



GOVERNMENT OF ANDHRA PRADESH

AGRICULTURE BUDGET SPEECH
2013-14

KANNA LAKSHMI NARAYANA
MINISTER FOR AGRICULTURE & AGRICULTURE TECHNOLOGY MISSION

**Speech of Shri Kanna Lakshmi Narayana,
Hon'ble Minister for Agriculture While presenting the
Agriculture Budget for the year 2013-14 To the
Andhra Pradesh Legislature on March 18,2013**

Sir,

I rise to present the Agriculture Budget. It is indeed my proud privilege to present the First ever Agriculture Budget in the history of Andhra Pradesh to this august House, it is a Privilege, because in our Vedas it is mentioned that "*Annam Parabrahma Swaroopam*" I personally feel that nothing else gives me more pleasure than thinking about the welfare of the farmer, without whose selfless and untiring efforts, we would not have been here today. Before, I proceed with my speech, I express my sincere gratitude to our Hon'ble Chief Minister Sri. N. Kiran Kumar Reddy Garu, who has readily agreed and accepted our proposal to present the Agriculture Budget.

This budget is prepared after detailed exercises, thorough discussions and lot of brainstorming at various levels to ascertain which are the initiatives needed for the welfare of the farmers and where support already exists how best it can be improved and coordinated with other departments for increasing the productivity and production of crops etc.

Our opposition friends may feel that the submission of budget is a routine work done every year, where is the need for so much exercise for this budget, for them I recite a poem of Kavi Kokila Sri. Duvvuri Ramireddy about the farmer.

పల్లె యెల్లెయె సర్వ ప్రపంచ సీమ

ప్రియ యొక్కయె రమణీయ విగ్రహంబు

బంగారు పంటపొలములే భాగ్యనిధులు

అనుదిన పరిశ్రమమే మతమగును నీకు.

Presently about 60% of our population is dependent on agriculture and we are getting food because of the tilling of land by 1.31 crores of farm families.

The persons who felt agriculture is a waste and if the investments on it can be diverted to Software industries will give good results are requested to go through the speeches made by our father of the nation Sri. Mohandas Karamchand Gandhi to Prime Minister Manmohan Singh and other economics experts. They will realize that no Government can survive if agriculture is neglected.

Yajurveda says the earth provides us wealth because of agriculture.

Farmers from whose land which is wetted with his sweat produce food grains for us.

Farmer who would'nt take rest on Sundays holidays and work in rain and severe cold from sowing seed to harvest and take produce to market.

We believe that farmers, whose godowns are filled with food grains, lead to prosperity of nation.

The farmer with incessant hard work and inherent power adopting new varieties and producing yield of International Standards competing in the International Market. For all such farmers sri. Kiran Kumar Reddy Government has taken initiative to prepare seperate agricultural budget for the peace and prosperity of the farmers for their happy and wealthy life.

In fact the State Government has recognized importance of the farmers Nine years back.

Smt. Indira Gandhi has very aptly said "Agriculture only provides incessant wealth and development for the country". Therefore importance should be given for the farmer's welfare rather than neglecting them and giving priority to other sectors at the cost of farmer. I wish to inform that doesn't work. This we have already declared in the year 2004 only.

“అన్న మిడుట కన్న
అధిక దానంబుల నెన్ని
చేయనేమి యెన్నబోరు
విశ్వదాభిరామ వినురవేమ”

అన్నదానాన్ని మించిన దానంగలదా? అన్నదాతని మించిన దాతగలరా?

There is no charity bigger than food charity. There is no food provider better than farmer. The main objective of our government then and now is the welfare of farming community only. With the same objective we have taken several steps in this direction since last Nine years as detailed below.

Landmark Achievements:

- We have waived off electricity bill arrears of about Rs.1300.00 crores in 2004-05.
- Introduced 'Pavala vaddi' 3% interest on crop loans.
- Waiver of stamp duty up to Rs.3.00 lakhs on crop loans for small and marginal farmers.
- Free electricity for small farmers. The main intension of the Government is to support the farmers.
- With the help of Central Government an amount of Rs.11354 crores loan has been waived off benefiting 63 lakh farmers. Those 32 lakhs farmers who were not benefited under the scheme have been provided Rs.1633 crores @ Rs.5000 per farmer.
- Latest High yielding variety shall be introduced. We have already setup "Food Security Mission" in Andhra Pradesh (Hyderabad) in the year 2007 with initiative of Prime Minister Dr. Manmohan Singh to implement all these programmes.
- To achieve this mission objectives, the Agricultural University has been supported by providing Rs.100 crores so that farmers are benefited and can compete for their produce in the International Market.

- The RKVY is under implementation which is 100% assistance provided by Government of India for the benefit of our farmers.

- To encourage farmers and to make changes in their mind-set, and to disseminate latest technical advances, Rythu Chaitanya Yatras have been started.

- For providing opportunity for International Marketing to our farmers, a WTO cell has been established in Commissionerate of Agriculture.

- An amount of Rs.9650 crores are incurred for development in Irrigation, Agriculture, Horticulture, Animal Husbandry, Fisheries under Prime Minister Package. Out of this Rs.1962 Crores interest waived off on various loans.

- Insurance scheme has been modified into Village as a unit for the farmers affected due to natural calamities.

- For making our farmers technically empowered the following actions have been taken:-

- Seven agricultural Polytechnic Colleges have been established.

- Separate Universities have been established for Horticulture and Animal Husbandry.

- Seed Village Development programme is taken up.

- Establishment of Soil Testing and Fertilizer testing labs in each district.

- For the sake of farmers BT Cotton, Seed price has been reduced to 40% after legal struggle in the courts.

- We thought we did much for the farmers but we cannot achieve desired success in case of tenant farmers. Under the leadership of Sri.N. Kiran kumar Reddy our Government brought a revolutionary Act which envisages tenant farmer can also get loan facility as that of owner. To make it successful various actions are being taken up. Some of the special efforts taken by the government during the last two years are:-

- Crop loans without interest, No interest up to Rs. 1.00 lakh, 3% interest for more than one lakh up to three lakhs.

- Input subsidy has been increased on all crops up to 67% under natural calamities. For Paddy input subsidy per ha has been increased from Rs. 6000 to Rs. 10000.

- Rs.1816 crores have been sanctioned for crediting to the 52 lakhs affected farmers account towards input subsidy for the first time in the country.

- To tackle the problem of shortage of labour due to Employment Guarantee Scheme, Farm mechanization has been taken up on bigger scale. It is proposed to incur Rs.2500 crores in ensuing three years.

- I am bringing for your kind notice that seed bill is being introduced for supplying Quality Seed to all farmers.

- Even after working hard, after using quality seed and getting good produce, if, farmer does not get remunerative price for his produce the farmer will feel distress in his heart. As a farmer I had an experience.

In the word of Mrs. Indira Gandhi – the main priority of our government is agriculture. 75% of the people are living in the villages, agriculture is their livelihood. Therefore our responsibility is to see that they should not migrate from their villages.

Speaker Sir,

The final target of the farmer is to get remunerative price.

In 2004-05 the Minimum Support Price of Paddy was Rs.550/- which is increased by Dr. Manmohan Singh Government to Rs.1250 per qtl by 2012-13. Similar increase was there in other crops also.

As a step forward our government under leadership of Sri N. Kiran Kumar Reddy is working towards formation of Revolving Fund to tackle the fluctuation in farm produce in the market and safe guard the interest of farmers. We are giving utmost importance to agriculture sector but many times it will be difficult to work in coordination with allied sectors. For example a farmer wants to produce paddy in some area in his field and some area with citrus garden, one crop comes under agriculture the other comes under Horticulture.

Need for Agriculture Budget:

In the previous years the budget relating to Agriculture, Horticulture, Animal Husbandry and other line departments used to be a part of the overall state budget lacking specific focus on Agriculture. It may be mentioned here that agriculture is actually a state subject and all the schemes relating to Agriculture are implemented by the state staff and the state government has a pivotal role in implementing the developmental programmes.

Agriculture production depends, to a considerable extent upon the size of the unit of the cultivation. The data on the land holdings in the state was collected from 1970-71 through Agricultural Census. According to the census, the average size of the land holding per farmer in the state as per the census of 1995-96 (1.36 hectares), 2000-01 (1.25 hectares), 2005-06 was at 1.20 hectares latest being 1.08 ha and the same is likely to fall further below due to fragmentation of the family holdings, hence it is difficult to implement any innovative practice or organize marketing of the produce on a collective basis from such small holdings particularly under rainfed conditions. Thus requiring concerted and synergetic efforts for a separate budget.

The faith of Sri. N. Kiran Kumar Reddy and suggestion that “working together will bring in success” we have worked together and completed the Herculean task of preparing this budget.

- It is a major source of employment
- Facing frequent crisis
- Linked to several departments
- Need for convergence of different departments to achieve set goals at
 - Planning level
 - Implementation level
 - Monitoring and evaluation
- The separate Farm Sector budget ensures the following:
 - Quality in terms of process of preparation of budget

- The promotion of the institutional arrangement to have close interaction among different farm sector

- The process helped to have convergence to internalize the externalities that are produced by each of the subsectors.

- It is also felt that there is a need to take up some projects to address the production and post production issues of the each subsector.

- Cost effectiveness of the technological interventions have been considered basing on the scientific empirical evidence available. (Micronutrients – ICRISAT Project)

- To solve the problems in agriculture & allied sectors i.e. in production, produce transportation, marketing without much delay.

- It also taken into account cognizance of the diversification of agriculture and issues relating to rainfed agriculture are included to make the agriculture more inclusive.

- The discussions with different stake holders to prepare the budget is the hallmark of Farm Budget Process.

What includes Agriculture?

All the departments dealing with land and water which require convergence and synergy to serve the farmer better are included in this budget viz. Agriculture, Horticulture, Animal Husbandry, Fisheries, Sericulture, Forest, Co-operation, Irrigation in CAD (Major irrigation, Medium irrigation, Minor irrigation and Groundwater), Food Processing, Marketing & Warehousing and Sugar Department etc.

The broad strategies for 12th five year plan are as follows:

1. Diversification of farming systems and achievement of complementarity
2. Farm mechanization and automation
3. Institutional credit and insurance support to farmers
4. Aggregation of farmers and market development
5. Focus on Food Processing
6. Concentration on Research and Development.

The priorities of 12th five year plan under Agriculture are:

1. Increasing the area under SRI cultivation from the present 2.80 lakh ha to 10 lakh ha
2. Extending oilpalm to cover the entire identified area of 4.2 lakh ha
3. Increasing the area under micro irrigation from the present 8 lakh ha to about 20 lakh ha.
4. Promotion of farm mechanization and precision farming techniques
5. Organization and Development of Farmers Interest Groups and Farmers Producers Organizations.
6. Establishment of 1000 machinery hiring and service centers
7. Bringing about 1.00 lakh ha under bio-fuel plantations.
8. More focus on better livestock health care
9. Specific emphasis on bovine breeding activities
10. Enhancing organized milk marketing / processing
11. Feed and fodder production
12. Rearing of sheep and goat through SHGs
13. Stocking of fish seeds in tanks / reservoirs
14. Strengthening of government fish seed farms
15. Motorization of traditional crafts
16. Mulberry plantation
17. Construction of rearing houses etc.

Speaker Sir,

Whatever crop the farmer grows the responsibility of providing irrigation water wherever irrigation source is there lies in the irrigation department.

Therefore the discretion, the responsibility of creation of irrigation sources and extension lies either to agriculture department or irrigation department. In

such situations to avoid time lapse there should be coordination between agriculture and allied sectors. To have coordination among all departments there should be a complete responsible budget formulation.

The objective of preparation of this budget is to achieve sustainable development in agriculture and allied sectors without any ambiguity and produce sustainable results.

I am sure our farmers would realize that this budget is formulated for their development and welfare.

This budget reflects the policies of the government and once formulated should reflect the character that 100% funds should be utilized for the implementation of schemes and programmes. The food grain production shall be increased from today's 184 lakhs tons to 300 lakhs tons by 2016-17.

In our State we got 1.31 crores farm families, having about 143 lakh ha agriculture land, 75 lakh ha irrigation facility, 234 lakhs animal wealth moreover sheep, goats, poultry (we are topper in the country in poultry). For getting progress and development in this much extensive agriculture and allied sectors, our N. Kiran Kumar Reddy Government feels that there is a need for special budget for Farm Sector.

Therefore special budget is presented for the first time.

Speaker Sir,

Majority of us have hailed from the villages and I am sure that the nostalgia of that pleasant and pollution-free environment permanently remain etched in our memories. It is therefore our prime responsibility to ensure welfare of the large farming community. As we are all aware, agriculture continues to be the mainstay in the State providing livelihood security of the 131 lakh farm households and employment to over 60% of the State population.

It is rather paradoxical that farming in Andhra Pradesh, despite being endowed with abundant natural resources, huge demographic dividend, about 140 lakh hectares of Gross Cropped Area, major river systems, second largest coastline and forest area accounting for 23% of the geographical area, continued

to remain vulnerable. This will surely prompt each one of us to relook and revisit our agricultural policies.

Speaker Sir,

There is no denying the fact that Andhra Pradesh has made significant strides on the farming front - from a position where we could produce 56 lakh tonnes of foodgrains at the time of the State formation way back in 1956, incidentally coinciding with the 2nd Five Year Plan to crossing the 200 lakh tonnes mark in less than six decades, by the end of 11th Plan period. In the process, Andhra Pradesh became the largest producer of rice in India and also the leading producer of crops such as tobacco, groundnut, chillies, turmeric, oilseeds, cotton, sugar and jute. The state also now produces some of the finest varieties of mango, grape, guava, sapota, papaya and bananas. I would request the members to recall that during the 11th Five Year Plan period Andhra Pradesh registered an average food grain production growth rate of 5.93% and was awarded the best state award under the National Food Security Mission in the southern region for increasing the production of rice and pulses. The other notable achievements are:

- Rice normal production increased by 5.85% during XI plan
- Bengalgram normal production increased by 9.38%
- Total Pulses normal production increased by 3.75%
- Maize normal production increased by 10.15%
- Cotton normal production increased by 12.97%
- Soyabean normal production increased by 2.42%.

Realizing the need to raise this partnership to hitherto unattained heights, the Government of Andhra Pradesh from this year onwards proposes to present a separate “Agriculture Budget” that would delineate the government’s strategies, programmes and plans for the farm sector relating to land, water and agriculture development from 2013-14.

In tune with the basic theme of 12th Five Year Plan viz., “faster ,more inclusive and sustainable growth” and in order to achieve the growth target of 6% under agriculture sector as part of the overall growth target of 10%, the state has set

ambitious target of increasing food grain production to 300 lakh tons by 2016-17. The Government has devised several strategies for accomplishing the disaggregated sub-sectoral targets under Farm Sector during the 12th Plan.

The key strategies identified for the Farm Sector to grow rapidly are: Establishment of Agriculture Technology Mission for convergence among concerned departments, Strategies to optimize and harness potential of horticulture, animal husbandry and fishery as farm sector growth engines; Diversify farming systems, Integrated Soil Health Management including micro nutrient balance; Enhance institutional credit and insurance support to farmers; Quality inputs, farm mechanization and automation; Improve irrigation services through efficient water use; Marketing support and management; Value addition through food processing; and Agricultural research, development and extension etc.

Sir,

I would now briefly outline some of the core areas and the proposed budgetary allocations for all the departments connected to agriculture development.

AGRICULTURE:

Andhra Pradesh witnessed new heights in terms of Agriculture production and productivity under various crops. The Nilam cyclone which has devastated coastal districts of the State during late November and early December-12 caused damage to several standing crops. Although with effective disaster management, we could avoid human loss, crop damages resulted in a huge loss. This has resulted in some decline in the food grain production for the year 2012-13, estimated at only 178.27 lakh tonnes as against the normal of 189.08 lakh tonnes. This is mainly due to the reduction in paddy cultivation area.

The Hon'ble members are aware that the Government has put in place a number of farmer-friendly initiatives with definite themes to achieve tangible outcomes. To mention a few: Rythu Chaitanya Yatras introduced to encourage scientific farming, Rythu Bata to strengthen the extension activities to the door step of the farmers, organization of Polambadis which has significantly impacted one lakh farmers and introduction of Adarsha Rythus to strengthen the research-

extension linkage so as to help bridge the gap between the scientific know-how and field level do-how.

Several knowledge dissemination programmes of the GoI like “Support to State Extension Programmes for Extension Reforms” are being implemented in all the districts of the State which have helped the districts to organize need based activities like farmer trainings, demonstrations, exposure visits, kisan melas, field days, farmer scientist interaction, etc. These programmes have been complimented with supply of 15.28 lakh quintals of quality seed to farmers at 50% subsidy at a cost of Rs. 261.40 crores. Different grades of fertilizer supplies made during Kharif 2012 was 30.04 lakh tons and another 21.49 lakh tonnes during Rabi 2012-13 against a target plan of 38.50 lakh tonnes.

Promotion of SRI cultivation (System of Rice Intensification) (SRI Vari Sagu) has been taken in a big way during the current year covering an area of 2.80 lakh ha. and it is proposed to bring in an area of about 5.00 lakh ha during 2013-14. The Accelerated Pulse Production Programme (A3P) is also under implementation in the state under which Integrated Nutrient Management and Integrated Pest Management kits have been supplied to the farmers on 100% subsidy.

Under Rashtriya Krishi Vikas Yojana, one of the flagship programmes of the Government of India with 100% additional central assistance, a total amount of Rs. 601.98 crores has been allocated by GOI of which Rs. 577.25 crores have already been released. Another amount of Rs. 7.92 crores and Rs. 20.00 crores has been released under the sub schemes of Initiative for Nutritional Security through Intensive Millets Promotion and the Rainfed Area Development Programme respectively.

Speaker Sir,

For the year 2013-14, the government proposes to continue implementation of the schemes, namely supply of quality seeds, Polambadi, extension services, RKVY, National Agricultural Insurance Scheme, National Food Security Mission,

Pavala Vaddi and interest free crop loans to farmers, farm mechanization, input subsidies, etc.

Under Crop Insurance Scheme, claims with respect to Kharif 2011 amounting to Rs. 446.94 crores and benefitting 10.11 lakh farmers was released for all the districts. Further, the Modified National Agricultural Insurance Scheme which has many more farmer friendly features covers post harvest losses also.

Crop insurance scheme provides economic safety to the farmer who provides food security to nation.

We are implementing village as a unit in crop insurance, therefore farmers are extensively benefited. Farmer would feel that this government planned to save guard them against natural calamities. We want to enthuse confidence and belief in farmer, the feeling in our heart is that hard work of farmer and loyalty to the nation are very special. That is why we always think of farmer.

Credit support to farmer is increasing year by year. During 2012-13, as against the target of Rs. 37,128 crores of crop loans, Rs. 35,545 crores was disbursed and against the target of Rs. 15,845 crores of agricultural & allied term loans, Rs. 10,695 crores was disbursed. The government has fixed a target to disburse Rs. 59,818 crores under agriculture credit during 2013-14 as against Rs. 52,972 crores during 2012-13.

Agriculture Technology Mission:

Sir, as you are aware, , the Government of Andhra Pradesh has setup Agriculture Technology Mission(ATM) to accelerate agricultural growth further during the 12th Five Year Plan period. The ATM will facilitate co-ordination and convergence among the agriculture related departments. The specific goals of the Mission are to identify potential yield gaps in various crops and bridge them with the precision farming techniques, to improve water use efficiency in irrigation, to make dryland agriculture sustainable and crop diversification and to promote agro-processing, value addition and strengthening of market linkage for higher farm incomes.

Some of the focused areas during 12th plan and for the year 2013-14 are as follows:

National Project on Management of Soil Health & Fertility:

Bhuchetana

“Mission Project on Bridging crop yield gaps through Science - Led Development in Andhra Pradesh”

The Department of Agriculture has taken up an innovative approach to adopt science based development of agriculture with technical support from ICRISAT - led consortium by mapping out the nutrient deficiencies in the soils and developing mandal wise balanced nutrient recommendations.

The overall goal of the project is to increase average productivity of target crops in the selected districts by 25% in five years and identify suitable strategies for coping with the likely changes associated with climate change.

The specific objectives are as follows:

1. To identify best - bet crop management options (soils, crop & water management) including improved varieties to enhance productivity of the selected crops by 25%.
2. To undertake representative soil sampling to prepare GIS based soil maps depicting micro and macro nutrient status of the soils.
3. To assess the likely impacts of climate change in the targeted districts and identify suitable adoption strategies to cope with the climate change.
4. To build capacity of the stakeholders (farmers & consortium partners) in sustainable management of natural resources, enhancing crop productivity in dry land areas and adoption strategies for the impacts of climate change in the area of Participatory Research & Development approach.

ICRISAT, during 2011-12 has taken up the project in 7 districts i.e Kurnool, Kadapa, Adilabad, Nalgonda, Medak, Ranga Reddy and Prakasam in a consortium manner, by selecting (10) farmers in selected cluster of villages in 3-5 mandals with an operational area of 100ha in each district and demonstrated the benefits of best management practices thus resulting in the yield increase and an amount of Rs.200 lakhs was released.

During Rabi 2011-12 the grain yield of paddy was increased by 31.4% and straw yield by 31% over the control plot with the application of micronutrients

in Rangareddy district. In Sunflower crop the grain yield was increased by 11.6% and oil content by 11.3% with application of micronutrients in Kadapa district.

During 2012-13, 14 districts were selected namely Kurnool, Kadapa, Adilabad, Nalgonda, Medak, Ranga Reddy, Prakasam, Mahaboobnagar, Karimnagar, Khammam, Ananthapur, Guntur, West Godavari and Warangal with an operational area of 500ha in each district. An amount Rs. 220.00 lakhs was sanctioned for the year 2012-13.

ICRISAT has submitted proposals for the year 2013-14 for an amount of Rs.325 lakhs towards organizing demonstrations in all the 22 districts covering an area of 500ha per district.

An amount of Rs. 2309.08 lakhs is proposed during 2013-14 for implementation of the National Project on Management of Soil Health & Fertility.

Farm Mechanization

In the present scenario, the cost of labour input as part of cost of cultivation escalated the cost of Cultivation of major crops, there is a lot of demand from all the districts and the focus is on Farm mechanizing of the operations in the XII plan. The farm power not only reduces the cost of cultivation but also helps in increasing productivity.

The implementation of the scheme is expected to have improved the power utility per hectare to bring Farm power efficiency which is 1.70 KW/Ha presently to 1.74 during 2013-14. In order to achieve the targeted power utility per hectare and increased subsidy under GOI scheme, it is proposed to enhance allocation for Farm Mechanization scheme under GOI Scheme and matching subsidy under Normal State Plan. It is planned to supply 14700 nos. of Tractor drawn implements, 4000 nos of Rotavator, 2000 nos of Power tillers & tractors , 2000 no. of Seed cum fertilizer drill equipment, 25000 nos of Plant protection equipment and 7500 nos of Power operated machinery.

An amount of Rs. 450.00 crores is proposed under farm mechanization component. In addition to the above an amount of Rs. 150.00 crores is set apart for solar pumpsets.

Seed Management:

Seed is the critical determinant of agricultural production on which depends the performance and efficacy of other inputs. Quality Seeds appropriate to different agro-climatic conditions and in sufficient quantity at affordable price are required to raise productivity. Seed Replacement Rate is one of the measure that we adopt to monitor the spread of recommended varieties. Distribution of seeds of various crops such as paddy, maize, groundnut, pulses & other oil seed on subsidy to small, marginal farmers and other farmers will reduce the investment on cost of seed.

To increase the Seed Replacement Rate (SRR) for achieving higher yields, it is proposed to distribute high yielding varieties seed of various crops to the farmers on subsidy. It is planned to provide 100% assistance for seed certification under Seed Village Scheme along with strengthen the State Seed Farms to produce good quality foundation seed to meet the requirement under Seed Village Scheme and Seed Testing Labs for supply of quality seeds.

The budget provided under this scheme is being used for supply of quality seeds to the farmers on 50% subsidy along with the funds released for supply of seeds under Central Sponsored Schemes such as RKVY, NFSM, ISOPOM, Work Plan, NPHSHF, etc.

An amount of Rs. 308.00 crores is proposed to supply 19.50 lakhs qtls. of seed during 2013-14 for implementation of the programme.

National Agriculture Insurance Scheme (NAIS):

Since Agriculture has become a more risky enterprise, Crop Insurance is essentially needed to protect the farmer from natural calamities such as drought, floods etc. The scheme is being made compulsory to loanee farmers who have borrowed loans for notified crops. The non loanee farmer can also utilize this facility by paying premium to Agricultural Insurance Company India Ltd. (AIC) through banks. The main objectives of the scheme are:

- To provide a measure of financial support to the farmers in the event of crop failure as a result of drought, cyclone and incidence of pest & diseases etc.
- To restore the credit eligibility of a farmer after a crop failure for the next season etc.

The Scheme would operate on the basis of “Area approach” i.e., defined areas for each notified crop.

Therefore, about Rs.410.00 crores are required to meet the State Share of Crop Insurance claim liabilities, upfront premium subsidy and Administrative Expenses for Village Insurance Unit Scheme under National Agriculture Insurance Scheme, Weather Based Crop Insurance Scheme & Modified National Agriculture Insurance Scheme during 2013-14 for implementation of the programme.

Crop Loans to Farmers (Pavalavaddi): Credit is an important input to help the farmer in successful crop production and thereby contribute towards achieving the targeted 6% growth in GDP. To mitigate the financial burden on the farmers, the additional relief to the farmers is being given by allowing interest incentive over crop loans. The crop loans are being extended to the farmers at Pavala Vaddi at 3% interest rate from the year 2008-09. All the loanee farmers who have availed crop loans from Scheduled Commercial Banks/Cooperatives/RRBs and repaid within the due date are eligible from Rabi 2011-12, the Pavala Vaddi is applicable to the farmers who avail crop loans from Rs. 1.00 lakh to Rs. 3.00 lakhs and repaid within due date.

Further, the farmers in Andhra Pradesh are in distress due to drought/heavy rains in the state. In case, the interest subsidy/Pavala Vaddi on crop loans is not extended, the farmers will have to bear additional interest. This will be an additional burden on the affected farmers. Assuming 50% of the recovery as against the crop loan disbursed an amount of Rs.60.00 crores is proposed under Pavala Vaddi to benefit approximately 7.63 lakh farmers in the state.

Rythu Sri (Vaddileni Panta Runalu): To mitigate the financial burden of the farmers, the Government of AP announced Interest Free crop loans from Rabi 2011-12.

To encourage the farmers in availing institutional credit and to provide farmers with adequate and timely credit and to encourage timely repayment of crop loans, the loans are made available to the farmers at no/lower interest

rates. Hitherto, the crop loans were extended to the farmers at Pavala Vaddi (at 3% interest rate) from the year 2008-09.

Vide GO.Ms. No. 270 dt. 22.11.2011 the Government has announced the Interest free Crop loans to all the farmers up to Rs. 1.00 lakh and Pavala Vaddi for crop loans from Rs. 1.00 lakh to 3.00 lakhs if repaid in time beginning with Rabi season of 2011. Vide GO. Ms. No.134 dt. 30.6.2012, the Government has announced that, upon prompt repayment, the farmers shall be able to avail the 0% interest facility on a 'front end basis'. The State Government will pay the interest to the respective Banks as and when the farmers repay their loans i.e Principal amount promptly with affect from loans taken for Kharif 2012.

An amount of Rs. 500.00 crores is provided during 2013-14 for implementation of the programme to benefit approximately 40.00 lakh farmers in the state.

For the first time separate provision have been made for loans for farm mechanization and land development i.e. Rs. 2432.51 crores for farm mechanization and Rs. 654.75 crores for land development, this is in addition to Rs. 59818.94 crores for crop production credit.

Rainfed Agriculture Development:

Within the Agriculture, rainfed agriculture is a major constraint in raising overall agricultural growth and bridging regional inequities. About 55% of the net cultivated area is rainfed in the state, which represents the geography with the largest concentration of poverty in various agro climatic zones.

Productivity of rainfed agriculture is very poor causing wide spread distress. This is due to inadequate support in terms of soil management, seed availability, provision of water, support price, market access and agricultural research investments etc.

However the increase in productivity cannot come unless the comprehensive policy package is visualized to revitalize rainfed agriculture. This package must be a combination of several locally relevant components, designed to enhance the productivity of rainfed farming, working within water constraints and to

stabilize inter-and-intra- seasonal risk proofing of rainfed production systems, any key for all this is the increased local planning.

Water management plays a key role in achieving a breakthrough in rainfed agriculture and watershed development has been a major support enabled by the state through its own schemes and in partnership with several private and voluntary sector organizations. Therefore much and concerted efforts are to be made for improving the productivity and production of rainfed areas in the state.

I am proposing an amount of Rs. 2903.50 crores for the year 2013-14 which comprises of Rs. 2494.82 crores under Plan component and Rs. 408.68 crores under non-plan as against the total allocation of Rs. 2572.88 crores during 2012-13 for the agriculture department to carry out the programmes and implement the aforesaid schemes.

HORTICULTURE:

Horticulture an important subsector of agriculture started gaining ground recently which is evident from its consistently growing contribution to the GSDP. In fact Horticulture as a subsector is a revelation, showing remarkable signs of progress in Andhra Pradesh. The government of Andhra Pradesh has been giving much needed emphasis to Horticulture development primarily targeting at increasing the production and productivity of Horticulture crops, development of infrastructure for post harvest management and providing access to domestic and export markets.

To encourage horticulture farmers, the state government has launched various horticulture development schemes during 2012-13 by extending an assistance of Rs. 1092.53 crores to the farmers. The area currently under horticulture crop is 25.56 lakhs ha and the production is 273 lakhs tons. Andhra Pradesh ranks 1st in production of spices and fruits and 3rd in production of flowers in India.

The government reiterated its commitment to conservation of water and improvement in productivity by enhancing assistance on micro-irrigation systems from the existing subsidy ceiling of Rs. 50000 to Rs. 1,00,000 in 2011. APMIP is

now initiating enhanced water management and electricity conservation by increasing area under micro-irrigation along with solar powered systems. The total budget allocation made in 2012-13 to APMIP was Rs. 766.60 crores out of which Rs. 546.54 crores was disbursed to bring 90,000 ha under drip and sprinkler irrigation.

The government in the year 2012-13 has also extended an amount of Rs. 8.60 crores as assistance to the farmers under various horticulture development programmes under the state plan and the Oil Palm Development Programmes. Further, an amount of Rs. 9.34 crores was extended as assistance to the farmers under State Horticulture Mission schemes and another Rs. 32.22 crores under the RKVY.

Recently, the focus of horticulture development has shifted from the traditional productivity enhancement to value addition. The government is planning to expand the area under horticulture crops to 28 lakhs ha from the current 25.56 lakh ha and production to 298.20 lakh tons from the current 272.96 lakh tons by the end of 12th Five Year Plan. To process this expansion in production and bring down current post harvest losses, the government has proposed construction of chains of cold storages, processing facilities and marketing facilities under the PPP mode. This will be supported through financial assistance of matching state share under the National Horticulture Mission and RKVY.

The government has proposed an amount of Rs. 517.42 crores under horticulture plan budget for the year 2013-14 including the centrally sponsored schemes. In addition to the above, an amount of Rs. 34.71 crores is provided under non plan towards staff salaries etc.

ANIMAL HUSBANDRY:

Andhra Pradesh has some of the richest live stock resources in the country and is one of the most advanced states in Animal Husbandry activity.

The Livestock play a vital role in Socio-economic and cultural life of our people through providing gainful employment to a large number of small and

marginal farmers and enhancing their economic status. Effective veterinary and animal husbandry services rendered over the years have been the main instrument in achieving these production levels. The schemes of Animal Husbandry department have been formulated in pursuance to the well laid National Policies to improve the livestock production, to fight protein hunger and to improve nutritional standards of human population and also provide technical support for the maintenance and improvement of livestock.

The state continues to be in 1st position in egg and broiler production with an annual egg production of 2013 crores. With an annual milk production of 112.40 lakh tons it stands 2nd in the country and an annual meat production of 7.47 lakh tons it again holds the 1st position among all states.

The government has introduced several health care programmes through vaccination for foot and mouth disease, goat pox, PPR and other economical harmful diseases due to which the out breaks of these diseases have come down drastically. Farmers are being provided veterinary health care services at their door steps. Fodder development programme has also been given very high priority. The state is in the fore front in promoting women Self Help Groups in livestock keeping and dairy.

Milk processing and quality has been improved in the state through modernization of plant and establishment of automated process line and UHT milk packing unit at Milk Product Factory, Hyderabad at the cost of Rs. 8.00 crores. Milk chilling capacity at semi urban and rural area is being expanded through establishment of new Milk Chilling Centres at Madakasira and Kalyandurg in Ananthapur and Pulkal in Medak districts and establishment of 15 Bulk Milk Chilling Units in Medak and 5 Bulk Milk Chilling Units in Warangal at the cost of Rs. 12 crores.

The government has upgraded the dairy technology programme at Kamareddy to the status of full-fledged "Dairy Technology College." New Krishi Vignan Kendras have been established at Lam in Guntur district and Mamnoor in Warangal district. They will work under the control of Sri Venkateswara Veterinary University, Tirupati.

The government is currently implementing an ambitious Rs. 100 crore sheep development programme for shepherds in the 3 districts of Mahaboobnagar,

Chittoor and Prakasam through NCDC Assistants. De-worming of sheep and goat is being done twice a year in a large scale to benefit about 10 lakhs shepherds and goat rearers of the state.

For 2013-14, the government has proposed continuation of all schemes under the Centrally Sponsored Schemes and Normal State Plan including the Live Stock Developmental Programmes, the Deworming of Sheep and Goat Programme, Fodder Development Programme, Seed Minikits Distribution, Mobile Veterinary Clinics and Calf Rearing Programme.

The government has proposed plan allocation of an amount of Rs. 269.57 crores for Animal Husbandry for the year 2013-14 including centrally sponsored schemes. In addition to the above an amount of Rs. 654.58 crores is provided under non plan towards staff salaries etc.

FISHERIES:

Sustainable development of fisheries can only be achieved through improvement of the quality, technical skills and management of human resource in the state. This subsector occupies a predominant place in the socio economic development of the state as it contributes substantially to the economic growth and income generation to lakhs of people. It is a significant employment generator, source of nutritious food and foreign exchange earner for the state.

Andhra Pradesh enjoys prime position in the county in the Fisheries sector. It ranks 1st in shrimp and fresh water prawn production with a total value of produce at Rs. 11,000 crores. During 2012-13 fish and prawns production in the state is expected to increase to 18 lakh tons. The government is implementing several schemes for improving fish production and for the welfare of fisherman of the state.

To provide benefit to the aquaculture farmers of the state, the government has amended the A.P. Agricultural Land (Conversion for non agricultural purposes) Act, 2006 exempting aquaculture farms from the purview of the Act. Under the Relief and Welfare of Marine Fishermen Scheme, during the ban period, the government has released Rs. 3.5 crores to benefit 61,860 identified marine fishermen families affected by the ban on fishing in the sea. They are also supplied with 31 kg of rice free of cost.

While continuing the ongoing schemes, the government has proposed new schemes namely, strengthening of database and creation of geographical information system for fisheries sector, online registration of marine fishing vessels and issue of biometric ID cards during 2013-14.

The government has proposed plan allocation of an amount of Rs. 184.35 crores under Fisheries for the year 2013-14 including central schemes. In addition to the above an amount of Rs. 57.16 crores is provided under non plan towards staff salaries etc.

FORESTS:

Forest cover has been recognized as critical for living environment as it influences the quality and quantity of air and water. The role of forest as carbon sinks endows them added recognition as an important environmental factor.

The government has a target of bringing 33% of the state's land under tree cover from its current level of 23% and for this it is implementing various forestry programmes to protect and develop the existing forest cover and also to bring additional area under tree cover through participation of local communities organized into 7718 Vana Samrakshana Samithies and Eco-development Committees.

The Forest Department has adopted modern Information Technology and tools of spatial management such as GIS, Remote Sensing and GPS for monitoring of vegetation canopy cover density; forest fire risk zonation mapping; mapping of all forest areas with site suitability; Kolleru lake restoration; re-locating and demarcating forest boundaries and an inventory of forest resources.

The AP Forest Development Corporation has taken over 82,380.72 ha of degraded reserve forest areas in 15 districts and is raising Eucalyptus Clonal and seed origin plantations over 57,088 ha. The Corporation is maintaining about 4,010 ha. of coffee estates in the Tribal Agency areas and generating about 6.00 lakh man days of employment for the local poor tribal. The coffee yield during 2012 season is about 550-600 tons fetching revenue of Rs. 4.00 crores. It is also providing about 15-18 lakh man days of employment to tribal and land less poor through regeneration and harvesting activities almost round the year.

The Corporation has recently entered into the new field of 'Eco-Tourism' development in Forest lands in partnership with private entrepreneurs for developing infrastructure and tourist amenities under the PPP mode. The Hyderabad Botanical Garden was the first of such projects, while the other project include the Mahavir Nischal Van Project, the Rajeev Eco Park at Idupula Paya and the Shamirpet Deer Park, which are already opened to the public. Many other Eco-Tourism Projects like Night Safari, Bird Park and Chilkur are proposed for the next year.

By way of scientific and systematic harvest of timber, bamboo and other forest produce, the government has realized a revenue of Rs. 123.22 crores for the year 2012-13. It has also progressively increased the harvesting of Eucalyptus pulpwood to 2,90,000 tons during 2012-13.

Sir,

It is a matter of great pleasure and pride to inform that the International Conference of Parties (CoP-11) to the Convention on Biological Diversity (CBD) was conducted in grand successful manner by the government at Hyderabad from 1st to 19th October, 2012. Around 11,254 foreign and Indian delegates from 175 countries participated in the Conference including in the High Level Segment. The Ministry of Environment & Forests Government of India, has promised to sanction a world class National Biodiversity Museum at the said site.

The government has proposed plan allocation of an amount of Rs. 134.49 crores under Forestry for the year 2013-14 including central sector, centrally sponsored schemes and normal plan schemes. In addition to the above an amount of Rs. 398.17 crores is provided under non plan towards staff salaries etc.

CO-OPERATION:

The government has formulated and is implementing an Interest Rebate Scheme of 6% for timely repayment of loan with the objective of providing agricultural credit at affordable rates to farmers. The government have sanctioned and released an amount of Rs. 22.65 crores upto 31st January 2013 under the scheme.

The MARKFED is establishing a modern Cattle Feed Mixing Plant of 5 tons capacity at Chintakunta Village in Karimnagar district with a total cost of Rs.

4.3 crores. The government is contributing 90% of the paid up share capital for the project and the plant is going to be set up with financial assistance of National Cooperative Development Corporation, New Delhi with 70% as loan and 20% as subsidy and processing and with 10% as MARKFED share. The government has released an amount of Rs. 96.75 lakhs for the project.

The government has proposed plan allocation of an amount of Rs. 6.87 crores under Co-operation for the year 2013-14 including central sector, centrally sponsored schemes and normal plan schemes. In addition to the above an amount of Rs. 190.61 crores is provided under non plan towards staff salaries etc.

IRRIGATION AND FLOOD CONTROL:

Under Jalayagnam" it is proposed to create new irrigation potential of 97 lakh acres, stabilisation of potential of 22.5 lakh acres and to provide drinking water to 2.54 crores population living in 6,553 villages with a capital outlay of Rs. 1,85,609 crores. To tap the benefits of the huge budget spent for the purpose, the Government has now prioritized 50 ongoing major and medium Irrigation projects for early completion.

Under Accelerated Irrigation Benefit Programme(AIBP), an amount of Rs. 5275.62 crores was received from 2004-05 onwards as grant and was spent on 33 major and medium irrigation projects. The total expenditure incurred under AIBP so far including the state share is Rs. 17,102.70 crores, through which an IP of 15,34,899 acres has been created so far.

An allocation of Rs. 350 crores was made in 2012-13 for medium irrigation projects in order to utilize small rivers flowing in the state and to fully harness these rivers to achieve expeditious IP creation. 16 projects have been taken up with an estimated cost of Rs. 1473.62 crores and the contemplated IP is 2,13,159 acres off which 5 projects have been completed.

The government has paid special attention to minor irrigation in the state to provide irrigation facilities in the drought prone and under developed areas. The total ayacut under this sector is 45.48 lakh acres under 78,051 sources. New ayacut of 0.65 lakh acres was created under minor irrigation in recent year and an extent of 29,742 acres has been created under APSIDC during the year 2012-13.

The Command Area Development and Water Management (CADWM) Programme is a centrally sponsored scheme with 50:50 share by Government of India and state government. Currently, the Sri Ram Sagar and Srisailem Right Bank Canal projects are being covered under the programme. The action plan for the programme for 2012-13 was for an amount of Rs. 23.43 crores. The works are in progress in both projects.

Owing to all these efforts, a total irrigation potential of 21.335 lakh acres was created from 2004-'05 to 2012-'13 (up to 12/2012) in the state out of which 17.472 lakh acres were new ayacut and 3.962 lakh acres was stabilized ayacut. This incurred a cumulative total expenditure of Rs. 80,492.06 crores on major, medium, minor, APSIDC and other Irrigation projects. Out of this, the expenditure incurred during the year 2012-13 (up to 01/2013) is Rs. 7,257.09 crores.

To continue implementation under Jalayagnam and other irrigation programmes the government has proposed plan allocation of an amount of Rs. 13804.82 crores for the year 2013-14. In addition to the above an amount of Rs. 874.68 crores is provided under non plan towards staff salaries etc.

SERICULTURE:

Sericulture in Andhra Pradesh is a sustainable farm based economic enterprise positively benefiting the rural poor because of its high returns on investment at frequent intervals. The state stands 2nd in the country in silk production. The industry has an immense potential of generating employment for not less than (5) persons per acre throughout the year, both directly and indirectly. An important feature of the sericulture industry is involvement of more than 60% women participation for silkworm rearing and cocoon reeling, which are critical operations in the silk production.

To improve silk yarn production the government is providing the farmers with equipment such as brush cutters at subsidized cost for harvesting of mulberry shoots and for conducting late age silk worm rearing. During 2013-14, the government proposes schemes like assistance to charka reelers for reeling activity with subsidy, Interest Subsidy (PAVALA VADDI) on working capital and providing incentive to private silk Reelers for the raw silk produced etc.

The government has proposed plan allocation of an amount of Rs. 79.20 crores under Sericulture for the year 2013-14 including central sector, centrally sponsored schemes and normal plan schemes. In addition to the above an amount of Rs. 122.40 crores is provided under non plan towards staff salaries etc.

AGRICULTURAL MARKETING & WAREHOUSING:

Marketing plays a vital role in helping the farmers to get reasonable prices for their farm produce duly providing storage facilities. The Marketing Department is constructing 39 godowns at mandal level storage point for storing food grains procured with a total capacity of 83,000 tons. The godowns will be completed by the end of November 2013 at the cost of Rs. 41.77 crores.

The government under Rythu Bandhu Pathakam (RBP) Scheme has upto November 2012 sanctioned Rs. 3.10 crores worth of loans to 810 farmers to prevent them from resorting to distress sales against pledge of their produce.

The government has sanctioned six new Rythu Bazars in the state, out of which the Rythu Bazar at Meerpet in Ranga Reddy district has been inaugurated and is functioning.

The government has proposed to take up 5 schemes relating to provision of cold storages, Solar powered ripening chambers and Non carcinogenic ripening, green technology under agriculture marketing in the year 2013-14:

FOOD PROCESSING:

The objective of Food Processing policy is to develop value added agro industries in Andhra Pradesh as a major vehicle of growth for its trade and economy, to generate large scale employment in rural areas and provide high returns to the farmers to maximize the use of opportunities and potential in the Agriculture.

It is being explored to take up Oil Palm Processing Units, Rice Bran Oil Mills and Oleoresins and Spices Oil (Chillies and Turmeric) units in the state. An amount of Rs. 120.00 crores is set apart for the purpose.

SUGARS:

The objective of sugar department is to monitor and administer sugar factories with a view to encourage sugarcane farmers and to utilize the vast

potential of sugarcane, and convert the industry into an effective growth engine contributing substantially to the GSDP.

An amount of Rs. 52.05 crores is provided under Sugar department budget for the year 2013-14 including central sector, centrally sponsored schemes and normal plan schemes. In addition to the above an amount of Rs. 57.93 crores is provided under non plan towards staff salaries etc.

Agriculture Power

In spite of the prevailing power shortage, the government is determined to provide 7 hours of quality and reliable power supply to farmers in the State. Agriculture subsidy is being released to DISCOMs regularly and during 2013-14, an amount of Rs. 3621.99 crores is proposed for power subsidy.

The government has proposed implementation of HVDS to 2.43 lakhs agricultural services in 16 districts at an estimated cost of Rs. 1154.80 crores under JICA assistance that will further improve the quality of power to the agricultural connections.

Market Intervention fund:

Farmers in Andhra Pradesh Generally incur losses as they do not get remunerative prices for their produce, in spite of the fact that Government of India has fixed Minimum Support Prices but farmers are not getting a fair deal in the market. With a view to provide price support and to ensure but prices of important crops namely paddy, jowar, maize, ragi and pulses etc. do not fall below MSP an amount of Rs. 100 crores will be set-up as Market Intervention Fund for the year 2013-14.

Natural Calamities Fund:

Andhra Pradesh is a Disaster Prone state and we face either cyclones, floods or drought in the state. Some times in the same year some districts will face cyclone and floods and a few other districts will face drought incurring huge crop and live stock losses etc. In order to ensure that farmers are provided immediate relief a Natural Calamity Fund is set up and an amount of Rs. 589.04 crores is set apart for the purpose for the year 2013-14.

Conclusion:

For implementing aforesaid programmes/schemes pertaining to various agriculture related departments, it is proposed to provide an amount of **Rs.**

25962.02 crores as Agriculture budget for 2013-14. This includes **Plan component of Rs. 17694.61 crores** and **non-plan component of Rs. 8267.41 crores.** Supplementary to these proposed budgetary allocations, an amount of **Rs. 72450 crores** is planned under agriculture **credit plan.** This would make the total investment for the Agriculture sector as Rs.98940.54 crores as against Rs. 79924.78 crores, an increase of about 24% over last year.

Sir,

I am confident that this first ever Agriculture Budget by the state will show us a way for ushering in a new era for the farmer and suggest solutions for problems engulfing the sector for decades. I solicit the esteemed cooperation of one and all in this regard.

Yajurveda says

“**माता भूमिः पृथ्वी अहं पृथिव्याः**”

నాకు అమ్మ ఈ భూమి. నేను ఈ భూమికి పుత్రుణ్ణి.

This suits to my nature.