, it is proposed to increase the contribution to Agricultural Price Stabilisation Fund from Rs.10 crore to Rs.20 crore during 1999 with contributions from APMCS to protect the interest of agriculturists who resort to distress sales in view of fluctuating market conditions. It
is also proposed to establish 11 new sugar factories in the State with 100 percent loan assistance from NCDC (including State's share).

As part of a major initiative to improve the condition of roads throughout Karnataka the State Government has decided to set up a Road Development Corporation with an authorized Share Capital of Rs.200 crore which will be empowered to mobilize funds from the capital market through bonds and debentures. It is also proposed to establish a new corporation, the Karnataka Infrastructure Development and Finance Corporation, which will finance commercially viable infrastructure projects.

The policy pronouncements made and some of the initiatives taken under various sectors are briefly discussed below:

A. Plantation & Horticulture and Sericulture:

i) Coffee Futures Exchange was operationalised by Coffee Board/Government of India-at Bangalore and sales tax on coffee seeds and coffee beans has been brought down to 4 percent.

ii) The purchase tax on oil palm, FFBs has been brought down to 2 percent from 4 percent and processed products like raisins have been exempted from sales tax.

iii) Fertilizers have been exempted from sales tax and turnover tax and a scheme has been introduced to encourage the use of organic farming and bio fertilisers in horticulture. A scheme for integrated control of pests and diseases for coconut crops is also proposed to be implemented with the assistance of Coconut Development Board.
iv) Amendments made to Karnataka Land Reforms Act 1961 to enable entrepreneurs (companies/corporates etc.) to venture into commercial horticulture. Firms/companies can now own land up to 108 acres to set up commercial horticulture projects including agro processing.

v) The agricultural income tax (AIT) in the state has now been brought down to 45 percent (from 50-55%) for individuals and for corporates to 60 percent (from 65%).

vi) Movement restrictions of heavy vehicles were relaxed in case of reefer vans carrying perishable horticulture produce.

vii) The State Govt. has recently recruited 104 Asst. Horticulture Officers in the Department of Horticulture as a measure to strengthen the extension services.

viii) Special efforts would be made by Government to popularize “VI” and “S” series of new variety of mulberry among the sericulturists. Special efforts for rearing of MH, CSR, BL and SL silkworm varieties would be taken up.

ix) Assistance of Japanese experts to intensify production of bivoltine silk would be availed.

x) Three hundred multiend reeling units with interest free packages of 10 years repayment would be implemented.
xi) New mulberry variety in additional 5,000 ha and 1.47 lakh ha under existing mulberry variety to be brought under cultivation during 1999-2000.

xii) It is proposed to increase raw silk production to 9750 m. tones from 1999-2000 as against 9350 m. tons produced during 1998-99.

B. Watershed Development/Land Development:

i) World Bank is likely to sanction watershed development project to the State to cover dark and grey blocks in nine districts for covering about 17 lakh hectar with the financial outlay of Rs.800 crore.

ii) The Planning Commission, GOI, is likely to sanction land reclamation project covering about 1.6 lakh ha saline - alkali in CADA and non-CADA areas involving cost of Rs.12,000 to Rs.20,000 per ha.

iii) Karnataka Watershed Development Society is implementing watershed development programmes with the financial support from Department for International Development in Chitradurga (Channagiri Watershed in Molakalmuru taluk), Bellary (Upparahalla Watershed in Jagalur taluk) and Bijapur (Doddahalia Watershed in Indi taluk) of the State.

iv) Action for Food Production (AFPRO), a NGO is implementing 10 watershed development programmes in 5 districts, viz., Hassan, Dharwad, Kolar, Mysore and Tumkur with the financial support from EZE, Germany over a period of 5 years viz.(01 January 1998 to 31 December 2002).
Animal Husbandry:

i) State Govt. proposes to open 100 primary veterinary centres, upgrade 100 primary veterinary centres to veterinary dispensaries and upgrade 50 veterinary dispensaries to veterinary hospitals.

ii) A program to be implemented for extending artificial insemination service to farmers at their doorsteps with a grant of Rs.7 crore from the Government of India.

iii) Rs.3.2 crore earmarked to start a pilot project in Bangalore and Bangalore (Rural) districts for total eradication of foot and mouth diseases and declaring an area within 150 km radius as disease free zone.

Irrigation:

i) The outlay earmarked for irrigation during 1999-2000 is Rs.2,658 crore as against the total investment made on major and minor irrigation in the last four years amounting to Rs.7,809 crore. Of this, Rs.125.51 crore is expected to be spent on Minor Irrigation and Rs.280 crore has been earmarked for the development of Cauvery Basin under which a cumulative amount of Rs.1,059 crore has so far been spent.

ii) To complete the ongoing irrigation projects and to develop the balance irrigation potential to the extent of 49 lakh hector from the existing 24 lakh hector and to rehabilitate old irrigation works, an investment of Rs.10,000 crore is envisaged in the next 5 to 8 years.
iii) Energisation of pumpsets is being accorded top priority, with a view to enable KEB to function efficiently and augment its revenue, the State Govt. has announced a hike in power tariff. The prevailing per annum rates for irrigation pumpsets are, Rs.100 per ha in respect of pumpsets up to 10 HP and Rs.100 per ha or Rs.0.50 per unit whichever is higher in respect of pumpsets above 10 HP.

iv) Major changes are proposed in the Irrigation Department with a view to giving functional autonomy and converting the Department into a Corporation, subject to the condition that it should recover its operational and maintenance expenses from beneficiaries through Water Users Association.

v) A new Corporation called Karnataka Irrigation Feed Development Corporation has been established on 9th December 1998 to implement the projects in Krishna basin. The Corporation proposes to raise Rs.600 crore from the market before March 2000.

vi) The subsidy available for on of drip and sprinkler irrigation system for the land holding size permissible under the relevant State Land Ceiling Laws from the Dept. of Horticulture is 90 percent of the total cost of installation or Rs.25,000 per ha whichever is less for SF and NW, SC/ST and women farmers, and 70 percent of the total cost of installation or Rs.25000 per ha whichever is less for other farmers.

Non-Farm Sector:

i) The policy changes introduced by Government of Karnataka for promoting growth of SSIs are directed towards better infrastructure
facilities especially the power sector. To make the power sector a commercially viable, financially sustainable and highly efficient sector, the State Govt. has issued a crucial ordinance on 3rd May '99 paying the way for electricity reforms in the State. The main objectives of these reforms are attracting requisite private investments in the power sector for generation, transmission and distribution to meet the increasing demand for power, establishing a competitive environment to ensure cost reduction and enhancing quality of customer service and optimum utilization of scarce Govt. resources now deployed in the power sector, in areas of greater priority where private investment is not available.

ii) The State Govt. has issued guidelines simplifying the procedure for conversion of agricultural land for non agricultural purposes which will ensure disposal of applications within 45 days. The Govt. has added more categories of non manufacturing/service sector industries to the list of industries eligible for subsidy and other incentives. The Govt. has also restricted sanction of investment subsidy to only tiny sector industries with an investment limit of Rs.25 lakh in plant and machinery with effect from 1st April '99 and has withdrawn investment subsidy scheme for all other category of investors.

iii) It is proposed to introduce a special scheme for promoting the marketing of handloom products with a total outlay of Rs.8 crore. The government also proposes to develop small townships with living-cum-worksheds and other basic amenities with financial assistance of Rs.2
croe with a view to mitigating the hardships of urban artisans and craftsmen. In order to make the products of small scale industries cost competitive and also accelerate the growth of this sector, which has high potential for employment, certain relies have been extended to this sector which include reduction of tax payable by SSIs to 2 percent, exemption of payment from turnover tax by SSIs with a turnover of not more than Rs.10 lakh and creation of a Tax Advisory Cell in the Commercial Tax Department to assist entrepreneurs in compliance of tax laws.

8.8 CONCLUSION:

Only percent of Net area shown under irrigation the district the district economy is centred around to major cropwise coconut groundnut and rage is cultivated staple food crops, precipitate holdings is very low which comprised 49 percent of the total holdings less than one hector (26%) holdings are between 1 and 2 hector nearly 75 percent of the holdings are below 2 hector creation of infrastructural facilities for marketing of agriculture produce rural roads and bridges rural markets etc community irrigation primary school buildings including additions like drinking water supply watershed development works. Poverty alleviation and increased in the production income levels of the rural population. The component of subsidy for the beneficiaries of these programmes for promoting poverty alleviation through self employment SGSY is holistic package and replace in the earlier IRDP, TRYSEM, DWCRA, SITRA, AND MWS programme major part of the programme is aimed at covering groups of beneficiaries
including SHG’s rather then providing assistance individuals. The agricultural land in the district consists 66 percent of the total geographical area of the district the farmers below 1 hectare were called marginal farmers who comprised of 48.54 percent of the total farmers who possessed the area of agricultural land has low as 14 percent of the total agricultural land it shows the un economical land holdings are in the hands of marginal formers. Therefore it cannot be considered for employment generation or income generation. The small formers are considered with 1 to 2 hectares of land who comprised of 25 percent of total formers passed the 22 percent of total agricultural area. Semi medium formers are with 2 to 4 hectares consists of 17 percent of total. The main workers in rural area during 1991 and 2001 have increased at the average growth rate of 1 percent per annum. The female main workers have increased to the extent of 1.8 percent per annum but male rural main workers have increased only 0.6 percent even in urban area the female main workers as increased if the rate of 4.5 percent per annum their male urban main workers have also increased by 3.4 percent per annum. Total main workers urban area have also increased by 3.6 percent per annum. The total marginal rural workers as increased by 3.5 percent per annum. The marginal male workers in rural area have increased to extent of 13 percent per annum and in urban area it has increased by 18 percent per annum. The female marginal worker is in rural area has increased by 1.7 percent in urban area its percentage as increased by 5.3 percent. The literacy rate has increased from 64.48 percent to 67 percent. The male literacy rate has increased 66.49 percent to 76.8 percent and
female literacy rate also increased from 41.9 percent to 56.9 percent. The rural female literacy rate is very low which has increased from 36.98 percent in 1991 to 52.3 percent in 2001. In Gubbi taluk the literacy rate in rural has increased from 50.44 percent to 66.4 percent. The rural female literacy rate has increased from 38.28 percent to 56.7 percent. Unifying the multiplicity of watershed development programmes into a single National initiative, a National Movement of Watershed Development has been launched to create community infrastructure for micro credit watershed project through active involvement of Grama Panchayats, SHGs and NGO's. In order to expedite the completion of on-going irrigation projects an Accelerated Irrigation Benefit Programme has been launched. A new credit linked capital subsidy scheme for construction of cold storage and godowns which will be implemented by the Ministry of Finance with the help of NABARD. This would overcome the problem of weak post harvest storage and market infrastructure and prevent post harvest losses. Introduction of an incentive discount to farmers for lifting fertilizers from Co-operative Societies during the lean months of April and May which is expected to remove distortions in distribution as well as use of fertilizers. Development of degraded and wasteland seeking greater participation of local SHGs and landless poor especially SC/STs and OBCs. Introduction of National Programme for Rural Industrialization integrating various government agencies with a view to ensuring active community participation. Merger of the plethora of self employment programmes into a single programme called the Swarna Jayanathi Grama Swarojgar Yojana with greater involvement of Gram Panchayats
New integrated handloom promotion scheme called Deendayal Hath Kargha Prathisthan Yojana which will encourage processing facilities, new design inputs and opening of new avenues for marketing of handloom fabrics. Setting up of National Bio-resources Board under the Chairmanship of Minister of Science and Technology to coordinate.