



NATIONAL BANK FOR
AGRICULTURE AND RURAL
DEVELOPMENT

राज्य फोकस पेपर State Focus Paper 2025-26



Karnataka State

Karnataka Regional Office, Bengaluru

State Focus Paper

Year: 2025-26

State : Karnataka



**National Bank for Agriculture and Rural
Development**

Karnataka Regional Office, Bengaluru

VISION

Development Bank of the Nation for Fostering Rural Prosperity.

MISSION

Promote sustainable and equitable agriculture and rural development through participative financial and non- financial interventions, innovations, technology and institutional development for securing prosperity.

Foreword

NABARD has consistently prioritized the transformation of agriculture and rural economy as part of its core mission to foster rural prosperity. To achieve this vision, NABARD actively collaborates with State Government Departments, RBI, SLBC, banks, financial institutions and other stakeholders. It also engages directly with the rural community through both formal and informal platforms. The insights gathered from these interactions are compiled annually in the State Focus Paper (SFP), which is prepared for each State. State Focus Paper projects exploitable credit potential of the State for Priority Sector activities as defined by the Reserve Bank of India. The projections outlined for these sectors serve as a guiding factor for banks/financial institutions, empowering them to channel credit effectively and enhance ground-level credit flow.

Building on our efforts to digitalize the Potential Linked Credit Plans (PLPs), NABARD has this year utilized technology to develop a digital SFP for efficient credit projections. This document features a standardized structure, comprehensive coverage and data indices. We believe that the digital SFP will act as a guiding document for banks/financial institutions, empowering them to channelize credit effectively, enhance ground-level credit flow and foster agriculture term lending in the State. This document also highlights critical infrastructure gaps to be filled and support to be provided by the State Government for helping banks to increase credit flow to the priority sectors.

Karnataka, with its diverse agricultural landscape, vibrant rural economy and rich cultural heritage has always been at the forefront of India's development trajectory. In recent years, the State has made significant strides in improving agricultural productivity, rural infrastructure and financial inclusion of farmers. However, several challenges remain, such as water scarcity, climate change impacts, income disparity, critical rural infrastructure, which needs focused attention and interventions. The SFP 2025-26 provides a comprehensive overview of these challenges while highlighting the opportunities for sustainable growth through targeted interventions.

With great pride I present the State Focus Paper for 2025-26, which outlines total credit potential of ₹4,46,902 crore for priority sector activities, marking a 12.56 % growth over last year's projection. The projected credit potential includes ₹2,03,639 crore for agriculture, ₹1,87,716 crore for MSME, and ₹55,547 crore for other priority sectors.

I would like to express my heartfelt gratitude to senior officials in the State Government, Line Departments, Reserve Bank of India, State Level Bankers Committee, Lead District Managers, Non-Profit Organizations and other stakeholders for their valuable support and collaboration in preparing this document. My sincere appreciation also goes to the District Development Managers of NABARD for their dedication in assessing the exploitable credit potential in their districts. I am confident that this document will serve as a valuable reference for all stakeholders in Karnataka.

(K V S S L V Prasada Rao)
Chief General Manager

State Focus Paper (SFP) Document prepared and finalised by:
NABARD, Karnataka Regional Office, Bengaluru

'The document has been prepared on the basis of information collected from publicly available sources and discussions with various stakeholders. While preparing the projections, every effort has been taken to estimate credit potential realistically. NABARD shall not be responsible for any material or other losses occurring to any individual/organization owing to use of data or contents of this document.'

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Executive Summary

GSDP at a Glance

Sr. No	Particulars	Value
1	GSDP (₹ lakh crore)	14.23
2	Growth of GSDP (%) at constant prices	6.60
3	Per capita income (₹)	3,32,926
	Share to GSDP at current prices of	
4	Agriculture (%)	13.04
5	Animal Husbandry (%)	3.65
6	Fisheries (%)	0.48
7	Primary Sector (%)	13.70
8	Secondary Sector (%)	19.58
9	Tertiary Sector (%)	66.72

1. Introduction

In line with the Government's vision for comprehensive economic growth, effective credit planning is essential to support sectoral development and financial inclusion. The State Focus Paper for the year 2025-26 is the culmination of the decentralized planning process of preparing Potential Linked Credit Plans (PLPs) for all 31 districts of the State. PLPs are prepared after detailed consultations with various line departments of the Government, banks and other stakeholders to map exploitable credit potential under Priority Sector Lending (PSL) as classified by the Reserve Bank of India. Further, the document also identifies the opportunities available, gaps in critical infrastructure and sector-wise interventions needed for better credit off-take in tune with the Government's policies and priorities. All this information aggregated at the State level translates into the State Focus Paper. For the year 2025-26, the total exploitable credit potential estimated for Karnataka State stands at ₹ 4,46,902 crore.

2. State Profile -Physical Characteristics

Karnataka is the sixth largest State with an area of 1.92 lakh sq.km, accounting for 5.83% of the total geographical area of the country. The State is ranked ninth highest in the country in terms of population, accounting for 5.05% of the country's population (Census 2011). Karnataka is bestowed with seven critical river systems that are lifelines to the State and the only perennial river of Peninsular India i.e. Cauvery has its origin in Karnataka. The State is divided into 10 agro-climatic zones. On account of the varied agro-climatic features, almost all cereals, pulses, oilseeds and commercial crops are cultivated in different parts of the State.

The net sown area of the State stood at 111.66 lakh ha in 2021-22 (Karnataka at a Glance 2022-23). The State ranks fifth in India in terms of total area under horticulture. It stands fifth in production of vegetable crops and third in fruit crop production. It is also the largest producer of spices, aromatic and medicinal crops and tropical fruits. It is the second largest milk-producing State after Gujarat. Karnataka is also the second largest producer of grapes in the country and accounts for production of 12% of total fruits, 8% of total vegetables and 70% of coffee in the country. It is the third largest producer of sugarcane. Karnataka boasts of diverse flora and fauna and 320 km long coastline, which makes it a nature tourist's paradise.

3. Economic Activities of the State

Karnataka has vibrant agro, automobile, aerospace, textile and garments, biotech and heavy engineering industries. The State has sector-specific Special Economic Zone (SEZs) for key industries such as IT, biotechnology, engineering, food processing and aerospace. Karnataka is the IT hub of India & home to the fourth-largest technology cluster in the world. As per Karnataka Economic Survey 2023-24, the Gross State Domestic Product (GSDP) of the State is expected to grow at 6.6% against the national level GDP growth of 7.3% at constant (2011-12) prices. Karnataka's per capita income of ₹ 3,32,926 is higher by 79% as compared to all India per capita income of ₹1,85,854 reported during 2023-24. The GSVA growth rate of agriculture sector has been estimated to be -1.8% in 2023-24 as against the growth of 2.8% in 2022-23 due to severe drought conditions and inadequate rainfall in the State, which has affected an area of 48 lakh hectares. The contribution of agriculture sector to the overall GSDP had a marginal decrease from 13.66% to 13.04% in 2023-24 against 2022-23. The services sector, largest component of GSDP recorded a marginal increase from 65.41% in 2022-23 to 66.72% in 2023-24. Industries sector recorded a marginal decrease from 20.92% in 2022-23 to 20.24% in 2023-24. Information Technology (IT) industry contributes 25% of the State's GDP and is one of the main growth drivers of the State's economy. The State is home to over 5500+ IT/ITES companies, 750 MNCs contributing to over USD 58 billions of exports, giving direct employment to over 12 lakh professionals and creating over 31 lakh indirect jobs. (Source: Karnataka Economic Survey 2023-24)

4. Banking Sector in the State

The State has a wide network of banks comprising 34 Commercial Banks (CBs), 2 Regional Rural Banks (RRBs), Karnataka State Cooperative Apex Bank (KSCAB), 21 District Central Cooperative Banks (DCCBs) with their 6164 affiliated Primary Agricultural Credit Societies (PACS), 3 Payment Banks (PBs), 8 Small Finance Banks (SFBs), Karnataka State Cooperative Agriculture and Rural Development Bank (KSCARDB) and 31 micro-Finance Institutions/micro-Finance Organizations (mFIs/mFOs). With around 53% of the branches located in rural and semi urban areas, the per-branch outreach stood at 1089 households during 2023-24.

Commercial Banks

Commercial Banks have a strong presence in the State with a wide network of 8780 branches. As on 31 March 2024, CBs accounted for 90% of total loans and advances and 92% of total deposits in the State. As reported, loan growth was 22% and deposits grew by 14% on a year-on-year basis. The Credit Deposit (CD) ratio of CBs increased from 70.87% as on 31 March 2023 to 76.66% as on 31 March 2024. The achievement of annual disbursement target by CBs under priority sector during last three financial years was 71.46%, 85.16% and 97.42%, respectively. (Source: SLBC Karnataka)

Regional Rural Banks

As of March 31, 2024, the Regional Rural Banks (RRBs) in the State with a network of 1751 branches accounted for 4% of total loans and advances and 3% of total deposits in the State. The RRBs reported 8% growth in loans and advances and 3% growth in deposits on a year-on-year basis. The Credit Deposit (CD) ratio of RRBs improved from 79.35% as on 31 March 2023 to 83.35% as on 31 March 2024. The RRBs also achieved 79.63% of their annual priority sector lending target as on 31 March 2024. (Source: SLBC Karnataka). In line with the Government of India's "One State One RRB" policy, there is a proposal to amalgamate both RRBs.

Cooperative banks

Karnataka State has three-tier cooperative credit structure with Apex bank at the State level, 21 DCCBs at the district level and 6164 PACS at village level. All 21 DCCBs are licensed by the RBI. As of March 31, 2024, the cooperative banks had a share of 5% of total loans and advances and 3% of total deposits in the State. While their loan portfolio grew by 7%, the deposit growth was muted at 1% during 2023-24. The CD ratio of 107.39% was higher than other agencies except SFBs as on 31 March 2024. The Cooperative banks were able to achieve 93.62% of their annual disbursement targets under ACP as on 31 March 2024. The State Apex bank and all DCCBs are on CBS platform and now in tune with the emerging banking needs, these banks are in the process of introducing technology-based products like internet banking and mobile banking. (Source: SLBC Karnataka)

4.1 Factors facilitating GLC

Karnataka is among the top performing States in several indicators like GDP, per capita income, sustainable development goals, technology and innovation, foreign direct investment, exports, startups, IT services and good governance practices. The State is recipient of several awards like highest grossing business partner 2022-23 – KMF, Dairy Innovation Award – 2022 Ksheerbhagya, National Energy Conservation Awards 2023-KREDL. Government of Karnataka is in the forefront in initiating and implementing successfully several e-Governance projects like FRUITS, e-procurement portal, DBT, Crop Survey portal, etc. The presence of well-developed infrastructure and enabling ecosystem along with ease of doing business are facilitating factors.

In addition, progressive farmers, conducive environment especially for horticulture crops, innovative farming techniques, active FPOs and State Government's initiatives, NABARD's refinance support as well as developmental interventions, robust banking network are also ensuring higher GLC flow to agriculture sector. The State has contained its fiscal deficit well below the permissible limits as per FRBMA. Continued adherence to fiscal consolidation will enable the State to increase capital expenditure driving further economic growth.

4.2 Factors inhibiting GLC

Some of the inhibiting factors are diminishing land and water resources, fragmentation of land holdings, predominance of rain-fed agriculture, lack of required post-harvest management infrastructure, sizeable arid and semi-arid land and high vulnerability to drought and natural calamities.

5. Status of Cooperatives in the State

The short-term cooperative structure comprises KSCAB at State level, DCCBs at district level and PACS at the village level. Under the Government of India's Project for the Computerization of Primary Agricultural Credit Societies (PACS), NABARD has sanctioned computerization of 5491 PACS in the first phase with a total

budget of ₹175.26 crore. Of this, ₹70.10 crore is being contributed by the State to strengthen PACS and enable them to become self-reliant multi-service providers. The long-term cooperative structure comprises of KSCARDB at the State level with 25 branches and 181 PCARDBs at taluk level. NABARD provides refinance to both ST and LT structure. In Karnataka, KSCARDB has been identified by the State Government for computerization with a total budget of ₹11.70 crore to be borne by the GoI, State Government and KSCARDB.

Karnataka has over 45000 registered societies (data as per NCD portal dated 01.01.2025) in dairy, fisheries, marketing, housing, agro-processing and other activities as also 35 Multi State Cooperative Societies. The State Govt. is promoting formation of new multi-purpose societies and also encouraging cooperatives to onboard various schemes/initiatives launched by the Govt. for strengthening the sector.

6. Potential for Geographical Indication in the State

Geographical Indication (GI) assigned products are linked to a place of origin and possess certain qualities, characteristics or reputation that are due to that place. GI products are governed globally under the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) at the World Trade Organization (WTO). In India, the GI framework is established through the enactment of the Geographical Indications of Goods (Registration and Protection) Act 1999. GI is a form of Intellectual Property Right that identifies goods originating from a specific geographical location and having distinct nature, quality and characteristics linked to that location. GI provides legal rights to its Authorized Users to prevent its use by a third party, whose product does not conform to the applicable standards. GI products can be broadly categorized as (i) Handicrafts including handloom textiles; (ii) Food items including sweets and ethnic cuisines; (iii) Wine and Drinks; (iv) Manufactured Products and (v) Agricultural Products.

Karnataka is home to a total of 48 registered GI products. The Authorized User base across GI products in Karnataka currently stands at 2372. Visvesvaraya Trade Promotion Centre on behalf of the State has filed three new GI tagged products – one in the agriculture segment namely Kagga Rice from Uttara Kannada district and two under the Handicrafts segment viz. - Hase Chittara from Shivamogga and Uttara Kannada districts. Shivarapattana Sculptures and Stone Crafted Products from Malur, Kolar district are under the pre-examination process. Specific GI products have also been identified and mapped for promotion, as part of the Atma Nirbhar vision of Govt. of India.

NABARD has sanctioned grant assistance of ₹12.72 lakh for promoting GI products viz. registration of Kari Ishad Mango from Uttara Kannada district, Tiptur coconut from Tumkur district, creation of website for GI tagged Udupi sarees. It includes creating awareness through exposure visits for artisans of GI products and registration of Authorised Users for GI tagged Ilkal and Guledguddkhana sarees.

7. Aspirational District & Aspirational Block Programme

7.1 Aspirational District

The Government of India's Aspirational Districts Programme (ADP) launched in January 2018 seeks to uplift underdeveloped districts by focusing on key socio-economic indicators. In Karnataka, two districts have been identified as aspirational districts viz. Raichur and Yadgir. During the year 2024-25, details of NABARD-supported interventions in the two aspirational districts are given below:

- Four rural infrastructure projects with RIDF assistance of ₹1.89 crore sanctioned in Yadgir district.
- Five rural infrastructure projects with RIDF assistance of ₹2.13 crore sanctioned in Raichur district.
- Grant support sanctioned to banks for conducting 300 Financial & Digital Literacy camps.
- Grant support of ₹31.50 lakh sanctioned to DCCB Raichur towards deployment of 140 micro-ATMs.
- Refinance assistance of ₹126.49 crore sanctioned to banks.

7.2 Aspirational Block

The Hon'ble Prime Minister launched the Aspirational Block Program throughout India with a special emphasis on "India-First Approach" in January 2023. The programme aims at developing the most backward blocks of the country, identified based on a variety of factors as recognized by NITI Aayog. 500 blocks from 329 districts across 27 States and 4 Union Territories are part of the programme. In Karnataka, 14 Aspirational blocks have been identified covering seven districts viz. Ballari (Kampli); Bidar (Aurad, Chittaguppa, Humnabad, Kamalanagara); Kalaburagi (Afzalpur, Kalagi, Shahbadha); Raichur (Maski, Sirivara); Uttara Kannada (Mundgod, Supa) Vijayapura (Thalikoti) and Yadgir (Vadagera). NABARD strives to implement various developmental initiatives in the Aspirational blocks through various stakeholders.

8. Sector/Sub-Sector wise Projections 2025-26

(₹ lakh)

S. No	Particulars	Projections
I	Credit potential for Agriculture	
A	Farm Credit	
i	Crop Production, Maintenance and Marketing	12165329.50
ii	Water Resources	486648.77
iii	Farm Mechanization	683015.28
iv	Plantation and Horticulture (including Sericulture)	1418638.51
v	Forestry and Waste Land Development	54586.46
vi	Animal Husbandry – Dairy	1234956.83
vii	Animal Husbandry – Poultry	287117.20
viii	Animal Husbandry – Sheep, Goat, Piggery, etc.	283278.73
ix	Fisheries	148902.69
x	Farm Credit - Others	151328.88
	Sub Total	16913802.85

B	Agriculture Infrastructure	
i	Construction of storage facilities	277702.95
ii	Land Development, soil conservation, Watershed Development	322701.42
iii	Agriculture Infrastructure - Others	168490.95
	Sub Total	768895.32
C	Ancillary activities	
i	Food and Agro Processing	1236407.82
ii	Ancillary activities - Others	1444790.88
	Sub Total	2681198.70
	TOTAL AGRICULTURE LOAN (A +B+C)	20363896.87
II	Micro, Small and Medium Enterprises	18771631.55
III	Export Credit	554180.00
IV	Education	558315.00
V	Housing	2809033.20
VI	Social Infrastructure	186688.24
VII	Renewable Energy	116483.61
VIII	Others	1329994.00
	Total Priority Sector	44690222.47

9. NABARD initiatives in the State

Refinance

The refinance portfolio of NABARD in the State has evolved over time in tune with the diverse financial needs of rural Karnataka at the grassroots level. In order to cater to the production credit related requirements for activities that directly contribute to ensuring food security, NABARD provides short-term refinance and for investment credit activities that give a boost to private capital formation in agriculture, medium-term and long-term refinance is provided. Total refinance assistance of ₹ 26,205.55 crore and ₹ 12,559.91 crore was provided to various institutions in the State during 2023-24 and 2024-25(as on 31 December 2024), respectively.

Rural Infrastructure Development Fund (RIDF)

NABARD extends credit support to State Governments to build rural infrastructure such as irrigation structures, roads and bridges, drinking water, rural health, education, sanitation, etc. The contribution of Karnataka State in the RIDF journey has been quite significant with cumulative sanction of ₹22,560.20 crore and disbursement of ₹17,805.28 crore as on 31 December 2024, which includes ₹1,725.50 crore disbursed during 2023-24. These projects are contemplated to bring in 5.34 lakh ha area under irrigation and laying of 45,688 km of rural roads besides construction of 58,872 meters of rural bridges, 1930 veterinary institutions, 926 rural market infrastructures, 270 rural godowns, 276 Raita Sampark Kendras, 33 fish jetties, 12 fish farms / ponds, 13,500 rural educational institutions, 338 public health institutions, etc. Apart from this, the assistance under RIDF has also led to creation of infrastructure for marketing silkworm cocoons and ensuring drinking water supply in rural areas of the State.

NABARD Infrastructure Development Assistance (NIDA)

The ongoing NIDA projects for implementing rural drinking water supply schemes in four districts (Raichur, Dharwad, Vijayapura & Mandya) are expected to benefit 3636 habitations with a population around 71.87 lakh, in providing safe drinking water at household level. The projects are grounded, and an amount of ₹2,292.72 crore has been released as on 31 December 2024 to the Government of Karnataka. During the year, NABARD has also disbursed ₹995 crore to Karnataka Power Transmission Corporation Ltd. for strengthening of power transmission infrastructure.

Support for Financial Inclusion and Banking Technology

Under Financial Inclusion Fund (FIF), NABARD has supported StCBs, RRBs and Cooperative Banks towards various Financial Literacy and Banking Technology initiatives. During FY 2023-24, grant assistance of ₹ 85.74 lakh was released under FIF. Out of which ₹176.54 lakh was for conducting 7,292 Financial Literacy programmes, ₹ 220.95 lakh to Cooperative Banks, RRBs and Payment Banks for deployment of 2081 micro ATMs at branches and PACS level. ₹ 32.69 lakh was released for deployment of 2337 PoS/MPoS in Tier-3 to Tier-6 centres in the State and ₹ 15.82 lakh was provided to 4 DCCBs for implementing Positive Pay System (PPS). Two DCCBs were provided assistance of ₹ 34.52 lakh for deploying 2 Mobile ATM vans in rural areas. During 2024-25 (as on 31 December 2024) initiatives involving overall grant assistance of ₹3.01 crore were sanctioned and ₹2.04 crore were disbursed.

Farm Sector Initiatives

1. FPO Accelerator Program for 30 FPOs in Karnataka was launched during 2024-25 with the objective to increase the revenue of FPOs as well as increase their profits by 50% through entrepreneurial training and handholding support. The project is expected to increase credit and marketing linkages of the FPOs. It is intended to enhance operational efficiency, reduce wastage and implement cost-effective practices by providing necessary support and capacity building on various aspects. Training phase of the project has been completed and presently the handholding phase is going on.

2. In Karnataka, NABARD had sanctioned three JIVA projects, with the pilot phase set for one year. The implementation of the pilot phase for all three projects was completed by June 2024. 'JIVA Programme' is an agroecological transformational approach i.e., Natural Farming in order to address the emerging challenges of land degradation, climate change, loss of biodiversity, poor productivity, food and nutrition security concerns and economic distress of farmers due to input and water intensive mono cropping and declining net returns. The details of pilot projects in Karnataka are furnished below:

- a) Siddagondanahalli project, Hosadurga taluk, Chitradurga District
- b) Bukkasagara project, Kadur taluk, Chikkamagaluru District
- c) Kamaravaripalli project, Bagepalli taluk, Chikkaballapura District

Impact:

- i. Around 140 beneficiaries have started practicing natural farming in their farm land covering an area of 173 acre.
- ii. These farmers shifted from chemical-based farming to natural farming, resulting in better quality of output and remunerative prices.
- iii. The beneficiaries expressed that the soil health has improved due to natural farming, in addition to saving on input costs.
- iv. Some farmers have already purchased desi cows for the preparation of Jeevaamruth, Beejamruth, etc. while others plan to purchase the same.

Upscaling and Learning Phase:

Evaluation of pilot phase has been undertaken by NABARD and all 3 pilot projects were recommended for graduation to upscaling and learning phase during August 2024. Implementation of the upscaling phase have begun already in the current kharif season. In this phase, around 875 beneficiaries have been targeted to undertake natural farming.

3. NABARD has sanctioned a project on “Demonstration and Dissemination of protocol for management of nutrient-plankton-microbe interactions in aquaculture ponds for better fish health management” to ICAR-Central Institute of Freshwater Aquaculture (ICAR-CIFA). The project aims to develop and disseminate protocols for managing nutrient–plankton–microbe interactions in aquaculture ponds, with an IoT-based system to predict plankton blooms and prevent fish mortalities. Grant assistance of ₹14.25 lakh has been sanctioned under Farm Sector Promotion Fund (FSPF).

Institutional Development

NABARD has been at the forefront for strengthening Rural Financial Institutions (RFIs) by engaging directly and indirectly with them. The initiatives in this regard include various projects and programmes to encourage development of a strong rural financial eco-system by improvement in the health of rural Cooperative banks and RRBs and capacity building of these institutions. Further, NABARD is also spearheading various initiatives of the Ministry of Cooperation, Govt of India for the development of cooperative sector. In Karnataka, 5491 PACS have been identified for computerization and onboarded to the CoopsIndia Portal. The project aims at bringing in efficiency, transparency, and accountability in PACS by standardizing processes, implementing CAS and MIS. It targets improved PACS profitability, diversified services, and digital payment infrastructure utilization, expanding rural financial access. Further, in tune with the directions of MoC, GoI, the RO has also initiated the process of computerization of ARDB in the State.

Off-Farm Development Interventions

NABARD extends financial support for promotion of off-farm sector encompassing activities for skill development of rural youth, marketing of produce from rural artisans/handloom weavers, promotion of Off-Farm Producers Organizations (OFPOs), activities related to Geographical Indication (GI), etc. During 2023-24, grant assistance of ₹2.12 crore was sanctioned for various initiatives, including 13 Skill Development Programmes, 02 Rural Haats, 07 Rural Marts and 02 Mobile Vans to provide rural entrepreneurs with better marketing avenues.

During 2024-25, NABARD sponsored artisans/weavers/FPOs/SHGs, etc. to various national and State level exhibitions, both conducted by NABARD and other agencies. The exhibition/fairs helped artisans in reaching out to urban buyers and procure orders on a continuous basis. Considering the prospects in Green Energy Sector, NABARD has conducted an exclusive Regional Advisory Committee Meeting on “Skill Enhancement of Rural Youth in green energy projects” and guided various stakeholders. Consequently, NABARD is now developing several skill development projects on solar panel technician, electric vehicle repair and maintenance, etc.

Micro Credit Initiatives

NABARD continues to facilitate sustained access to financial services for the unreached poor in rural Karnataka through various initiatives. In the year 2023-24, grant assistance of ₹0.97 crore was sanctioned and ₹1.54 crore was released for various initiatives such as entrepreneurial development programs and formation and credit linkage of Joint Liability Groups (JLGs), etc. This included 06 Livelihood Entrepreneurship Development Programs (LEDPs) for 540 SHG members, 24 Micro Enterprise Development Programs (MEDPs) for 720 SHG members, and 290 Capacity Building Programs. Additionally, Pioneer Urban Coop Bank Ltd., Belgaum, Deshpande Foundation, Dharwad, and MYRADA, Yadgir were supported for the formation and credit linkage of 1085 JLGs. Furthermore, 02 e-Commerce Training programs in Udupi & Dharwad districts were also sanctioned.

10. Major Constraints**Heavy dependence on monsoon for Agriculture**

Droughts are a major concern for agriculture in the State with nearly two-thirds of the cultivated land vulnerable to its effects. These droughts severely impact the rainfed agricultural systems and leave farming communities exposed to recurring challenges. This makes the sector highly susceptible to weather fluctuations further compounding the difficulties faced by farmers. The Gross Cropped Area covers 147.47 lakh hectares but only 41% of this is irrigated (Karnataka at a Glance 2022-23). The limited irrigation coverage creates significant barriers to improving crop yields, diversifying agriculture and increasing farmers' income. As per the Economic Survey 2023-24, 46.11 lakh hectares of agricultural land was damaged by drought in 2023-24. Major crops like maize (13.51 lakh ha), tur (8.05 lakh ha), ragi (4.92 lakh ha), cotton (4.14 lakh ha) and soybean (3.66 lakh ha) were heavily affected. Out of the 236 taluks, 223 were declared drought-affected with 196 in the severe category and 27 in the moderate category. The most affected districts included Vijayapura (4.65 lakh ha), Bidar (3.96 lakh ha), Belagavi (3.54 lakh ha), Kalaburagi (2.76 lakh ha) and Vijayanagar (2.69 lakh ha).

Weather extremes driven by climate change

The State is increasingly vulnerable to unpredictable weather patterns including shifts in precipitation, rising temperatures and changes in agro-ecological conditions. These alterations have led to disruptions in traditional farming practices with farmers struggling to adapt to changed conditions. The situation is worsened by increase in pest and disease outbreaks further compromising crop productivity and threatening food security. Among 29 States in India, Karnataka exhibits moderate vulnerability to climate risks with the highest vulnerability index found in Chikkaballapur district (0.728) and the lowest in Kodagu (0.492). Six districts i.e Chikkaballapur, Kolar, Gadag, Bidar, Udupi and Dharwad are identified as particularly vulnerable. In addition to droughts, pre-monsoon events such as floods, hailstorms, lightning and thunderstorms cause substantial damage to crop and horticultural produce. As a result, the combined effects of climate change and extreme weather events have put immense pressure on farmers' livelihoods in Karnataka.

Limited infrastructure for post-harvest operations

Karnataka one of India's major horticultural hubs faces significant challenges in post-harvest management particularly with crops like tomato, banana, grape and mango. Improper post-harvest management practices lead to an estimated 20-22% loss of fruits and vegetables, causing a major concern for both farmers and the agricultural sector. To mitigate these issues, there is a pressing need to focus on reducing post-harvest losses by offering incentives to entrepreneurs and Farmer Producer Organizations (FPOs). Emphasizing processing and value addition of horticultural crops can help curb wastage and improve profitability. Modern cold storage facilities, better packaging and enhanced

transportation networks can preserve the quality of crops while the development of value-added products such as juices, dried fruits and canned vegetables can open new markets for farmers. These measures are essential for strengthening horticultural sector and increasing the resilience and income of farmers particularly in the face of climate change and market volatility.

Small operational land holdings

Agriculture is a family occupation with assets being divided amongst next generation resulting in smaller land holding passed to every next generation. The smaller holding size limits scale of operation as well as reduced capacity of the farmer. As per 2015-16 Agricultural Census, the State has 86.81 lakh farm holdings covering 118.05 lakh ha area. Though the share of small and marginal holdings was 80% of the total holdings, it accounted for only 44% of the total area covered. The average size of operational holding size declined to 1.36 ha in 2015-16 from 1.55 ha in 2010-11. Similarly per capita land availability for marginal farmers decreased to 0.44 ha in 2015-16. Fragmentation has resulted in reduced agricultural efficiency, limited crop choices, adverse environmental impact like soil erosion and degradation.

Price volatility

Farmers face unpredictable price changes for their crops due to factors like demand-supply imbalances, weather conditions and global market trends, creating financial uncertainty. This volatility often forces farmers to sell their produce at lower prices during surplus situations, making it difficult to cover production costs, while high prices during scarcity periods can burden consumers. In 2024, chilli prices in Byadagi APMC, Karnataka experienced a significant decline, leading to considerable distress for farmers in the State. This led to a situation, where the prices for varieties like Guntur and Byadagi chilies, popular for their color and pungency fell drastically. Farmers, who had already invested significant resources into the cultivation, faced financial losses as their produce was sold at a fraction of the expected price.

11. Thrust areas

Sustainable Irrigation Practices: focus on Micro Irrigation

To address the growing concern of water scarcity in the State, it is crucial to promote sustainable agricultural practices by raising awareness about existing irrigation schemes such as Per Drop More Crop under the Micro-Irrigation Fund and other initiatives under the National Mission for Sustainable Agriculture. In 2021-22, Karnataka had a total cultivated area of 111.66 lakh hectares with 49.20 lakh hectares under irrigation. However, the remaining 62.46 lakh hectares still need to be brought under irrigation in phases (Karnataka at a Glance 2022-23). A comprehensive approach is needed to tackle water scarcity including adoption of precision farming, protected cultivation and automation in irrigation systems. Additionally, the use of fertigation treated wastewater for irrigation and collective farming can help optimize water use.

Building resilience for climate change

Climate change poses a growing threat to agricultural productivity, with the State already witnessing an increasing frequency of floods and droughts. As these extreme weather events intensify, the agricultural sector faces heightened vulnerabilities that undermine crop yields, soil health, and overall resilience. In response, the Karnataka State Action Plan on Climate Change (KSAPCC) Version 2.0 outlines a comprehensive strategy to tackle these challenges. The plan emphasizes the need for sector-specific projects, focused on adaptation and mitigation to reduce disaster risks and enhance the state's resilience to climate impacts. This includes promoting the use of renewable energy, improving energy efficiency, strengthening water management practices, and bolstering agricultural resilience through climate-smart practices. The state also seeks to enhance afforestation efforts, improve waste

management, and encourage the use of public transport, all of which contribute to reducing the overall carbon footprint and mitigating the effects of climate change. Additionally, promoting climate-resilient crops and farming practices can help buffer agricultural productivity against shifting weather patterns.

Improving Post Harvest Management

Proper post-harvest management is essential for reducing losses, improving the marketability of produce and strengthening food security. By investing in efficient cold storage systems and processing units along with developing integrated value chains for high-value and export-focused crops, significant reductions in post-harvest wastage can be achieved. This will not only extend the shelf life of agricultural products but also increase their competitiveness in global markets, benefiting both farmers and consumers alike.

Economies of Scale

With majority of farmers being small and marginal, economy of scale is not implemented resulting in higher cost and lower margins. The concept of Farmer Producer Organisations is one point solution to numerous problems. It not only activates the scale economy and reduces cost of inputs and machinery but also increases bargaining power of the farmers, negotiating for higher prices for their produce and ameliorate the issue of land fragmentation. FPO's have to leverage on agri-tech startup solutions and help create brand Karnataka for fruits, vegetables and other products in the national and global markets by tapping on the vast export potential.

12. Suggested Action points

Integrated and precision Area Development Scheme – Generation of 100 Champion farmers per district

The Integrated and Precision Area Development Scheme aims to address the challenges of climate change and soil health by equipping farmers with climate-resilient agricultural technologies and practices. Through targeted training, bank-financed interventions, and strong collaboration between ATMA, KVKs and local banks, the scheme will create 100 champion farmers per district in Karnataka during its pilot phase. The initiative requires a budget of ₹20 lakh for each of the 31 districts, totaling ₹6.20 crore for the entire State. With a target of 100 champion farmers per district in the pilot year, this program aims to reach 3,100 farmers.

Agri-Tech Hubs for farmers in Rural Areas

Establishing Agri-Tech Hubs in rural regions to provide farmers with access to modern agricultural tools, technology and expert advisory services in one central location. These hubs would offer training on the latest farming techniques, access to smart farming equipment and a direct link to digital marketplaces enabling farmers to enhance productivity and profitability. Additionally, the hubs can facilitate partnerships with agribusinesses to ensure a steady supply of seeds, fertilizers, and other essential agro-products, fostering a more sustainable and efficient agricultural ecosystem.

Nurturing Agri-Startups

Encouraging the establishment of agri-startups by youth in collaboration with Agri Incubation Centres, Krishi Vigyan Kendras, and Agriculture Universities under the 'Make in India' initiative. This initiative would empower young entrepreneurs to develop innovative solutions in agriculture, from sustainable farming techniques to agri-tech advancements.

Leveraging Technology for Predictable Agriculture

The government can make agriculture more predictable by harnessing the power of Artificial Intelligence (AI) and Machine Learning (ML). By accurately predicting agricultural market prices ahead of sowing seasons, these technologies can provide farmers with valuable insights, empowering them to make informed decisions and optimize their earnings.

Center of Excellence (CoE) for Digital and Blockchain-Enabled Agri Supply Chains

This CoE would explore the use of digital technologies, including blockchain, to streamline agricultural supply chains, improve transparency, and reduce inefficiencies. It would create digital platforms for traceability, ensuring farmers receive fair prices for their products by connecting them directly to consumers, bypassing intermediaries. Additionally, the center could support the development of crop insurance platforms using blockchain to ensure farmers are compensated fairly in case of crop loss due to unforeseen circumstances like climate disasters.

Post Harvest Management centres

Establishing cutting-edge Post-Harvest Management Centers within 25 kilometers of production areas will significantly enhance the efficiency of post-harvest handling. By implementing advanced processing technologies, these centers will reduce product spoilage from the current 25%-30% range to just 5%-7%. Additionally, improvements in sorting and grading will increase the percentage of horticultural products that meet Grade-A standards, boosting the current rate from 30% to 45%. This will not only ensure better preservation of produce but also enable farmers to secure higher prices, ultimately improving their income and promoting a more efficient agricultural supply chain.

Millet Tourism

Promotion of agri-tourism experience centered around millets, where visitors can tour millet farms, participate in hands-on processing workshops, and enjoy millet-based meals at discounted prices, blending education with culinary tourism.

Reduction of APMC cess on FPOs to improve profitability

FPOs are being charged 0.6% cess by the APMC for transactions undertaken in their command areas, which is reducing the profits of the FPOs. State Government may consider waiving the APMC cess on FPOs.

Price Differential Payment scheme

A Price Differential Payment (PDP) scheme could be introduced in Karnataka to guarantee the Minimum Support Price (MSP) for crops other than rice, wheat, and sugarcane. Under this scheme, the MSP for these crops could be determined based on the Swaminathan Committee's recommendation, which suggests calculating the price as the cost of cultivation plus a 50% profit margin.

Promoting Agro-Processing units for enhanced Agricultural Value Chain

Thrust needs to be given to agro processing units to leverage the bumper agri production in the State. Crop-based Agro-processing clusters should be strengthened, and new possible avenues should be identified to connect agriculture production clusters with processing units. For same, advanced & cost-effective process technology like cold chain management and refrigerated vehicles should be promoted through incentives.

13. Way Forward

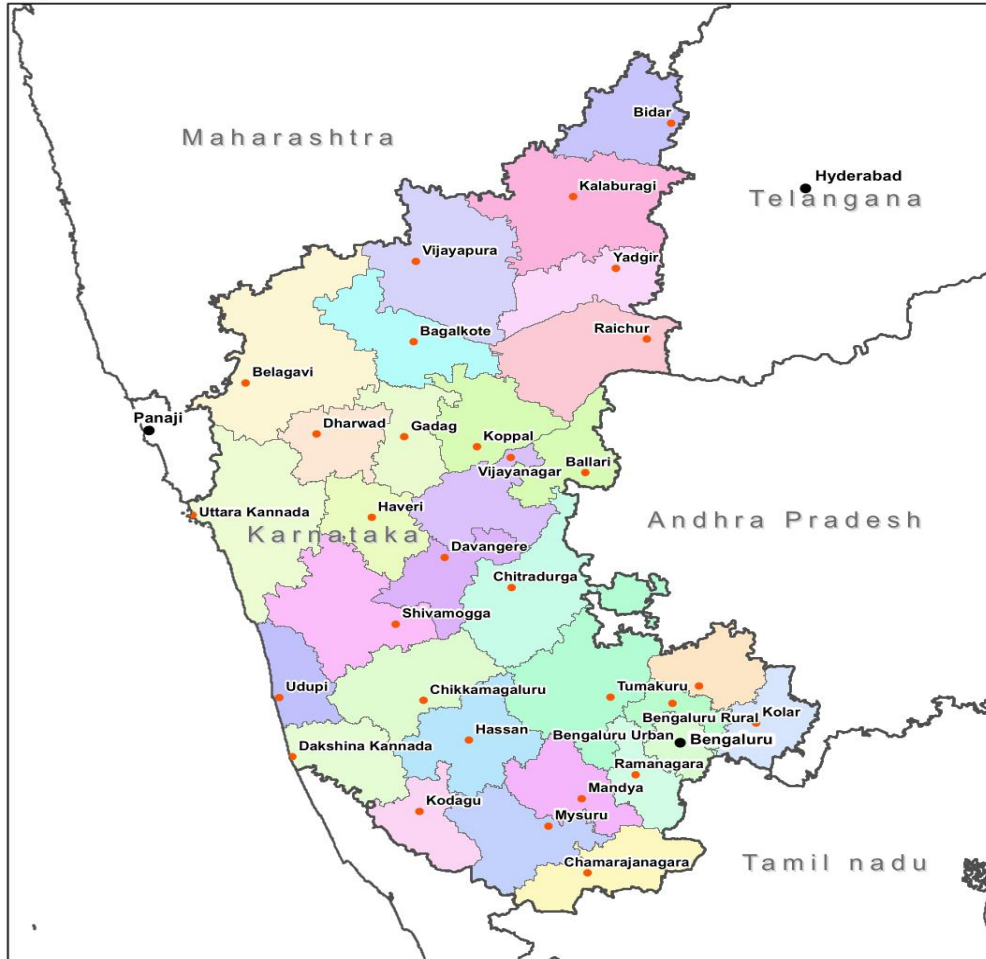
NABARD's vision for the State's development focuses on comprehensive growth, which includes boosting capital formation in agriculture, promoting financial inclusion, advancing the development of MSMEs, enhancing climate change resilience and ensuring sustainable development across both farm and non-farm sectors. Continued efforts to address the critical issue of climate change will drive progress in these sectors improving productivity, increasing income and ultimately uplifting the livelihoods of rural communities. Key priority is to increase the share of agricultural exports with a focus on leveraging Farmers' Producer Organizations (FPOs) in the State. In the coming years, emphasis needs to be placed on food processing, promotion of millets & its processing, agri-value chains and post-harvest management of farm produce. Digital innovations such as smart farming, digital agriculture, Internet of Agriculture Technology (IoAT), crop management, pest control, crop protection, big data analytics and emerging technologies like AI, machine learning, remote sensing and blockchain will be crucial for ensuring the sustainable future of agriculture.

Part A

State Map



STATE - KARNATAKA



Scale
1:4,200,000



Legend

- State Head Quarter
- District Head Quarter
- State Boundary
- District Boundary

Disclaimer : Administrative boundary data is sourced from SOI and updated using LGD

Broad Sector-wise PLP Projections for the Year 2025-26

(₹ lakh)

S. No.	Particulars	Projections
A	Farm Credit	
I	Crop Production, Maintenance and Marketing	12165329.50
II	Term Loan for Agriculture and Allied Activities	4748473.35
	Sub Total	16913802.85
B	Agriculture Infrastructure	768895.32
C	Ancillary Activities	2681198.70
I	Credit Potential for Agriculture (A+B+C)	20363896.87
II	Micro, Small and Medium Enterprises	18771631.55
III	Export	554180.00
IV	Education	558315.00
V	Housing	2809033.20
VI	Social Infrastructure	186688.24
VII	Renewable energy	116483.61
VIII	Others	1329994.00
	Total Priority Sector (I to VIII)	44690222.47

**Summary of Sector/ Sub-sector wise PLP Projections for the Year
2025-26**

(₹ lakh)

S. No	Particulars	Projections
I	Credit potential for Agriculture	
A	Farm Credit	
i	Crop Production, Maintenance and Marketing	12165329.50
ii	Water Resources	486648.77
iii	Farm mechanization	683015.28
iv	Plantation and Horticulture (including Sericulture)	1418638.51
v	Forestry and Waste Land Development	54586.46
vi	Animal Husbandry – Dairy	1234956.83
vii	Animal Husbandry – Poultry	287117.20
viii	Animal Husbandry – Sheep, Goat, Piggery, etc.	283278.73
ix	Fisheries	148902.69
x	Farm Credit - Others	151328.88
	Sub Total	16913802.85
B	Agriculture Infrastructure	
i	Construction of storage facilities	277702.95
ii	Land Development, soil conservation, Watershed Development	322701.42
iii	Agriculture Infrastructure - Others	168490.95
	Sub Total	768895.32
C	Ancillary activities	
i	Food and Agro Processing	1236407.82
ii	Ancillary activities - Others	1444790.88
	Sub Total	2681198.70
	TOTAL AGRICULTURE LOAN (A +B+C)	20363896.87
II	Micro, Small and Medium Enterprises	18771631.55
III	Export Credit	554180.00
IV	Education	558315.00
V	Housing	2809033.20
VI	Social Infrastructure	186688.24
VII	Renewable Energy	116483.61
VIII	Others	1329994.00
	Total Priority Sector	44690222.47

State Profile

Key Agricultural and Demographic Indicators

State	Karnataka
SLBC Convener	Canara Bank

Physical & Administrative Features

Particulars	Details
Total Geographical Area (sq.km)	190500
No. of Districts	31
No. of Sub-Divisions	4
No. of Blocks	236
No. of Revenue Villages	27383
No. of Gram Panchayats	5954

Additional Information

Particulars	Details
No. of districts classified as Aspirational District	2
No. of districts classified as Low PSL Credit Category	0
No. of districts having an international border	0
No. of districts classified as LWE affected	0
Very High	1
High	6
Medium	9
Low	10
Very Low	4
Not Available	1
No. of districts with % of Tribal Population above the national average of 8.9%	11

Soil and Climate

Particulars	Details
Climate	Tropical monsoon in coastal belt, hot weather in Northern parts & pleasant weather in other areas
Soil Type	Vast stretches of deep black soils to shallow red soils

Agro Climatic Zones in the State

Sr. No.	Districts	Agro Climatic Zones
1	Bidar	AZ99 - North East Transition
2	Kalaburagi	AZ100 - North East Dry

3	Raichur	AZ100 - North East Dry
4	Ballari	AZ100 - North East Dry
5	Yadgir	AZ100 - North East Dry
6	Koppal	AZ100 - North East Dry
7	Vijayapura	AZ101 - Northern Dry
8	Gadag	AZ101 - Northern Dry
9	Bagalkote	AZ101 - Northern Dry
10	Tumakuru	AZ102 - Central Dry
11	Chitradurga	AZ102 - Central Dry
12	Davangere	AZ102 - Central Dry
13	Bengaluru Rural	AZ103 - Eastern Dry
14	Bengaluru Urban	AZ103 - Eastern Dry
15	Kolar	AZ103 - Eastern Dry
16	Ramanagara	AZ103 - Eastern Dry
17	Chikkaballapura	AZ103 - Eastern Dry
18	Mysuru	AZ104 - Southern Dry
19	Kodagu	AZ104 - Southern Dry
20	Chamarajanagara	AZ104 - Southern Dry
21	Mandya	AZ104 - Southern Dry
22	Hassan	AZ105 - Southern Transition
23	Shivamogga	AZ105 - Southern Transition
24	Chikkamagaluru	AZ105 - Southern Transition
25	Dharwad	AZ106 - Western/North Transition
26	Belagavi	AZ106 - Western/North Transition
27	Haveri	AZ106 - Western/North Transition
28	Uttara Kannada	AZ107 - Hill
29	Dakshina Kannada	AZ108 - Coastal
30	Udupi	AZ108 - Coastal
31	Vijayanagar	AZ100 - North East Dry

Land Utilisation [ha]

Particulars	Details
Total Area Reported	19050068
Forest Land	3073624
Area not Available for Cultivation	2266428
Barren and Unculturable land	742091
Permanent Pasture and Grazing Land	873525
Land under Miscellaneous Tree Crops	211416
Culturable Waste	394320
Current Fallow	678398
Other Fallow	386325
Net Sown Area	11166032
Total or Gross Cropped Area	14747986
Area Cultivated more than Once	3581954.00
Cropping Intensity [GCA/NSA] (%)	132.08

Rainfall & Ground Water Scenario

Particulars	Details
Normal (mm)	1132.00
Actual (mm)	914.00
Year - 2023	914.00
Year - 2022	1530.00
Net annual recharge (MCM)	19.00
Net annual draft (MCM)	17
Stages of GW development (%)	68.40
Total No. of Blocks	236
Safe	143
Critical	15
Semi-Critical	33
Over-Exploited	45
Saline	0

Distribution of Land Holding [in '000] (2015-16)

Classification of Holding	Holding		Area	
	Nos	% to Total	ha	% to Total
<= 1 ha	4767.132	54.92	2080.094	17.62
>1 to <=2 ha	2213.732	25.50	3107.118	26.32
>2 to <=4 ha	1192.724	13.74	3188.19	27.01
>4 to <=10 ha	451.445	5.20	2568.761	21.76
>10 ha	55.706	0.64	860.931	7.29
Total	8680.74	100.00	11805.09	100.00

Workers Profile [In '000]

Particulars	Details
Cultivators	6581
Of the above, Small/ Marginal Farmers	4767
Agricultural Labourers	7156
Workers engaged in Household Industries	913
Other workers	13223

Demographic Profile [In '000]

Category	Total	Male	Female	Rural	Urban
Population	61095	30967	30129	37001	24094
Scheduled Caste	10475	5265	5210	7404	3071
Scheduled Tribe	4249	2134	2114	3402	846
Literate	40647	22508	18139	25419	15228
BPL	11094	NA	NA	7743	3351

Households [In '000]

Particulars	Details
Total Households	13357
Rural Households	7842
BPL Households	2404

Household Amenities [Nos. in '000 Households]

Particulars	Details
Having brick/stone/concrete houses	10827
Having source of drinking water	13357
Having electricity supply	13357
Having independent toilets	15566

Village-Level Infrastructure [Nos.]

Particulars	Details
Villages Electrified	29575
Villages having Post Offices	8722
Villages having Banking Facilities	4153
Villages having Primary Schools	25800
Villages having Primary Health Centres	4224
Villages connected with Paved Approach Roads	23719

Infrastructure Relating to Health & Sanitation [Nos.]

Particulars	Details
Anganwadis	66513
Primary Health Centres	2390
Primary Health Sub-Centres	9493
Dispensaries	647
Hospitals	37122
Hospital Beds	241102

Infrastructure & Support Services for Agriculture [Nos.]

Particulars	Details
Agro Service Centres	742
Soil Testing Centres	321
Krishi Vigyan Kendras	33

Irrigation Coverage ['000 ha]

Particulars	Details
Area Available for Irrigation (NSA + Fallow)	12231
Irrigation Potential Created	4245
Net Irrigated Area (Total area irrigated at least once)	4920
Area irrigated by Canals/ Channels	1435
Area irrigated by Wells	2564

Area irrigated by Tanks	154
Area irrigated by Other Sources	767
Irrigation Potential Utilized (Gross Irrigated Area)	6085

Infrastructure For Storage, Transport & Marketing

Particulars	Details
Pucca Road [km]	332743.15
Railway Line [km]	3828
Public Transport Vehicle [Nos.]	1520776
Goods Transport Vehicles [Nos.]	1341630

Processing Units

Particulars	Nos
Food (Rice/Flour/Dal/Oil/Tea/Coffee)	8782
Sugarcane (Gur/Khandsari/Sugar)	75

Animal Population as per Census [Nos.]

Category of animal	Total	Male	Female
Cattle - Cross bred	3908162	125646	3782516
Cattle - Indigenous	4560842	1751771	2809071
Buffaloes	2984560	162092	2822468
Sheep - Cross bred	100263	19446	80817
Sheep - Indigenous	10950465	2097664	8852801
Goat	6169392	1259875	4909517
Pig - Cross bred	71975	21305	50670
Pig - Indigenous	251861	80771	171090
Horse/Donkey/Camel	15841	7034	8807
Poultry - Improved	59494481	NA	NA
Rabbit	29200	10441	18759

Infrastructure for Development of Allied Activities [Nos.]

Particulars	Details
Veterinary Hospitals	697
Dispensaries	2155
Disease Diagnostic Centres	27
Artificial Insemination Centers	4234
Animal Breeding Farms	11
Animal feed manufacturing units	17
Fodder Farms	12

Dairy Cooperative Societies	17892
Milk Collection Centres	14000
Fishermen Societies	745
Licensed Slaughter houses	95
Animal Husbandry Training Centres	10
Fish Markets	508
Livestock Aid Centers	1206

Milk, Fish, Egg Production & Per Capita Availability

Particulars	Production (Annum)		Per cap availability	
	Quantity	Unit	Availability	Unit
Fish	1219880	MT	49.45	g/day
Egg	88228	Lakh Nos.	147	nos/p. a.
Milk	12143	MT	575	g/day
Meat	432052	MT	7.09	g/day

Sources

Table Name	Source(s) and reference year of data
Physical & Administrative Features	Karnataka at a Glance 2022-23
Additional Information	Karnataka at a Glance 2022-23
Soil & Climate	Karnataka at a Glance 2022-23
Land Utilisation [ha]	Karnataka at a Glance 2022-23
Ground Water Scenario	National Compilation on Dynamic Ground Water Resources of India, 2024
Distribution of Land Holding [In '000]	Karnataka at a Glance 2022-23
Workers Profile [In '000]	Karnataka at a Glance 2022-23
Demographic Profile [In '000]	Karnataka at a Glance 2022-23
Households [In '000]	Karnataka at a Glance 2022-23
Household Amenities [Nos. in '000 Households]	Karnataka at a Glance 2022-23
Village-Level Infrastructure [Nos.]	Karnataka at a Glance 2022-23
Infrastructure Relating To Health & Sanitation [Nos.]	Karnataka at a Glance 2022-23
Infrastructure & Support Services For Agriculture[Nos.]	Karnataka at a Glance 2022-23
Irrigation Coverage ['000 Ha]	Karnataka at a Glance 2022-23, Economic Survey 2023-24
Infrastructure For Storage, Transport & Marketing	Karnataka at a Glance 2022-23
Processing Units	Directorate of Sugarcane Development and Sugar
Animal Population as per Census [Nos.]	Karnataka at a Glance 2022-23
Infrastructure for Development of Allied Activities [Nos.]	Karnataka at a Glance 2022-23, Economic Survey 2023-24
Milk, Fish, Egg Production & Per Capita Availability - Year-2023	Karnataka at a Glance 2022-23, DAHD Profile-23(Karnataka)

State Profile

Key Insights into Agriculture and Socio-Economic Indicators

Socio-Economic and Demographic Profile and Investment in Agriculture

Sr.No.	Particulars	Details
1	Coastline (km)	320
2	Geographical Area (Rank/Position)	6
3	Population Rank among India States	9
4	No. of Bank Branches per lakh of population	49
5	Population Density	349

Major Socio-Economic Indicators of the State

Sr.No.	Indicators	State Performance
1	Per Capita Net State Domestic Product @ Current Prices(₹)	304474

Sr.No.	Social Indicators	Details
1	Sex Ratio (No.)	973
2	Birth Rate (No.))	16.50
3	Death Rate (No.)	6.20
4	Infant Mortality Rate (No.)	19
5	Life Expectancy – Male (Years)	67.90
6	Life Expectancy – Female(Years)	70.90
7	Maternal Mortality Rate (MMR) (No.)	69

Crop Production, Maintenance and Marketing

Trends in procurement/marketing

Particulars	31/03/2022	31/03/2023	31/03/2024
RMCs/ eNAM platforms (No.)	159	161	161

KCC Coverage

Particulars	31/03/2022	31/03/2023	31/03/2024
KCC coverage (No.)	4229047	5912537	6591577
GLC through KCC (crore)	48451.25	56825.28	73564.79

KCC - Disbursement and Outstanding

Sr.No.	Total amount disbursed in KCC (Fresh) during 2023-24		Balance O/S as on 31/03/2024	
	A/c (in lakh)	Amt. (₹ crore)	A/c (in lakh)	Amt. (₹ crore)
1	65.92	73565.00	48.31	65027.00

Average per account KCC loan

Sr.No.	Agency	Per account Credit (₹)		
		31/03/2022	31/03/2023	31/03/2024
1	Commercial Banks	209270	189452	250778
2	RRBs	175674	183831	192206
3	Cooperative Banks	71130	69985	74977
4	Average KCC credit per account	152024.67	147756.00	172653.67

PM Kisan & Other DBTs

Particulars	31/03/2022	31/03/2023
PM Kisan Coverage (No.)	5310984	5189062

Soil testing facilities

Particulars	31/03/2022	31/03/2023
Soil Testing Laboratories (No.)	321	321
Soil Health Cards Issued (No.)	12223488	12341575

Crop Insurance

Particulars	31/03/2022	31/03/2023
Crop Insurance Coverage (No.)	1093617	1085154
Crop Loss Compensation, if any (₹ Crore)	155600.00	168200.00

Number and area of operational holdings

Sr.No.	Particulars	2015-16
1	No. of operational land holding (in lakh)	86.81
2	Area of operational holding ('000 ha)	11805

Size class wise Operational Holdings in State

Sr.No.	Size groups	Total Operational Holdings(No.)
1	<= 1 ha	4767132
2	>1 to <=2 ha	2213732
3	>2 to <=4 ha	1192724
4	>4 to <=10 ha	451445
5	>10 ha	55706
6	Total	8680739

FPOs in the State Key Statistics as on 31.12.2024

Sr.No.	Particulars	No./Amt. (₹ lakh)
1	Total No. of FPOs sanctioned	386
2	Total No. of FPOs Registered	385
3	Aggregate Grant Sanctioned	7623
5	No. of Shareholding Members	223000
6	Women Members	49660
7	Equity Mobilized	2388
8	No. of FPOs credit-linked	221
9	No. of FPOs market linked	77.00



Major Crops, Area, Production, Productivity

Sr. No.	Crop	31/03/2022		
		Area ('000 ha)	Prod. ('000 MT)	Productivity (kg/ha)
1	Paddy	1487.00	4499.00	3025.55
2	Jowar	628.00	733.00	1167.20
3	Bajra	151.00	171.00	1132.45
4	Maize	1752.00	5628.00	3212.33
5	Tur	1754.00	1145.00	652.79
6	Banana	126.00	3825.00	30357.14

Seed Replacement Ratio

Sr.No.	Crop	31/03/2022	31/03/2023	31/03/2024
1	Paddy	32.00	33.00	34.00
2	Ragi	27.00	32.00	34.00
3	Jowar	100.00	100.00	100.00
4	Maize	87.00	100.00	100.00
5	Bajra	105.00	100.00	100.00
6	Wheat	33.00	33.00	34.00
7	Arhar	30.00	39.00	40.00
8	Gram	10.00	26.00	14.00
9	Groundnut	30.00	32.00	35.00
10	Cotton	97.00	100.00	100.00

Source(s)

Table Name	Source(s) and reference year of data
Trend in procurement/ marketing	Economic Survey 2023-24
KCC Coverage	rbiacp.slbcindia.com
PM Kisan & Other DBTs	Karnataka at a Glance 2022-23
Soil testing facilities	Karnataka at a Glance 2022-23
Crop Insurance	https://www.pmfby.gov.in/adminStatistics/dashboard
Major Crops, Area, Production and Productivity	Karnataka at a Glance 2022-23



Karnataka, SFP 2025-26

Seed Replacement Ratio	Department of Agriculture, Karnataka
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Water Resources

Irrigated Area & Potential

Particulars	31/03/2022	31/03/2023
Net Irrigation Potential ('000 ha)	4245	4290
Net Irrigated Area ('000 ha)	4920	5038
Gross Irrigated Area ('000 ha)	6085	6271

Source(s)

Table Name	Source(s) and reference year of data
Irrigated Area & Potential	Economic Survey 2023-24

Farm Mechanisation

Mechanization in State

Particulars	31/03/2022	31/03/2023
No. of tractors	581089	658411
Power Tillers	364503	392517

Source(s)

Table Name	Source(s) and reference year of data
Mechanization in District	Karnataka at a Glance

Plantation & Horticulture including Sericulture

Particulars	31/03/2022	31/03/2023
Area under sericulture (ha)	108036	112407
Production - kg	79238210	83267130



Production and Productivity of Horticultural crops

Sr. No.	Crop	31/03/2022	
		Area ('000 ha)	Prod. ('000 MT)
1	Banana	126.00	3825.00
2	Mango	151.00	1457.00
3	Lemon	13.00	318.00
4	Pineapple	2.00	158.00
5	Guava	8.00	144.00
6	Grapes	36.00	849.00

State Profile
Key Insights into Allied Sector, Agri Infra and Land Development AH
& Fisheries - Production Status in the State

Sr. No.	Particulars	Unit	31/03/2022	31/03/2023		Per capita Availability	
			Details	Details	Growth %	Availability	Unit
1	Milk	TMT	11796.00	12829.00	8.76	575.00	gram/day
2	Total Meat	Lakh MT	3.95	4.33	9.62	7.08	kg/p. a.
3	Egg	Crore Nos	826.38	900.87	9.01	147.00	Nos./p.a.

Infrastructure available in the Animal Husbandry Sector

Sr.No.	Institution	Unit	Details
1	Veterinary Hospitals	No.	665
2	Veterinary Dispensary	No.	2155
3	Livestock Aid Centre (LAC)	No.	1206
4	Frozen Semen AI Centres	No.	4234
5	Disease Diagnostic Laboratory	No.	27
6	Poultry Breeding Farms + Duck Breeding Farms	No.	7
7	Sheep Breeding Farms	No.	4
8	Goat Breeding Farms	No.	1
9	Pig Breeding Farms	No.	10
10	No. of farmers (incl. women farmers) enrolled with milk societies	lakh	9
a	No.	No.	8
b	Capacity	MTPD	205

Animal Husbandry – Dairy

GLC

Particular	31/03/2022	31/03/2023	31/03/2024
KCC for working capital (₹ Crore)	493.99	608.48	887.10
KCC for working capital (No.)	135224	137084	152362

Source(s)

Table Name	Source(s) and reference year of data
GLC	rbiacp.slbcindia.com

Fisheries GLC

Particular	31/03/2022	31/03/2023	31/03/2024
KCC for working capital (₹ Crore)	124.01	202.78	368.03
KCC for working capital (No.)	9091.00	21396	26862

Marine Fisheries (No.)

Particular	31/03/2022	31/03/2023
Mechanised/ non-mechanised boats	23513	25188

Brackish Water Fisheries

Particular	31/03/2022	31/03/2023
Brackish Water Area (ha)	8000	8000

Source(s)

Table Name	Source(s) and reference year of data
GLC	rbiacp.slbcindia.com
Marine Fisheries (No.)	Economic Survey 2023-24
Brackish Water Fisheries	Economic Survey 2023-24

Agriculture Infrastructure

Ground Level Credit

Particular	31/03/2022	31/03/2023	31/03/2024
GLC flow (₹ Crore)	668.17	739.58	1089.64

Agri Storage Infrastructure

Particular	31/03/2022
Cold Storages (No.)	182
Cold Storages (Capacity - '000 MT)	724

Storage Infrastructure in the State

i) Storage Capacity

Sr. No.	Name of the organization /Sector	No. of owned godowns	Covered Storage capacity in MT
1	Food Corporation of India (FCI)	62	NA
2	State Warehousing Corporation (SWC)	25	338819
3	State Civil Supplies Corporation	25	22389
4	Private sector	135	88840
	Total	247	450048

Land Development, Soil Conservation & Watershed Development

NABARD's interventions

Particular	31/03/2022	31/03/2023	31/03/2024
Watershed Projects (No.)	344	353	356
Watershed Projects - Area treated ('000 ha)	323	327	328
Wadi Projects (No.)	34	38	40
Wadi Projects - Area of plantation ('000 ha)	9	9	9

Source(s)

Table Name	Source(s) and reference year of data
NABARD's interventions	NABARD, Karnataka

State Profile
Key Insights into MSME, Cooperatives, Infrastructure and others

Agri Infrastructure - Others GLC

Fertilizer Consumption

Particulars	31/03/2022	31/03/2023	31/03/2024
Fertilizer Consumption ('000 kg)	2380098.00	2411779.00	NA

Production of inputs

Particulars	31/03/2022	31/03/2023	31/03/2024
Seed ('000 kg)	80679	95206	NA

Sources

Table Name	Source(s) and reference year of data
Fertilizer Consumption	Karnataka at a Glance 2022-23
Production of inputs	Karnataka at a Glance 2022-23

Agri Ancillary Activities - Food & Agro Processing & Others GLC

Particulars	31/03/2022	31/03/2023	31/03/2024
GLC flow (₹ Crore)	18425.09	21736.59	29432.97

Other Ancillary Services

Particulars	31/03/2022	31/03/2023	31/03/2024
PACS as MSC (No.)	1117	1117	1117
ACABC (No.)	5	22	22

Source(s)

Table Name	Source(s) and reference year of data
GLC	rbiaep.slbcindia.com
Other Ancillary Services	NABARD, Karnataka

MSME

GLC

Particulars	31/03/2022	31/03/2023	31/03/2024
No. of units financed	644163	1082801	1016935.00
Loans under Stand Up India Scheme (₹ crore)	765.43	233.67	258.13

MSME units - Cumulative

Particulars	31/03/2023
Micro Units (No.)	1142379
Small Units (No.)	31139
Medium Units (No.)	2713

Skill Development Trainings

Particulars	31/03/2022	31/03/2023	31/03/2024
PMEGP/ DDU-GKY Schemes (No. of trainees)	6448	7853	10537

Export/ Education/Housing

GLC

Particular	31/03/2022	31/03/2023	31/03/2024
GLC flow under Export Credit (₹ Crore)	494.95	790.74	544.28
GLC under Education (₹ Crore)	1240.34	1148.24	1330.02
GLC under Housing (₹ Crore)	8035.34	5367.44	6670.39

Public Infrastructure Investments GLC

Particulars	31/03/2022	31/03/2023	31/03/2024
Amt of RIDF assistance (₹ Crore)	2084.12	1979.34	2012.51

Renewable Energy

GLC

Particulars	31/03/2022	31/03/2023	31/03/2024
GLC flow under Climate Change projects (₹ Crore)	187.87	35.33	171.72

Renewable Energy - Sector-wise cumulative achievements

Sr.No.	Sector	Installed capacity (GW)
1	Solar Power	8.28
2	Wind Power	5.28
3	Bio Energy	1.87
4	Small Hydro	0.91
5	Total	16.34

Informal Credit Delivery

GLC

Particulars	31/03/2022	31/03/2023	31/03/2024
SHG Bank Linkage (₹ Crore)	7536.80	21255.17	14531.41
JLG Bank Linkage (₹ Crore)	5292.63	6956.59	7693.64

Promotional Interventions

Particulars	31/03/2022	31/03/2023	31/03/2024
Assistance under Skill Development/ Entrepreneurship Development Programmes (₹)	84,14,000	25,73,000	92,85,000

Status of SHG financing

(₹ crore)

Sr. No.	Agency	Total SHGs Credit linked	Deposits by SHGs	Loan O/S	Loan disbursed last FY
1	Commercial Banks	342572	302.27	NA	13340.89
2	Cooperative Banks	24209	223.88	NA	896.73

3	Regional Rural Banks	8920	5.25	NA	293.79
4	Total	375701	531.40	NA	14531.41

Source(s)

Table Name	Source(s) and reference year of data
GLC	SLBC

Status and Prospects of Cooperatives Details of non-credit cooperative societies

Particular	31/03/2022	31/03/2023	31/03/2024
AH Sector - Milk/ Fisheries/ Poultry (No.)	16945	17341	17399
Consumer Stores (No.)	1259	1271	1271
Housing Societies (No.)	1231	1246	1247
Weavers (No.)	714	722	1017
Marketing Societies (No.)	311	312	313
Labour Societies (No.)	77	78	78
Industrial Societies (No.)	506	510	511
Sugar Societies (No.)	23	23	23
Agro Processing Societies (No.)	506	510	511
Others (No.)	5536	5766	5638
Total (No)	27108	27779	28008

Details of credit cooperative societies

Particular	31/03/2022	31/03/2023	31/03/2024
Primary Agricultural Credit Societies (No.)	5898	5942	6164
Multi State cooperative societies (No.)	17	17	17

Status/ progress under various schemes of MoC in the State

Sr.No.	MoC Scheme/ Initiative	31/03/2024
		No. of PACS/ No. of Units
1	Potential for formation of new MPACS	218
2	PACS Computerisation	76 PACS gone live out of 5491 sanctioned PACS
3	ARDBs Computerisation	Hardware - delivery & installation completed. FHR - completed; FVR - under process
4	New MPACS/ Primary Dairy Societies/ Fisheries Societies established	8
5	PACS sanctioned with warehousing facility & other related infrastructure	34 PACS identified
6	PACS as Common Service Centres (CSCs)	2585
7	PACS as Kisan Samridhi Kendras (KSKs)	1797
8	PACS as Jan Aushadi Kendras (JAK)	22
9	Petrol/ Diesel distributorship/ dealership	11
10	LPG distributorship	6

Sources

Table Name	Source(s) and reference year of data
Details of non-credit cooperative societies	Only functional societies have been indicated. Data from National Cooperative Database
Details of credit cooperative societies	Only functional societies have been indicated. Data from National Cooperative Database
Status/ progress under various schemes of MoC in the district	Data submitted by RCS, GoK to MoC, GoI on 29 November 2024

Banking Profile

1. Network & Outreach

Agency	No. of Banks/ Societies	No. of Banks/ Societies				No. of non-formal agencies associated			Per Branch Outreach	
		Total	Rural	Semi-urban	Urban	mFIs/ mFOs	SHGs/ JLGs	BCs/BFs	Villages	Households
Commercial Banks	34	8780	2344	2099	4337	NA	NA	NA	3	1521
Regional Rural Bank	2	1751	1269	287	195	NA	NA	NA	16	7628
State Cooperative Bank	1	52	0	0	52	NA	NA	NA	527	256865
District Central Coop. Banks	21	889	491	210	188	NA	NA	NA	931	15025
Coop. Agr. & Rural Dev. Bank	1	203	178	0	25	NA	NA	NA	135	65798
Primary Agr. Credit Society	6164	6164	0	0	0	NA	NA	NA	5	2211
Others	12	586	59	210	317	NA	NA	NA	47	22794
All Agencies	6235	18425	3850	2596	4874	31	375701	112665	1.5	730

2. Deposits Outstanding

Agency	No. of accounts (in lakh)					Amount of Deposit [₹ Crore]				
	31/03/2022	31/03/2023	31/03/2024	Growth (%)	Share (%)	31/03/2022	31/03/2023	31/03/2024	Growth (%)	Share (%)
Commercial Banks	NA	NA	NA	NA	NA	1204495.00	1291885.00	1478805.02	14.47	92.26
Regional Rural Bank	NA	NA	NA	NA	NA	49434.00	52616.00	54316.46	3.23	3.39
Cooperative Banks	NA	NA	NA	NA	NA	49090.00	54088.00	54873.38	1.45	3.42
Others	NA	NA	NA	NA	NA	8369.00	11268.00	14861.06	31.89	0.93
All Agencies	NA	NA	NA	NA	NA	1311388.00	1409857.00	1602855.92	13.69	100.00

3. Loans & Advances Outstanding

Agency	No. of accounts (in lakh)					Amount of Loan [Rs. Crore]				
	31/03/2022	31/03/2023	31/03/2024	Growth (%)	Share (%)	31/03/2022	31/03/2023	31/03/2024	Growth (%)	Share (%)
Commercial Banks	NA	NA	NA	NA	NA	799625.00	928629.00	1133629.09	22.08	90.46
Regional Rural Bank	NA	NA	NA	NA	NA	38528.00	41750.00	45270.79	8.43	3.61
Cooperative Banks	NA	NA	NA	NA	NA	48046.00	55255.00	58926.45	6.64	4.70
Others	NA	NA	NA	NA	NA	8741.00	11196.00	15386.34	37.43	1.23
All Agencies	NA	NA	NA	NA	NA	894940.00	1036830.00	1253212.67	20.87	100.00

CD Ratio

Agency	CD Ratio %		
	31/03/2022	31/03/2023	31/03/2024
Commercial Banks	66.4	71.9	76.7
Regional Rural Bank	77.9	79.3	83.3
Cooperative Banks	97.9	102.2	107.4
Others	104.4	99.4	103.5
All Agencies	68.2	73.5	78.2

4. Ratio Performance under Financial Inclusion (No. of A/cs in lakh)

Agency	Cumulative up to			
	31/03/2024			
	PMJDY	PMSBY	PMJJBY	APY
Commercial Banks	140.95	131.65	53.07	34.67
Regional Rural Bank	50.82	38.37	16.82	10.1
Cooperative Banks	0.21	4.11	2.95	0.0956
Others	0.00985	0.01396	0.0039	0.025
All Agencies	191.99	174.14	72.84	44.89

5. Performance on National Goals

Agency	31/03/2024									
	Priority Sector Loans		Loans to Agr. Sector		Loans to Weaker Sections		Loans under DRI Scheme		Loans to Women	
	Amount [₹ Crore]	% of Total Loans	Amount [₹ Crore]	% of Total Loans	Amount [₹ Crore]	% of Total Loans	Amount [₹ Crore]	% of Total Loans	Amount [₹ Crore]	% of Total Loans
Commercial Banks	292759.66	25.8	133138.57	11.7	NA	NA	28.58	NA	NA	NA
Regional Rural Bank	25653.70	56.7	23326.85	51.5	NA	NA	0.21	NA	NA	NA
Cooperative Banks	28864.05	49.0	23517.92	39.9	NA	NA	0.00	NA	NA	NA
Others	8625.99	56.1	3881.64	25.2	NA	NA	0.00	NA	NA	NA
All Agencies	355903.40	28.4	183864.98	14.7	NA	NA	28.79	NA	NA	NA

6. Agency-wise Performance under Annual Credit Plans

Agency	31/03/2022			31/03/2023			31/03/2024			Avg. Ach [%] in last 3 years
	Target [₹ crore]	Ach'ment [₹ crore]	Ach'ment [%]	Target [₹ crore]	Ach'ment [₹ crore]	Ach'ment [%]	Target [₹ crore]	Ach'ment [₹ crore]	Ach'ment [%]	
Commercial Banks	238527	170454	71.5	278157.00	236872.00	85.2	300521.13	292759.66	97.4	84.7
Regional Rural Bank	28235	18463	65.4	29761.00	21921.00	73.7	32217.11	25653.70	79.6	72.9
Cooperative Banks	23735	24724	104.2	19576.00	29324.00	149.8	30831.50	28864.05	93.6	115.9
Others	1894	3797	200.5	2734.00	6944.00	254.0	2576.84	8625.99	334.8	263.1
All Agencies	292391.00	217438.00	74.4	330228.00	295061.00	89.4	366146.58	355903.40	97.2	87.0

7. Sector-wise Performance under Annual Credit Plans

Broad Sector	31/03/2022			31/03/2023			31/03/2024			Avg. Ach [%] in last 3 years
	Target [₹crore]	Ach'ment [₹crore]	Ach'ment [%]	Target [₹crore]	Ach'ment [₹crore]	Ach'ment [%]	Target [₹crore]	Ach'ment [₹crore]	Ach'ment [%]	
Crop Loan	71924	61310	85.2	81896.00	79129.00	96.6	100241.51	111063.73	110.8	97.5
Term Loan (Agri.)	54069	57477	106.3	58978.00	80477.00	136.5	73505.26	72801.25	99.0	113.9
Total Agri. Credit	125993.00	118787.00	94.3	140874.00	159606.00	113.3	173746.77	183864.98	105.8	104.5
MSME	156902	87897	56.0	178798.00	126229.00	70.6	137660.97	152881.99	111.1	79.2
Other Priority Sectors	9498	10754	113.2	10554.00	9226.00	87.4	54738.84	19156.43	35.0	78.5
Total Priority Sector	292393.00	217438.00	74.4	330226.00	295061.00	89.4	366146.58	355903.40	97.2	87.0

8. NPA Position (Outstanding)

Broad Sector	31/03/2022			31/03/2023			31/03/2024			Avg. Ach [%] in last 3 years
	Total o/s [₹crore]	NPA amt. [₹crore]	NPA %	Total o/s [₹crore]	NPA amt. [₹crore]	NPA %	Total o/s [₹crore]	NPA amt. [₹crore]	NPA %	
Commercial Banks	277901.17	25730.00	9.26	309953.66	25263.45	8.15	360581.23	30780.46	8.54	8.65
Regional Rural Bank	35235.02	5238.00	14.87	38246.63	4256.78	11.13	40975.81	4870.06	11.89	12.63
Cooperative Banks	31988.63	995.32	3.11	36791.42	1060.57	2.88	37096.93	1214.93	3.28	3.09

Others	6041.05	442.64	7.33	7729.65	911.11	11.79	11172.95	212.04	1.90	7.00
All Agencies	351165.87	32405.96	9.23	392721.36	31491.91	8.02	449826.92	37077.49	8.24	8.50

*OPS includes Export Credit, Education, Housing, Social Infrastructure, Renewable Energy

Source(s)	
1	rbiacp.slbcindia.com
2	rbiacp.slbcindia.com
3	rbiacp.slbcindia.com

Part B

Chapter 1

Major Socio-Economic Indicators of the State

1.1 Geographic indicators

Karnataka, located in the southwestern part of India is known for its diverse geography and rich natural resources. The State lies between 11°35' N and 18°30' N latitude and 74°5' E and 78°35' E longitude on a table land, where the Western and Eastern Ghats converge into the Nilgiri hills. It is bordered by the Arabian Sea to the west, Goa to the northwest, Maharashtra to the north, Andhra Pradesh and Telangana to the east, Tamil Nadu to the southeast and Kerala to the southwest. The State spans approximately 750 km from north to south and 400 km from east to west. Geographically, it is divided into three main regions: the Coastal Karavali, the Hilly Malanadu (Western Ghats) and the Bayaluseeme plains of the Deccan plateau. Karnataka is also home to two major river systems: the Krishna and its tributaries in the north and the Cauvery and its tributaries in the south.

1.2 Physical features

Karnataka is a vibrant blend of diverse cultures and languages with its economic and social landscape mirroring many of the broader trends found across the nation. It is the sixth largest State, with an area of 1.91 lakh sq.km accounting for 5.83% of the total geographical area of the country. The State is the ninth highest in the country in terms of population accounting for 5.05% of the country's population (Census 2011). In terms of urbanization, the State has witnessed an increase of 4.68% in proportion of urban population in the last decade. The State is divided into 10 agro-climatic zones. On account of the varied agro-climatic features, almost all cereals, pulses, oilseeds, millets and commercial crops are cultivated in different parts of the State. The average size of land holding of Karnataka State is 1.36 ha, which is higher than the all India average of 1.08 ha. Other key features include: ·

- 31 Districts
- 236 talukas and 27383 inhabited revenue villages
- 31 Zilla Panchayats
- 236 Taluk Panchayats and 5954 Grama Panchayats
- First State to enact the Panchayat Raj Act during 1993 incorporating the features of the 73rd Constitutional Amendment.

1.3 State Demographics

Karnataka, a dynamic State in southern India is a key player in the country's demographic and socio-economic landscape showcasing both rapid urbanization and a strong rural base. As per 2011 census of India, the State had a population of 610 lakh with a population density of 319 persons/ km². Out of the State's total population 51% are males and 49% are females. Rural population was 370 lakh and urban population was 240 lakh. During 2001 to 2011, the population of the State grew at a rate of 15.60% as against 17.70% growth rate at national level. Birth rate declined from 18.3% in 2015 to 16.5% in 2020 and the death rate declined from 7.0% in 2015 to 6.2% in 2020. The sex ratio increased from 979 in 2015-16 to 1034 in 2019-20 (NFHS 5). The literacy rate in the State was 75.36% in 2011, which was above the National average of 74.00 % (Census 2011).

1.4 State's Economy - Key Parameters

Karnataka has continued its progressive journey and is among the top States in several indicators like GDP, per capita income, sustainable development goals, technology and innovation, foreign direct investment, exports, startups, IT services, good governance practices. As per Economic Survey 2023-24, advance estimates indicate that Gross State Domestic Product (GSDP) of Karnataka has grown at 6.6% whereas the GDP at national level is 7.3% at constant (2011-12) prices. At current prices the GSDP has reached ₹2,50,0733 crore with a growth of 10.2% and GDP has attained a level of ₹2,96,57,746 crore with a growth rate of 8.9%. The share of Karnataka's GSDP in All India GDP was 8.4% during 2023-24.

Total budget estimate (Consolidated Fund) for 2024-25 is ₹3,71,383 crore and allocation for agriculture and allied activities is ₹23,357 crore.

Expenditure (excluding debt repayment) in 2024-25 is estimated to be ₹ 3,46,409 crore an increase of 17% over the revised estimates of 2023-24. In addition, debt of ₹ 24,974 crore will be repaid by the State.

Receipts (excluding borrowings) for 2024-25 are estimated to be ₹2,63,428 crore an increase of 16% as compared to the revised estimates of 2023-24.

Revenue deficit in 2024-25 is estimated to be 1% of GSDP (₹27,354 crore), higher than the revised estimate for 2023-24 (0.54% of GSDP). In 2023-24, the revenue deficit is expected to be marginally higher than the budget estimate (0.49% of GSDP).

Fiscal deficit for 2024-25 is targeted at 3% of GSDP (₹82,981 crore). In 2023-24 as per the revised estimates, fiscal deficit is expected to be 2.7% of GSDP marginally higher than the budget estimate (2.6%).

1.5 Sectoral composition of State's economy

The sectoral contribution gives an insight into each of the sectors in terms of their share in the overall economy and the evolving importance of the different sectors over time. Conforming to the national trend, there is a significant contribution of the services sectors to GSVA in Karnataka. During 2023-24, the services sector contributed 66.72% to GSVA, followed by 20.24% by industry sector and 13.04% by the agriculture sector. The revised estimates indicate that the contribution of agriculture sector to the overall GSDP recorded a marginal decrease from 13.66% to 13.04% in 2023-24 as compared to 2022-23. Industries sector recorded a marginal decrease from 20.92% to 20.24% in 2023-24 against 2022-23. The services sector the largest component of GSDP recorded a marginal increase from 65.41% in 2022-23 to 66.72% in 2023-24. The contribution of Real Estate, Professional Services & Ownership of Dwellings is highest with (38.32%) in 2023-24, followed by Computer related services and R&D (28.16%), Manufacturing (12.47%), Trade and Repair Services (8.61%) and Crops (8.20%).

1.6 Land Use Pattern

Agriculture is the backbone of our economy, providing sustenance and employment to millions. Over the years, the sector has undergone significant transformations, adapting to changing needs and technologies. As per Agriculture Census 2015-16 there are 86.81 lakh farm holdings operating an area of 118.05 lakh hectares. The average size of holding is 1.36 hectare. Small and marginal holdings account for 80% of total holdings and operate 44% of the total operated area while semi-medium medium and large holdings account for 20% of the total holdings and their operational land holding is 56% out of the total operational area. The net area cultivated during 2021-22 was 111.61 lakh ha, which constituted 58.59% of the total geographical area of 190.50 lakh ha. 3.08 lakh ha geographical area was cultivable waste. 7.40 lakh ha of area was barren and uncultivable land, 8.72 lakh ha was permanent pasture. The total area cultivated under food crops during 2022-23 was 79.09 lakh ha and the food production was 143.56 lakh tonnes. During 2023-24, it is estimated that (as per the second advance estimates) 70.59 lakh ha of area under food crops will be cultivated with the production of 112.32 lakh tonnes.

1.7 Industry Sector

The industrial structure of Karnataka presents a blend of modern high-tech capital goods and knowledge intensive industries on the one hand and traditional consumer goods industries on the other with thriving sectors in automobiles, agriculture, aerospace, textiles and garments, biotechnology and heavy engineering. The State is home to sector-specific Special Economic Zones (SEZs) catering to industries like IT, biotechnology, engineering, food processing and aerospace. As per SDG India Index 2020 of NITI Aayog, Karnataka has been ranked 6th among all the States with respect to SDG 9 on Industry, Innovation and Infrastructure. Industrial sector GSDP was ₹4,34,402 crore with a growth rate of 10.3% in 2022-23, which has increased to ₹4,65,070 crore with a growth rate of 7.1% in 2023-24. The contribution of the Industry Sector to the State GDP is 20% (Manufacturing Sector: 12%). Manufacturing employment as a percentage of total employment for the State of Karnataka is 11.74%, which is slightly below the all India level of 12.07%.

1.8 Services Sector

Services at constant prices is expected to attain a growth rate of 8.7% in 2023-24 as against 9.9% in 2022-23 and 10% in 2021-22. There has been a growth in IT related services from 11.7% in 2021-22 and 9.2% in 2022-23 to 12.6% in 2023-24. Public Administration with 10.5% growth rate, 8.2% in Other Services, 6.5% in Hotels and Restaurants are major contributing subsectors of services. To increase the service sector contribution, Government has announced new IT policy 2020-25 with special focus on promoting IT / ITES beyond Bengaluru.

1.9 **Infrastructure**

The physical infrastructure is the backbone of any economy and a robust network of roads and highways, railways and airports are necessary for resilient growth. Inadequate and inefficient infrastructure impedes the economy from realising its full growth potential regardless of the progress on other fronts. The State has achieved near self-sufficiency in power generation and has a good road connectivity with 14 national highways and 115 state highways, having total length of 28,311 kilometers. The Golden Quadrilateral, North-South and East-West corridors pass through the State, significantly enhancing connectivity to other parts of India. Furthermore, infrastructure projects like the Bengaluru-Mumbai Highway and the Bengaluru-Mysuru Expressway improve both intrastate and regional transportation boosting connectivity and mobility. Additionally, the proposed Bengaluru-Chennai Expressway is nearing completion, further strengthening the state's transport network. Drinking water connections under Jal Jeevan Mission have been provided to 76.02% of rural households. NABARD is also supporting the State Government for creation of rural infrastructure including rural electrification under RIDF/NIDA. The state has 13 minor ports; of which New Mangalore is a major port. The New Mangalore port has the deepest inner harbour on the west coast that can be expanded to handle heavy trade volumes.

1.10 **Social Sector**

Karnataka ranks 11th among all States in the Human Development Index (HDI) with a value of 0.644, compared to the national average of 0.629 according to the Karnataka Human Development Report-2022. The State's Multidimensional Poverty Index (MPI) has shown significant improvement decreasing from 0.055 in 2015-16 to 0.031 in 2019-21. The intensity of poverty also reduced from 42.76% to 41.21% during the same period. Some of the important sector wise analysis is as under:

Education - The gender-wise educational attainment according to the All-India Survey on Higher Education 2020-21 shows that there is an increasing trend in female enrolment at various level of education both in India and Karnataka.

Health - Life Expectancy is one of the key indicators of health. Life expectancy in Karnataka during 2016-20 is 69.8 years, slightly below all India level of 70 years

Sanitation - Karnataka has been the forerunner in putting forth concerted efforts to implement total sanitation in the rural parts of the State. To accelerate and achieve universal sanitation coverage and to put focus on safe sanitation "Swachh Bharat Mission" was launched. The objectives of the SBM(Grameen) is to bring improvement in the general quality of life in rural areas by promoting cleanliness, hygiene and eliminating open defecation. The responsibility of implementation of SBM(G) programmes and activities fully vests with the Gram Panchayat institutions. In order to sustain the Open Defecation Free Status and to work on ODF-Plus activities, the State Government has obtained approval from the Union Cabinet for implementation of Swachh Bharat Mission-Gramin (SBM-G) Phase II from 2020-21 to 2024-25.

1.11 **Regional disparity – Backward-Aspirational Districts State specific schemes**

During the year 2024-25, details of NABARD-supported interventions in the two aspirational districts are as under:

- Four rural infrastructure projects with RIDF assistance of ₹1.89 crore sanctioned in Yadgir district.
- Five rural infrastructure projects with RIDF assistance of ₹2.13 crore sanctioned in Raichur district.
- Grant support sanctioned to banks for conducting 300 Financial & Digital literacy camps
- Grant support of ₹31.50 lakh sanctioned to DCCB Raichur towards deployment of 140 Micro ATMs.
- Refinance assistance of ₹126.49 crore sanctioned to banks.

1.12 **Status of Cooperatives in the State**

Karnataka is one of the few States in the country, where all the three tiers of short term and two tiers of long-term cooperative credit structure are functioning actively to cater to the credit needs of farmers. The short-term cooperative structure comprises Karnataka State Cooperative Apex Bank (KSCAB), 21 District Central Cooperative Banks (DCCB) and 6164 Primary Agriculture Cooperative Credit Societies (PACS) at the village level. The long-term cooperative structure comprises Karnataka State Cooperative Agriculture and Rural Development Bank (KSCARDB) at the State level with 25 branches and 181 Primary Cooperative Agriculture and Rural Development Bank (PCARDBs) at taluk level. Besides, there are about 45 district level federations, 21 state level federations and 2 national level federations operating in the State.

Chapter 2

Banking Sector Profile

2.1 Outreach of Banking Sector

Karnataka is known as the “cradle of banking in India” being the origin of seven of the country’s leading banks. As of 31st March 2024, the State boasts a comprehensive network of 12261 branches with 53% of these located in rural and semi-urban areas. This network is comprised of 12 Public Sector Commercial Banks, 22 Private Sector Commercial Banks, 2 Regional Rural Banks, 8 Small Finance Banks, 3 Payment Banks, Karnataka State Cooperative Apex Bank Ltd. (KSCAB), 21 District Central Cooperative Banks (DCCBs) and Karnataka State Cooperative Agriculture and Rural Development Bank Ltd. (KSCARDB). Additionally, 6164 Primary Agricultural Credit Societies (PACS) and 181 Primary Cooperative Agriculture and Rural Development Banks (PCARDBs) function as vital grassroots arms of the short-term and long-term cooperative credit structure. The State is also home to approximately 31 Microfinance Institutions (MFIs) and Non-Banking Financial Companies (NBFCs), which serve the microfinance needs of marginalized communities. Furthermore, as of 31st March 2024, Karnataka had 17062 ATMs with 5500 of them situated in rural and semi-urban areas. (Source: SLBC).

2.2 CD Ratio

The CD Ratio in the State stood at 78.19% as on 31 March 2024 as compared to 73.54% as on 31.03.2023, which is above the RBI benchmark of 60%. The CD ratio of RRBs at 83.35% and Cooperative Banks at 107.39% was higher than the State average as on 31 March 2024. The CD ratio of 02 Districts in Karnataka - Uttara Kannada (45%) and Udupi (47%) was lower than the benchmark rate of 60%. (Source: SLBC).

2.3 Banking Sector Developments – Key parameters

The banking sector has witnessed significant developments across several key parameters contributing to its growth and stability. Notable advancements include the expansion of banking networks with increased penetration into rural and semi-urban areas, thereby enhancing financial inclusion. The adoption of digital banking and technological innovations has streamlined operations, improved customer accessibility and facilitated faster transactions. Additionally, the diversification of financial products and services including microfinance, insurance and investment options has broadened the scope of banking offerings. The sector has also seen a rise in capital adequacy and risk management practices, ensuring resilience against economic fluctuations. Furthermore, regulatory measures and initiatives aimed at improving transparency enhancing security and promoting sustainable practices have strengthened the overall framework of the banking industry. These developments underscore the sector’s pivotal role in supporting economic growth and driving financial empowerment across diverse communities.

2.4 **Priority Sector Advances**

As of 31st March 2024, the share of Priority Sector advances outstanding as a percentage of total advances stands at 35.89%. According to the State Level Bankers' Committee (SLBC) report, the per account outstanding amount for various banking institutions is ₹ 2.68 lakh for Commercial Banks, ₹ 1.71 lakh for Regional Rural Banks, ₹ 0.98 lakh for Cooperative Banks and ₹ 0.57 lakh for other banks such as Small Finance Banks among others. The noticeable variation in the per-account loan outstanding across these different banking agencies highlights a critical gap especially in the case of Cooperative Banks which have a significantly lower outstanding amount compared to Scheduled Commercial Banks (SCBs) and Regional Rural Banks (RRBs). This discrepancy suggests that Cooperative Banks, need to make substantial progress in terms of credit deepening, which involves expanding their lending reach and improving access to financial resources. To remain competitive and ensure that their clientele receives adequate and timely credit, these banks must work towards increasing the volume of loans disbursed enhancing financial literacy among their customers and implementing strategies that make credit more accessible to underserved sectors. Strengthening their role in the priority sector is crucial to fostering inclusive economic growth and financial inclusion, particularly in rural and semi-urban regions, where the demand for such credit is often not met fully.

2.5 **Ground Level Credit (GLC) Flow**

During the financial year 2023-24, the total priority sector lending (PSL) in Karnataka amounted to ₹ 3,55,903.40 crore marking a significant increase from ₹ 2,95,061.00 crore in 2022-23. This represents a growth of 20.62% highlighting the robust expansion of credit flow to priority sectors, which include agriculture, micro, small and medium enterprises (MSMEs), education, housing and others. The growth in PSL underscores the banking sector's commitment to supporting key areas of the economy, particularly those that promote inclusive growth and social welfare. A breakdown of the agency-wise share in Ground Level Credit (GLC) during 2023-24 reveals that Commercial Banks contributed the largest share with 82.26% of the total priority sector lending. This clearly indicates that Commercial Banks remain the dominant providers of credit under the priority sector in Karnataka reflecting their strong presence and capacity to meet the financial needs of various priority sectors. Their extensive branch networks, financial products and access to capital play a significant role in driving this substantial contribution. Regional Rural Banks (RRBs) and Cooperative Banks, while contributing 7.21% and 8.11%, respectively have a relatively smaller share in comparison to Commercial Banks. This highlights a performance gap suggesting that these institutions particularly Cooperative Banks and RRBs need to enhance their efforts in expanding credit under the priority sector. Improving the performance of RRBs and Cooperative Banks in priority sector lending is crucial for ensuring that credit reaches underserved and marginalized communities.

These institutions, which are often more locally oriented and have a better understanding of regional needs can play a pivotal role in bridging the gap in credit availability. To boost their contributions, targeted interventions such as enhanced training for loan officers, improving access to credit for small and micro enterprises and strengthening the linkage between these banks and local businesses or farmers are essential. This would enable these banks to increase their share in priority sector lending ultimately leading to more inclusive economic growth across the State.

2.6 Performance of the State under ACP

During the FY 2023-24, as against the Annual Credit Plan target of ₹ 3,66,146.58 crore for the State, the achievement stood at ₹ 3,55,903.4 crore, which is 97% of the target. The achievements under agriculture crop loan and MSME were 111% of the target. For the year 2024-25, the credit potential estimated by NABARD in its State Focus Paper was ₹ 3,97,036.04 crore under Priority sector. Considering the budgetary allocations and on the basis of the ground level disbursements, the projections made by NABARD in the Potential Linked Plans, the Annual Credit Plan target for agriculture during the year 2024-25 for the State of Karnataka has been pegged at ₹ 19,2201 crore. The crop loan target for 2024-25 has been fixed as ₹ 1,14,625 crore and Agriculture Term loan target as ₹ 77,576 crore. As on 30 September 2024, the achievement under crop loan were ₹ 62,890 crore (55% of target) and ₹ 41,629 crore (54% of target) under agri term.

2.7 Health of Financial Institutions

Commercial banks hold a dominant position in the sector, showing strong growth but still face challenges like the increasing number of NPA accounts. Regional Rural Banks (RRBs) have experienced steady progress in loans and deposits though they are under pressure to expand their reach and improve their risk management practices. The Government of India has recently announced merger of both the RRBs in the State. The cooperative sector, which plays a crucial role in providing credit to rural areas also faces challenges such as governance issues, weak financial systems and limited technological adoption. Many cooperative banks struggle with operational inefficiencies, low capital buffers and increasing NPAs. To ensure long-term stability and growth, financial institutions in Karnataka need to focus on improving loan quality, managing risks effectively and promoting financial inclusion.

2.7.1 Commercial Banks

Commercial banks in Karnataka with an extensive network of 8780 branches play a pivotal role in the State's financial landscape. As at the end of 2023-24, CBs accounted for 90% of total loans and 92% of total deposits in the State. While the loans grew by 22%, deposits grew by 14%. The CD ratio has increased from 70.87% during 2022-23 to 76.66% during 2023-24, reflecting a better alignment of credit and deposit flows. The achievement of annual disbursement target under priority sector over the last three years by CBs are 71.46% in 2021-22 and 85.16% in 2022-23 and 97.42% in 2023-24. The steady increase in disbursements also highlights their commitment to supporting the State's socio-economic growth addressing the needs of underserved communities.

2.7.2 **Regional Rural Banks**

The Two Regional Rural Banks (RRBs) in Karnataka with a combined network of 1751 branches contribute significantly to the State's financial inclusion efforts particularly in rural and semi-urban areas. RRBs had a share of 4% in total loans and advances and 3% in total deposits, in the State as on 31 March 2024. RRB's growth in loans and advances and deposits were 8% and 3%, respectively over the previous year which has resulted in increase in CD ratio from 79.35% as on 31 March 2023 to 83.35% as on 31 March 2024. The achievement under annual disbursement target was 79.63% as on 31 March 2024 reflecting banks ongoing efforts to meet the financing needs of priority sectors such as agriculture, rural development and microfinance. While RRBs presence remains smaller in comparison to commercial banks, these banks continue to play a vital role in enhancing financial access and supporting the economic upliftment of rural communities in Karnataka. RRBs growth trajectory and consistent performance in priority sector lending demonstrate commitment to fostering financial inclusion and contributing to the overall economic development of the State.

2.7.3 **Rural Cooperative Banks**

The Three-tier co-operative credit structure with the Apex bank at the State level, 21 DCCBs at the district level and 6164 PACS at village level plays important role in purveying rural credit. All 21 DCCBs in the State have been licensed by the RBI. The cooperative banks had a share of 5% in total loans and advances and 3% in total deposits of the State. While the loan portfolio grew by 7% the deposits showed a growth of only 1% during 2023-24. The CD ratio at 107.39% was higher than other agencies except SFBs as on 31 March 2024. The Cooperative banks were able to achieve 93.62% of their annual disbursement targets under ACP during 2023-24. The State Apex bank and all DCCBs have switched over to the CBS platform and are now in the process of introducing technology-based products like internet banking and mobile banking.

2.8 **Credit offtake scenario**

Over the last three years, both priority sector credit and agriculture credit have shown growth with agriculture credit consistently outpacing the broader priority sector. The agriculture sector has benefitted from targeted policy efforts by the State and Central Governments with growth rates of 34.4% and 15.2% during 2022-23 and 2023-24, respectively. The total amount of agricultural credit grew by 54.8% from 2021-22 to 2023-24 underscoring the importance of agriculture in the State of Karnataka.

2.9 **Kisan Credit Card – Status and gap in the State**

Kisan Credit Card (KCC) scheme was introduced to simplify the process of providing short term credit to farmers and ensure timely access to adequate funds for their agricultural and allied activities; both for their input purchase and working capital needs. KCCs have reduced the dependence on informal credit sources and have provided farmers flexibility in credit utilization. The KCC scheme has been instrumental in improving farmers financial inclusion.

In Karnataka a total number of 24,78,271 Kisan Credit Cards have been issued with sanctioned loan of ₹31,099.57 crore from April to September 2024.

KCC AH O/S as on 30.09.2024 amounts to ₹1,029 Crore for 1,88,920 accounts. KCC Fisheries O/S as on 30.09.2024 amounts to ₹ 326.88 crore for 19,634 accounts.

2.10 **Financial Inclusion – Status and areas of concern**

In 2023-24, NABARD made notable strides in advancing financial inclusion across rural Karnataka by implementing several targeted initiatives aimed at

enhancing financial literacy, deploying critical infrastructure and strengthening capacity-building efforts. These interventions were designed to make financial services more accessible to marginalized sections of society, thereby fostering economic empowerment and inclusion. An amount of ₹1.99 crore was sanctioned for conduct of 4142 Financial and Digital Literacy (FiDGI) programs. These programs focused on enhancing digital banking awareness among rural communities. NABARD also provided ₹ 1.37 crore as one-time CAPEX support to 31 Rural Self-Employment Training Institutes (RSETIs)/Rural Development and Self-Employment Training Institutes (RUDSETIs) in Karnataka. In addition to this, ₹12.01 crore has been sanctioned for 41 Centres for Financial Literacy (CFLs), which aim to empower individuals with knowledge and skills to make informed financial decisions, improve financial inclusion and encourage sustainable financial behavior.

2.11 **GoI Schemes – Status and Areas of concern**

The Government of India (GoI) is implementing numerous schemes aimed at improving the socio-economic conditions of citizens focusing on areas like financial inclusion, rural development, health, education and employment. While many of these schemes have seen positive outcomes, certain concerns remain regarding their implementation and overall impact. Under Pradhan Mantri Jan Dhan Yojana (PMJDY), 191.99 lakh accounts have been opened covering almost all individuals in the State. However, concerns remain as regards to number of inoperative and zero balance accounts. While under Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), 46,70,456 farmers have been covered in the State, issues seen at the ground level are exclusion of eligible farmers due to outdated or incomplete land records, inclusion of ineligible beneficiaries and payment failures due to mismatch in names, Aadhaar details and bank accounts. The Pradhan Mantri Awas Yojana (PMAY), which aims at affordable housing for all, have issues like land availability and acquisition, funding gaps, high construction costs beneficiary identification issues and implementation delays. While Atal Pension Yojana (APY) has grown at a steady pace among workers in the informal sector, it has concerns of low enrollment, lack of awareness and outreach, affordability issues, perceived low returns and dropouts.

2.11.1 PMJDY

Pradhan Mantri Jan Dhan Yojana (PMJDY) is a flagship financial inclusion program launched by the Government of India on August 28, 2014. Its primary objective is to provide universal access to banking facilities for all households, especially in underserved and rural areas, and ensure financial inclusion for the masses. The scheme aims to bring the unbanked population into the formal banking system and provide them with easy access to essential financial services. Some of the key features are Zero Balance Accounts, Direct Benefit Transfer (DBT), Overdraft Facility, RuPay Debit Card, Insurance Cover and Financial Literacy. As on 31 March 2024, a total of 191.99 lakh PMJDY accounts have been opened in Karnataka.

2.11.2 Universal Social Security Scheme

Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) was launched on May 9, 2015 with an objective to provide affordable life insurance of ₹ 2 lakh to the masses, especially for the underserved sections of society. In Karnataka, as on 31 March 2024, a total of 72.85 lakh beneficiaries are enrolled under PMJJBY.

Pradhan Mantri Suraksha Bima Yojana (PMSBY) was launched on May 9, 2015 with an objective to provide accidental death and full disability cover of ₹ 2 Lakh and partial disability cover of ₹ 1 lakh. In Karnataka, as on 31 March 2024, a total of 174.74 lakh beneficiaries are enrolled under PMSBY.

Atal Pension Yojana (APY) was launched on May 9, 2015 with an objective to provide pension coverage ranging from ₹1,000 to ₹5,000 per month after the age of 60, depending on the contribution amount for the unorganized sector, especially those who have no formal pension scheme or retirement benefits. In Karnataka, as on 31 March 2024, a total of 34.79 lakh beneficiaries are enrolled under APY.

2.11.3 PMMY

Pradhan Mantri Mudra Yojana (PMMY) was launched on April 8, 2015 with an objective to provide financial support to micro-enterprises and small businesses, especially in the non-corporate, non-farm sector. The scheme aims to promote entrepreneurship by providing easy access to finance for small and micro businesses that are typically underserved by traditional banking.

PMMY provides loans under three categories:

Shishu: Loans up to ₹ 50,000 (for early-stage or small businesses starting out).

Kishore: Loans ranging from ₹ 50,001 to ₹ 5 lakh (for growing businesses with a proven track record).

Tarun: Loans ranging from ₹ 5,00,001 to ₹ 10 lakh (for more established businesses requiring larger funds for expansion). The GoI has increased the limit under Tarun category to ₹ 20 lakh to those individuals who have successfully availed and repaid the first loan of ₹ 10 lakh.

Category wise total Outstanding as on 31.03.2024

Shishu Category: ₹ 8668.46 crore

Kishore Category: ₹ 19850.20 crore

Tarun Category: ₹ 9945.63 crore

2.11.4 PM KISAN

Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) was launched on December 1, 2018 to provide direct income support to farmers for meeting their agricultural and domestic needs with a special focus on small and marginal farmers. Eligible farmers receive ₹6000 per year in three equal instalments directly in their bank accounts through DBT. The scheme is fully implemented using digital platform for transparency and there is a dedicated portal pmkisan.gov.in for registration, tracking of instalments and grievance redressal. As on October 2024, 4670456

eligible farmer beneficiaries have been identified under PMKISAN in Karnataka.

2.12 CBS in Cooperatives including PACS Computerization

Government of India (GoI) launched the centrally sponsored project for Computerization of PACS on 29th June 2022. This ambitious project spans five years (2022-23 to 2026-27) and seeks to computerize 63,000 PACS across India with an estimated outlay of ₹2,516 crore. NABARD is the implementing agency of the project. In Karnataka, 5491 PACS have been sanctioned under the first phase of the project with a budget allocation of ₹175.26 crore, of which ₹70.10 crore is the share of the State Govt. Hardware installation has been completed in all these PACS, and efforts are ongoing to digitize legacy records and enable Go-Live functionality. Additionally, the 7th Karnataka SLIMC meeting has proposed 192 more PACS for computerization in the next phase, further expanding the project's scope within the State.

Computerization of SCARDBs: The Government of India launched the project for the computerization of ARDBs on 30th January 2024. Under this project, 1,851 units of ARDBs across 11 States and 2 Union Territories are being computerized, with NABARD acting as the implementing agency for 3 years project (2024-2026) with March 2026 as the sunset period. In Karnataka, 207 units of KSCARDB, including 26 SCARDBs and 181 PCARDBs, have been identified under the project for computerization. The total budget for this project is ₹11.70 crore, which will be shared by the Government of India, the State Government, and KSCARDB.

With the central projects of computerization being currently implemented, wherein the grassroots level interventions shall be technologically and digitally equipped to handle these operations and functions, it would be imperative that the stakeholders and relevant last mile users are also suitably trained to use the same. Some of the issues that needs to be addressed are as follows:

In remote and rural areas, internet connectivity, power supply, and infrastructure needed to support digital platform are often inadequate. This makes it difficult for PACS to implement digital platform, effectively.

Many rural members may lack digital literacy, making it difficult for them to understand and use of online platform features. Further, employees of PACS, especially in rural areas, may have limited or no exposure to digital systems. Proper training on software, hardware, and the new technological framework has to be focused upon for the efficient use of computerized systems.

While PACS are being onboarded to a digital platform, steps would have to be taken for integration of these grassroots units to the higher tiers, as envisaged eventually for optimum efficiency of the cooperation system.

- **Staff shortage:** With the increasing concerns around cyber security, it is essential to implement multiple levels of security checks within the PACS. However, it has been observed that many PACS are operating with limited staff. This makes the systems more vulnerable to potential threats.
- **Turnover of Staff:** High turnover of employees within PACS results in loss of expertise and hinder the continuity of the computerization process. New staff members need to be trained, which adds to the time and effort involved in the project.

While the computerization of PACS offers numerous long-term benefits such as efficiency, improved service delivery and better financial management, the immediate benefits may not always be clear to stakeholders. This lack of understanding reduces the motivation to implement the system effectively. Training, capacity building and periodical sensitization will play a critical role in ensuring optimization of these technological interventions.

2.13 **Computerization of Land Records**

1. **The Bhoomi project**, launched by the Government of Karnataka in 2000, is a significant initiative aimed at digitizing land records to ensure transparency, reduce corruption, and improve land administration efficiency. The project has digitized key documents like the Record of Rights (RoRs), Mutation Registers, and Encumbrance Certificates (ECs), making land information easily accessible online. However, challenges remain in the full implementation of the project. Some areas, especially rural and remote regions, still face incomplete digitization, leading to discrepancies in land data and limited access to the benefits of the project. To address these challenges, continuous updating of records, better training for users, and enhanced digital infrastructure in rural areas are needed.

2. **Agristack** - The Government of India, under its Digital Public Infrastructure initiative, is emphasizing the creation of registries for farmers, crops, scale of finance etc. In line with this, the Government of Karnataka (GoK) is currently in discussions to implement these initiatives.

3. **The Farmer Registration and Unified Beneficiary Information System (FRUITS)** is a key initiative by the Government of Karnataka to streamline agricultural schemes and deliver targeted benefits to farmers. As on 05.02.2024, 99.41 lakh farmers are registered in FRUITS. While FRUITS brings significant benefits, it faces challenges in implementation. Incomplete or outdated land records can lead to inaccuracies in the farmer registration process. Additionally, farmers in rural areas may struggle with limited digital literacy or poor internet connectivity, which can hinder access to the system and delay the delivery of benefits. These issues need to be addressed to ensure the system operates efficiently and serves all farmers equitably. To overcome these challenges, continuous efforts are needed to update land records, enhance digital infrastructure, and provide training for farmers on using digital platforms.

Chapter 3

NABARD's perception on the Development Perspective of the State

3.1 Capital formation in agriculture

Capital formation assumes paramount importance in the context of policy making by the State and Central Government. It acts as an indicator in the measurement of economic growth of the State. Since investment credit is the major driver of private sector capital formation in agriculture, continuous increase in the share of term loan would lead to the much-needed increase in capital formation in agriculture and the consequent increase in agricultural productivity and production. This would in turn result into enhanced income for farmers. Given its importance, NABARD has been extending long-term refinance support to banks and mFIs/NBFCs for asset creation of farm and non-farm related activities with repayment periods ranging from 3 to 15 years. Medium-term refinance products for periods ranging between 18 months to 3 years was introduced by NABARD in 2014-15 to cover the investment activities relating to agriculture and allied activities. To give a boost to long-term investment credit in agriculture, GoI has set up a 'Long-Term Rural Credit Fund' with NABARD to provide long-term refinance support exclusively to Cooperative Banks and RRBs for investment credit in agricultural activities. In Karnataka, to facilitate capital formation in agriculture and related sectors, refinance of ₹11,124 crore was disbursed during 2023-24. Further, an amount of ₹22,560.20 crore was sanctioned under RIDF tranches I to XXX to State Government for implementation of 44372 Rural Infrastructure projects and against this sanctioned amount, GoK has drawn ₹17,805.28 crore.

3.2 Financing SF/MF Oral Lessees/ Tenant Farmers/ Sharecroppers, etc.

Agriculture in India has progressively become predominantly small-holder driven. As per Agricultural Census 2015-16, at All India Level, 86% farmers possess less than 2 ha of land and average size of land holding has declined from 1.15 ha (2010-11) to 1.08 ha. In Karnataka, 86.80 lakh farm holdings are operating an area of 118.05 lakh ha. The average size of holding is 1.36 ha, Small (25.25%) and Marginal (54.92%) land holdings together account for 80.17% of the total land holdings and these SF / MF together operate 44% of the total operated area.

These small holders suffer from poor access to quality inputs, institutional credit, organised markets and modern technical know-how. To have a more inclusive agriculture credit flow, the focus should be on covering small and marginal farmers under institutional credit. There is specific scheme of Government of Karnataka to provide landless certificate/tenancy certificate under Atalji Janasnehi Kendras through Nada Kacheri, which needs supportive financing by the respective banks to sharecroppers, tenant farmers and leaseholders' farmers. Under the KCC scheme, there is a provision to finance tenant / leaseholders / sharecropper farmers. The loans are also being provided to such farmers through JLG mode. In Mysore, Mandya & Chamarajanagar region, banks have loan products for advancing to tobacco growers, irrespective of whether they hold land or not, based on the license for tobacco cultivation.

3.3 **KCC Crop Insurance, Land records - digitization and creation of charge**

The KCC Scheme, introduced by NABARD in 1998-99 in coordination with RBI was a major step towards providing hassle free, adequate and timely credit to the farmers from the banking sector. Out of the 65.92 lakh RuPay KCC issued in Karnataka during 2023-24, 49.97 lakh Rupay KCC are issued through cooperatives and 6.64 lakh Rupay KCC through RRBs. During 2019, the scheme was made applicable for Animal Husbandry and Fishery sectors. Subsequently, the GoI has taken various steps to ensure saturation of all eligible farmers under the Scheme. Out of the 1.52 lakh KCC -AH cards issued in Karnataka during 2023-24, 0.47 lakh KCC are issued through cooperatives and 0.53 lakh KCC through RRBs. Of the 26862 Fishery KCCs issued in Karnataka during 2023-24, 1114 cards have been issued by cooperative banks and 1496 cards by RRBs, the balance being through Commercial Banks.

Land Records - Digitization and Creation of charge

Bhoomi Project for digitization of Land Records: It is a flagship project of Government of Karnataka for land records management launched in the year 2000. Under this project, data regarding Rights, Tenancy and Crops (RTC) were digitized and made available to citizens. Integration of Bhoomi with Registration Software, land acquiring bodies and Banks was a major step in bringing uniqueness to the Land Records System in Karnataka.

Farmer Registration and Unified Beneficiary Information System (FRUITS): Government of Karnataka in association with NIC has developed a software application called Farmer Registration & Unified Beneficiary Information System (FRUITS). Under this, digital data on agriculture land records is captured and integrated with banking system, which enables banks to have hassle free unified IT system for sanction/disbursement of bank loans. It also provides crop and farm analytics and help bankers with farm and crop related historical data for quick decision.

3.4 **Agriculture and Allied activities - Prospects and Performance**

Karnataka's agricultural sector faces challenges due to its vast drought-prone areas and limited irrigation, making it heavily reliant on the monsoon. Over 68% of the State's workforce is engaged in agriculture, with only 26.5% of the land irrigated. Despite this, 60.12% of Karnataka's land is cultivated, and the State ranks sixth in all India for horticulture, producing 241.50 lakh tonnes annually. It excels in producing coffee, coconut, raw silk, vegetables, fruits, spices, silk, and tropical fruits. Karnataka is the second-largest milk producer and also leads in floriculture and grape production. The State has a 320 km long coastline, with marine fish yield of 5.42 lakh MT. The fisheries sector is growing rapidly. Karnataka is the top exporter of silk in India, holding 25% of the market share. Although contribution of agriculture to the State's economy has decreased, it remains crucial. Strategies like improving credit access, supporting small farmers, and promoting value chain integration are being implemented. The State Government has increased its agricultural budget and introduced key programs such as soil health missions, seed supply, mechanization, micro-irrigation, and millet production.

3.5 **Climate Change - Adaptation and Mitigation**

Karnataka is highly vulnerable to climate change due to its agrarian economy and dependence on monsoons. The State faces unpredictable rainfall, rising sea levels, droughts, floods, and heatwaves, severely affecting agriculture. Direct impacts include temperature and precipitation variability, while pest outbreaks and soil moisture loss are indirect effects. Addressing climate change is a top priority for State and Central Government.

Climate Trends in Karnataka

Karnataka is the second most drought-prone State, with 54% of its area affected. Between 2014-2017, consecutive droughts occurred, and rainfall was below normal, 216 of 236 taluks were drought-hit in 2023. Rainfall varies from 408 mm to 5051 mm, with two-thirds of the state receiving less than 750 mm annually.

Climate Change Scenario

Temperatures have risen by 0.6°C over the past century, with projections indicating a 1.7°C to 2.2°C rise by 2030. Drought frequency may increase by 10-80% in northern districts.

NABARD's initiatives

NABARD has been designated as the National Implementation Entity (NIE) /Direct Access Entity (DAE) for three important funds, viz. National Adaptation Fund for Climate Change (NAFCC) and 02 International Climate funds viz., Adaptation Fund (AF) and Green Climate Fund (GCF). As on 31 March 2024, 40 climate change projects are under implementation with a total financial outlay of ₹1,971.56 crore.

NAFCC project in Karnataka

Under National Adaptation Fund for Climate Change (NAFCC), a project titled 'Conservation and Management of Indigenous cattle & sheep in the wake of Climate Change in Karnataka' is being implemented in Karnataka. The project was sanctioned by the Ministry of Environment, Forest and Climate Change (MoEFCC) with a total sanction of ₹18.10 crore, against which full disbursement has been done. Executing Entity (EE) for the project is Karnataka Livestock Development Agency (KLDA), Department of Animal Husbandry and Veterinary Services (DAH&VS), GoK. The project aims to conserve and revitalize indigenous livestock breeds of the State as an adaptation strategy.

3.6 **Farmer Producers' Organizations (FPOs)**

The aggregation of farmers into collective bodies like Farmer Producer Organizations (FPOs) helps address challenges faced individually, fostering stability and growth. Since 2011-12, NABARD has supported promotion and development of FPO. In Union Budget, 2019-20, the Government of India launched a scheme to establish 10,000 FPOs over five years, supported by two credit guarantee funds—₹1,000 crore in NABARD and ₹500 crore in NCDC. For the promotion of agriculture and allied sector, GoI has announced two Credit Guarantee Schemes which are being managed by NABSanrakshan Trustee Private Limited, a wholly owned subsidiary of NABARD.

Status of FPOs in Karnataka

As of 31 March 2024, Karnataka has over 1,290 FPOs, with NABARD promoting 386 FPOs and the Government of Karnataka 811 FPOs. Of the 386 FPOs promoted by NABARD, 385 have been registered either under the Companies Act or the State Cooperative Societies Act. These FPOs cover all 31 districts of Karnataka and have 2,23,264 farmer shareholders who cumulatively have contributed ₹20.73 crore towards share capital. Most FPOs are involved in input business, while some focus on procurement, marketing, processing, and value addition. All NABARD-promoted FPOs are digitized via the NABFPO portal.

NABARD's Support to FPOs

In 2023-24, NABARD promoted 5 new FPOs with grant assistance of ₹54.66 lakh and supported 24 existing FPOs with grant assistance of ₹57.94 lakh for business development. Additionally, 10 FPOs received extended grants for two more years (total 05 years) to ensure continued growth. NABARD is also implementing a FPO Accelerator project, which aims to increase the income of these FPOs through various handholding measures.

Key Initiatives

a) A two-day training programme on “Advances in Animal Feeding and Management for Enhanced Farm Income” was conducted in collaboration with ICAR-NIANP on 24th and 25th September 2024. Twenty-three participants from 12 AH FPOs promoted by NABARD attended the training programme.

b) A five-day, in-house customized training program was successfully conducted in collaboration with BIRD Mangaluru for FPO Master Trainers from various State Government Departments of Karnataka.

Export focused Initiative

NABARD, in collaboration with KAPPEC and FIEO Karnataka, organized an Agri & Processed Food Product Export Training Programme on 23rd July 2024.

3.7 MSME

Micro, Small and Medium enterprises (MSMEs) have been accepted as the engine of economic growth that promote equitable development. The labour intensity of the MSME sector is much higher than that of the large enterprises. The MSMEs constitute over 90% of total enterprises and are credited with generating the highest rate of employment growth and account for a major share of industrial production and exports. The scope and coverage of MSME sector was broadened significantly under Micro, Small and Medium Enterprises (MSME) Act, 2006, which recognized the concept of enterprise to include both manufacturing and services sectors.

As of 05 July 2024, 4.69 crore MSMEs are registered on the Udyam Registration portal, including informal micro enterprises registered on the Udyam Assist Platform. MSMEs are backbone of the Indian economy, contributing approximately 30% of the country's GDP, 45% of manufacturing output, and providing employment to 11 crore people. The share of export of MSME-specified products in all-India exports in 2023-24 was 45.7%. The sector has the potential to market "Make in India" vision brand globally. Bank loans to MSMEs are eligible to be classified under priority sector.

In Karnataka, 11.76 lakh units are registered as MSMEs on the Government of India's Udyam web portal. This has resulted in creation of larger amount of employability of 108.45 lakh (Economic Survey 2023-24). During 2023-24, an amount of ₹1,52,881.99 crore was disbursed by the banking sector as against the target of ₹1,32,129.35 crore under MSME sector. For the current FY 2024-25, the target fixed for MSME lending is ₹1,74,241.94 crore, against which the achievement was ₹1,07,920.68 crore as on 30 September 2024 (source: SLBC).

3.8 Micro Credit

SHG-Bank Linkage Programme

The Self Help Group Bank Linkage Programme (SHG-BLP) pioneered by NABARD, has expanded substantially since it was first launched on a pilot scale in 1992 and is acclaimed as one of the largest micro finance programmes in the world. The programme has been expanded with a view to cover all eligible poor rural households, with a focus on resource-poor States, providing livelihood opportunities to SHG members and covering the areas, which have not been reached so far. Efforts are being made to revive dormant SHGs and prevent the functional ones from disintegrating, through measures such as capacity-building and hand-holding support. Emphasis is being laid on the convergence of the SHG-BLP with the financial inclusion initiatives of the GoI and RBI, in addition to other Government programmes, including the Prime Minister Jan Dhan Yojana. The support system for promoting and nurturing SHGs is being suitably incentivized.

Status of SHG - BLP in Karnataka

Karnataka State has been in forefront of micro credit movement in the country. The SHG- BLP was flagged off through the NABARD-MYRADA Pilot Project in Karnataka in the year 1992. As on 31 March 2024, there were 8.70 lakh SHGs in the State savings linked to various banks. The credit outstanding was ₹21,150.64 crore for 9.32 lakh SHGs. (Status of Microfinance in India, 2022-23). The bank loan disbursed stood at ₹20,559.57 crore with 7.44 lakh SHGs.

Micro Enterprise Development Programme (MEDP)

NABARD has been supporting MEDP since 2006, to provide skill training to the members of matured SHGs, to enable them to take up income generating livelihood activities. The main objective of the programme is to enhance the capabilities of participants through appropriate skill up-gradation in existing or new livelihood activities in farm or non-farm activities and enrich knowledge of participants on enterprise management, business dynamics and rural markets. During 2023-24, 24 MEDPs covering 720 SHG women have been sanctioned in the State.

Livelihood and Enterprise Development Programme (LEDP)

LEDP is a cluster based participatory enterprise development programme conceived by NABARD to facilitate graduating of SHG members into producer group. The programme is to encourage mutual support through collectivisation in contiguous villages. Project Implementation Agency is to provide intensive training programme on local demand driven livelihood activity and also to provide mentoring and hand holding support to ensure that trained SHG members establish their livelihood activity successfully. Grant assistance is available from NABARD for both agriculture and allied sector and low input NFS/handicraft activities. During FY 23-24 in State, 6 LEDPs have been sanctioned and 540 SHG members have been trained to take up the income generating activities and are being extended handholding support by the implementing agencies in credit linkage and marketing of the products.

Joint Liability Groups (JLGs)

Joint Liability Groups are informal groups of 4-10 members, who are engaged in similar economic activities like crop production and are willing to jointly undertake the responsibility to repay the loans taken by the groups from the bank. Their credit needs are met through either individual loan or group loan from financial institutions. The scheme of financing JLGs was introduced by NABARD in 2004-05 as a pilot project in eight States. Apart from extending 100% refinance support to Banks, NABARD also extends financial support for awareness creation and capacity building of all stakeholders of this programme. As on 31 March 2024, 9.97 lakh JLGs have been credit linked in the state and amount disbursed by banks is ₹7,396.64 crore (SLBC Karnataka).

3.9 Rural Infrastructure and linkage support

Indian farmers face challenges not only from marketing and processing constraints but also inadequate infrastructure. Rural Infrastructure and Development Fund (RIDF) of NABARD facilitates State Governments to address infrastructure gap, covering 39 activities in agriculture, rural connectivity, and social sectors. In addition to RIDF, Food Processing Fund (FPF), Long Term Irrigation Fund (LTIF) and Micro Irrigation fund (MIF) established with NABARD cater to creation of related infrastructures under their respective sectors. Under RIDF Tranches I to XXX, 44372 projects have been sanctioned in Karnataka with RIDF assistance of ₹22,560.20 crore as on 31 December 2024. Against the sanctioned amount, GoK has drawn ₹17,805.28 crore. These projects are contemplated to bring in 5.34 lakh ha area under irrigation and laying of 45,688 km of rural roads, besides construction of 58872 meters of rural bridges, 1930 veterinary institutions, 926 rural market infrastructures, 270 rural godowns, 276 Raita Sampark Kendras, 33 Fish jetties, 12 Fish Farms / Ponds, 13,500 Rural Educational Institutions, 338 public health institutions, etc. Apart from this, the assistance under RIDF has also led to creation of infrastructure for marketing silkworm cocoons and ensuring drinking water supply in rural areas of the State.

3.10 Financial Inclusion

Information Technology has changed Banking industry phenomenally and from being just a business enabler to being the primary business driver, it has evolved over the years. Although our country has adopted several measures to advance financial inclusion, an estimated 35% of population is still without access even to basic financial services. To succeed, financial inclusion needs organizational clarity, operational efficiency and coordination between institutions.

Status in Karnataka

All 22 RCBs and 2 RRBs in Karnataka are on CBS platform. The robust CBS platform has enabled banks to integrate new payment systems like Aadhaar Pay, Unified Payment Interface (UPI), Micro ATM and Point of Sale (PoS /mPoS) and made the banks to offer services on par with the commercial banks. NABARD has supported the RCBs to integrate with the Public Financial Management System (PFMS) which will enable the beneficiaries to receive payments from GoI directly to their bank account. Both RRBs have been onboarded to Account Aggregator Platform as FIP and FIU.

To attain the objectives of financial inclusion, GoI had adopted multifaceted approach by providing no frill accounts for each household under PMJDY, affordable insurance products through PMJJBY, PMSBY and pension product APY to secure the future of workers in unorganized sector. NABARD under Financial Inclusion Fund (FIF) has funded SCBs, RRBs and Cooperative banks towards various Financial Literacy and Banking Technology initiatives. During FY

2023-24, grant assistance of ₹785.74 lakh was released under FIF out of which ₹176.54 lakh was for conducting 7292 Financial Literacy programmes, ₹ 220.95 lakh to Cooperative Banks, RRBs and payment banks for deployment of 2081 Micro ATMs at branches and PACS level, ₹32.69 lakh was released for deployment of 2337 PoS/MPoS in Tier-3 to Tier-6 centres in the State and ₹15.82 lakh was provided to 4 DCCBs for implementing Positive Pay System (PPS). Assistance of ₹34.52 lakh was provided to 02 DCCBs for deploying 02 Mobile ATM vans in rural areas.

3.11 **Past trends in credit flow**

Karnataka has made significant strides in strengthening its financial infrastructure in recent years, focusing on improving credit availability and economic growth. As against target of ₹2,92,396 crore, ₹3,30,227 crore and ₹3,66,147 crore, the ground level credit flow during 2021-22, 2022-23 and 2023-24 was ₹2,17,440 crore, ₹1,41,460 crore and ₹3,55,904 crore, respectively. The achievements under GLC during 2021-22 and 2022-23 showed a declining trend due to covid/post covid related impact on advances. However, during 2023-24, the ground level credit achievement was 97% of the target. This recovery signals a positive trend towards enhancing financial inclusivity and supporting growth across various sectors.

3.12 **Sustainable Agriculture Practices**

Sustainable agriculture requires moderate/low consumption of non-renewable resources, with nature and future generations in mind. The approach advocates switching to renewable energy sources, sparing land use, and eliminating nature pollution. Agricultural growth can be sustained by promoting conservation and sustainable use of these scarce natural resources. At present, farmers concentrate mainly on crop production, which is subject to uncertainty in income and employment. In this context, the integration of various agricultural enterprises has great potential to supplement farmers' income and increase family labour employment.

Present status - As regards Integrated Farming System in the State, many farmers cultivate crops and also rear dairy animals or sheep/ goat for additional income. In terms of cropping systems, finger millet is accompanied by vegetable/bengal gram/bajra as an intercrop.

Furthermore, NABARD, under the Farm Sector Promotion Fund (FSPF), has sanctioned a project titled "Demonstration of Integrated Farming System for the enhancement of income of farmers under Mango-based cropping system" in collaboration with ICAR-Indian Institute of Horticultural Research (IIHR), Bengaluru. The project, implemented in Chikkaballapur, aims to promote sustainable Mango-based Integrated Farming Systems (IFS) by introducing technological interventions to enhance productivity, quality, and market-driven cropping strategies. It focuses on improving farmers' livelihoods by increasing income through diversified farming activities, including agroforestry, poultry, and intercropping with vegetables and commercial crops.

3.13 **Agro Forestry**

Karnataka's diverse climate and topography sustain rich biodiversity, notably in the Western Ghats, a global biodiversity hotspot. The State Forest Department focuses on community-involved forest protection, biodiversity conservation, and eco-tourism. Agroforestry initiatives, combining agriculture with tree planting, address food and resource shortages while mitigating environmental degradation. The Department promotes commercial forestry, demonstrating profitable tree species on farmers' lands, emphasizing Casuarina, Silver oak and Teak.

Encouraging wood industries and processing units aims to add value to forest products, fostering economic growth and enhancing farmers' income sustainably.

3.14 Watershed development initiatives in the State

NABARD has supported 356 Watershed Development Projects in the State with grant assistance of ₹264.39 crore. These projects are implemented across 27 districts bringing 3.29 lakh ha of land under treatment. Currently there are 30 watershed & 3 springshed development projects under implementation covering 38200 ha area across 22 districts. Banking plan is being prepared as a part of DPRs. Further, through funding SHGs for undertaking livelihood activities credit flow has been ensured in the project areas.

3.15 Special Refinance Schemes launched by NABARD

Apart from the regular refinance support extended in the agriculture and rural sector, NABARD was instrumental in formulating timely policies to rejuvenate the rural economy with innovative products at times of stress. Some of the special refinance schemes introduced to boost the agri and rural sector post covid have come a long way by touching the life of farmers in many ways:

a) Special Refinance Facility for Transformation of Primary Agriculture Cooperative Societies (PACS) as Multi-Service Centre (MSC)

The scheme, launched in 2020, aimed to transform Primary Agricultural Credit Societies into Multi Service Centres (MSCs) by providing concessional refinance at 3%. In Karnataka, 1117 projects received with TFO of ₹475.89 crore were sanctioned with refinance of ₹390 crore. An amount of ₹230 crore has been released under refinance as on 31.12.2024. Aligned with the Agriculture Infrastructure Fund, PACS could claim a 3% interest subvention, ensuring a 1% effective interest rate.

b) World's Largest Grain Storage in Cooperative Sector

The plan focuses on establishing comprehensive agricultural infrastructure at the Primary Agricultural Credit Societies (PACS) level, including warehouses and processing units. Elevating PACS to multifunctional entities aims to reduce food grain wastage, strengthen food security, and empower farmers by obtaining better prices. The pilot phase at Ekamba PACS in Bidar, Karnataka, is completed and nearing handing over. The second phase is being coordinated by NCCF in Karnataka.

c) Special Refinance Scheme for promoting Micro Food Processing Enterprises

NABARD provides concessional refinance @4% to all eligible FIs i.e., CBs, SFBs, RRBs and DCCBs to encourage banks to lend micro food processing activities and create sustainable livelihood and employment opportunities for rural youth. Ultimate lending rate will be 6 months MCLR+1% or EBLR+2.5%, whichever is less. Loans sanctioned to Micro food enterprises from ₹1 lakh to ₹25 lakh will be eligible for concessional refinance. Banks may converge this scheme with PMFME and seek refinance from NABARD.

d) Special Refinance Scheme on Aspirational Districts and Credit Starved Districts

The interest rate under the scheme is 100 bps less than the prevailing refinance rates for StCBs (for refinance products of similar tenure) at the time of disbursement. In Karnataka, Raichur and Yadgir districts are categorised as

Aspirational districts.

e) Special Refinance Scheme on Deendayal Antyodaya Yojana

National Rural Livelihoods Mission (DAY-NRLM): The interest rate on refinance is @4% for loans given to all women SHGs upto ₹3 lakh with maximum interest rate of 7% p.a. and @3% for loans given from ₹3 lakh to 5 lakh with maximum interest rate of 10% p.a. The subsidized refinance released to banks against loans extended to women SHGs under the scheme is not eligible for interest subvention of DAY-NRLM scheme of Gol.

f) Special Refinance Scheme for Rural Home Loans bundled with Solar Roof Top (SRT)

As a part of revised Nationally Determined Contributions (NDCs), India has committed to increase the share of installed capacity of electric power from non-fossil fuel sources to 50% by 2030 and a portion of renewable energy is envisaged to be achieved from Solar Rooftop Segment. In order to support the initiatives, NABARD has devised a Special Refinance Scheme for installation of Solar Rooftop Systems in residential sector with financial support from banks and FIs. Residential buildings offer huge potential for promoting Solar Rooftop Systems. The refinance is available at concessional rates under the Scheme for Solar Rooftop Systems under residential sector, targeting rural areas and towns, where population does not exceed 50,000 or such other figure specified by the Reserve Bank of India from time to time. The refinance under the Scheme will be available for models starting from 200 watt to 10 kw and banks may dovetail the subsidy available under PM Surya Ghar Muft Bijli Yojana of GoI for eligible models. The interest rate under the scheme will be prevailing interest rate with 0.5% rebate on interest for prompt repayment of principal & interest due for the respective quarter on reimbursement basis.

3.16 Skill India Scheme related to agriculture and non-agriculture

With one of the youngest populations, a median age of 28, India can harness its demographic dividend by nurturing a workforce that is equipped with employable skills and prepared for the needs of the industry. Sixty-five per cent of India's fast-growing population is under 35, and many lack the skills needed for a modern economy. While India faces significant challenges with its skill gap, the government's proactive initiatives have demonstrated tangible progress with the employable percentage of final-year and pre-final-year students increasing from 33.9% in 2014 to 51.3% in 2024. Programs like Pradhan Mantri Kaushal Vikas Yojana, Craftsmen Training Scheme, and National Apprenticeship Promotion Scheme have collectively trained millions, fostering inclusivity and empowering women in traditionally underrepresented sectors. The launch of the Skill India Digital Hub in August 2023 represents a convergence platform facilitating access to skilling, credit, and employment through technology. This initiative integrates a comprehensive array of skilling schemes along with 690 online courses and 1650 e-books, enhancing accessibility to educational resources essential for vocational training. Since its inception, the Skill India Digital Hub has garnered significant engagement, with over 60 lakh learners registered and 8.4 lakh app downloads. Another key aspect of India's skill development initiatives is the establishment of the Indian Institute of Skills (IIS) in Mumbai, with the vision to create world-class skill training centers by adopting and integrating best practices from internationally renowned institutions.

In Karnataka out of the total population, 55% are youth. It gives the State a developmental edge, provided this large youth population is channelized, skilled and equipped adequately. The Government of Karnataka has set up the

Department of Skill Development, Entrepreneurship and Livelihood (SDEL) in 2016 to enable the State's youth to acquire necessary skills for decent employment and to promote sustainable livelihood. State, District and Taluka Kaushalya Missions are constituted to undertake Skill Development on Mission mode. In 2024, the GoK launched 'Nipuna Karnataka', a transformative initiative aimed at enhancing the skills and employability of the workforce to bridge the gap between industry needs and existing skill levels. The project is being implemented by the Karnataka State Electronics Development Corporation Limited (KEONICS) and the Karnataka Digital Economy Mission (KDEM).

3.17 Scope for formation of promotion of 'Digital Technological Innovations in Agriculture'

India's digital revolution has transformed governance and service delivery, particularly through digital identities and secure payments, establishing a robust digital ecosystem across sectors like finance, healthcare, education, and retail. Building on this success, Government of India, approved the ₹2,817 crore Digital Agriculture Mission on September 2, 2024. This mission aims to drive digital transformation in agriculture by creating Digital Public Infrastructure (DPI), implementing Digital General Crop Estimation Survey (DGCES), and supporting IT initiatives from the Central and State Governments as well as academic institutions. The mission is underpinned by two key pillars: i.e Agri Stack and the Krishi Decision Support System. It also includes initiatives like Soil Profile Mapping and farmer-centric digital services, designed to provide timely, reliable information to enhance the agricultural sector's efficiency and sustainability.

Scope for Digital Technological Innovations in Agriculture

Karnataka is planning to transform its farming sector by leveraging the power of digital technologies developed by local innovators to empower smallholder farmers, women farmers, tenant cultivators, and others within the agricultural community. Strategic investments and structural reforms are essential to strengthen the presence of well-funded agri-tech platforms that can connect farmers to markets and improve their incomes. It is crucial for the Government to integrate various programs and policies that promote agricultural technology services. Additionally, there is a need to establish standardized platforms for farmers and Farmer Producer Organizations (FPOs) to access a wide range of high-tech services, including financial technologies, insurance, farm advisories, drone services, and market linkages. NABARD plays a key role in promoting FPOs and advancing digital agriculture through collaborative pilots under the Farm Sector Promotion Fund.

The State is having 165 Agricultural Produce Market Committees (APMCs), of which 160 are linked to the Unified Market Platform of Rashtriya e-Market Services, and the Kalaburagi and Chincholi APMCs are linked to the e-NAM platform of the Government of India. These digital platforms offer opportunities to connect farmers with modern technological solutions. Providing direct support and incentives to farmers and FPOs will further encourage the adoption of agricultural technology services.

Chapter 4

Potential Credit Outlay

4.1 Credit Potential for Priority Sector Lending

As against targets of ₹2,92,396 crore, ₹ 3,30,227 crore and ₹3,66,147 crore, the ground level credit flow during 2021-22, 2022-23 and 2023-24 stood at ₹2,17,440 crore, ₹1,41,460 crore and ₹3,55,904 crore, respectively. The achievements under GLC during 2021-22 and 2022-23 showed a declining trend due to covid/post covid related impact on advances. However, during 2023-24, the ground level credit was 97% of the target. The agriculture sector benefitted from targeted policy efforts, with growth rates of 34.4% and 15.2% in 2022-23 and 2023-24, respectively. The total amount of agricultural credit grew by 54.8% from 2021-22 to 2023-24.

4.2 Credit potential for Agriculture

The total exploitable credit potential for the priority sector in the Potential Linked Credit Plans (PLPs) of all districts of the State is projected at ₹4,46,902.22 crore, of which ₹2,03,638.96 crore (46%) is for Agriculture, ₹187,716.31 crore (42%) for MSME and ₹55,546.94 crore (12%) is for Other Priority Sector.

Farm Credit

As per the Reserve Bank of India's priority sector lending guidelines, farm credit encompasses loans to individual farmers, including Self Help Groups (SHGs) or Joint Liability Groups (JLGs), provided banks maintain disaggregated data of such loans. It also includes loans to proprietorship firms of farmers directly involved in agriculture and allied activities such as dairy, fishery, animal husbandry, poultry, beekeeping, and sericulture. Additionally, corporate farmers, Farmer Producer Organizations (FPOs)/(FPC) Companies of Individual Farmers, Partnership firms, and Cooperatives of farmers engaged in agriculture and allied activities are eligible, with a limit of ₹2 crore per borrower. Recently, RBI has issued guidelines to provide collateral free loan upto ₹2.00 lakh, which will further boost the crop and term loan.

Loans in this sector cover diverse categories:

- i) Crop loans, medium and long-term loans for agriculture and allied activities, including the purchase of implements and machinery, irrigation, and other developmental activities.
- ii) Loans for pre-harvest and post-harvest activities like spraying, weeding, harvesting, sorting, grading, and transporting.
- iii) Loans against pledge/hypothecation of agricultural produce, not exceeding 12 months, up to ₹75 lakh against NWRs/eNWRs and up to ₹50 lakh against warehouse receipts excluding NWRs/eNWRs.
- iv) Loans for distressed farmers indebted to non-institutional lenders.
- v) Loans under the Kisan Credit Card Scheme.
- vi) Loans for small and marginal farmers to purchase agricultural land.
- vii) Loans for stand-alone solar agriculture pumps and solarization of grid-connected agriculture pumps.
- viii) Loans for installing solar power plants on barren/fallow land or in a stilt fashion on agricultural land owned by farmers.

4.2.1 (i) Crop Production Maintenance and Marketing

In Karnataka, though the contribution of agricultural sector to the GSDP is less, agriculture continues to be the largest employment generating activity. The share of agriculture & allied sector in 2023-24 was 13.04%.

Major Issues, Constraints and Opportunities:

- Pre-dominance of rain-fed agriculture

The State has a Gross Cropped Area of 147.47 lakh ha, out of which only 41% is irrigated. This is a major constraint in achieving enhanced yield, crop diversification and better income for farmers. This also makes agriculture vulnerable to chronic droughts.

- Fragmentation of land holdings

The average size of operational holding declined to 1.36 ha in 2015-16 from 1.55 ha in 2010-11. There is a need for concerted efforts to produce more from less land by utilizing advanced technologies and better practices along with judicious use of resources.

- Lack of clear land title has inhibited a large number of marginal and small farmers from getting credit from formal financial institutions.

- Extension services are inadequate which need to be supplemented through popularization of schemes like AC&ABC. There is a need to establish services for emerging areas of biotechnology, organic farming, poly-houses, Agro processing, packaging and export.

- FPOs are being charged 0.6% cess by the APMC for transactions undertaken in their command areas which is reducing into the profits of the FPOs. State Government may consider waiving the APMC cess on FPOs.

- Climate change and its effect on productivity

Droughts are more common than the other disasters in the State thus affecting rain-fed agriculture production system. The State also has huge arid and semi-arid land and is highly vulnerable to drought. Changes in precipitation patterns, temperature changes, altered pest and disease dynamics affect the cropping patterns and crop productivity

The aggregated PLP projection for “Crop Production, Maintenance and Marketing” sub sector for the year 2025-26 for Karnataka State has been assessed at ₹1,21,653.29 crore.

Suggested Action Points:

- To enhance credit accessibility for Small Farmers (SF) and Marginal Farmers (MF), who do not have clear land titles, the promotion of Joint Liability Groups (JLGs) as a mode of financing should be encouraged.

- Developing storage infrastructure tailored to the market surplus of various crops will enable farmers to store their produce during periods of market glut. This will facilitate the use of Negotiable Warehouse Receipts (NWR) to secure working capital, with banks encouraged to support pledge financing, helping farmers avoid distress sales.

- The provision of timely support in the form of quality seeds, fertilizers, bio-fertilizers, and organic manure is crucial for enhancing farm productivity. Alongside this, soil testing facilities are essential to ensure the judicious use of fertilizers and preserve soil health.

- Banks may provide financial support to Farmer Producer Organisations (FPOs) for

collective farming and marketing, enabling farmers to secure better prices for their produce. The Credit Guarantee Scheme for FPOs can be leveraged to support this initiative.

- Government may consider implementing a mechanism to compensate farmers if market prices fall below the Minimum Support Price (MSP), thus stabilizing farmers' income.
- Strengthening Primary Agricultural Credit Societies (PACS) and State-Level Cooperative Credit Societies through capital infusion and the adoption of modern technology will bolster the rural credit system.

4.2.1 (ii) Water Resources

Water is the most critical input for agriculture. Water Resources broadly covers irrigation, flood protection, hydraulic structures, drainage, etc. Both surface water resources and ground water resources have played important roles in augmenting the irrigation potential in Karnataka. As 2/3rd of Karnataka falls under drylands, water resources conservation, scientific harvesting, augmentation, rejuvenation and rehabilitation, etc. plays important role.

Ground Water Scenario in the State

The annual ground water recharge has been assessed as 18.74 bcm and the annual extractable ground water resource is 16.88 bcm. The present annual ground water extraction is 11.55 bcm and the stage of ground water extraction is 68.44%.

Out of the 237 assessment units (taluks), 45 units (18.99%) have been categorized as 'Over exploited', 15 units (6.33%) as 'Critical', and 33 units (13.92%) as 'Semi critical' and 144 units (60.76%) have been categorized as 'Safe'. There is no taluk under "Saline" category. Similarly, out of 170730.92 sq. km of recharge worthy area of the State, 35255.08 sq km (20.7%) area are under 'Over-Exploited', 12357.11 sq km (7.2%) under 'Critical', 23383.92 sq km (13.7%) under 'Semi-critical' and 99734.80 sq km (58.4%) under 'Safe' categories of assessment units. Out of total 16881.47 mcm annual extractable ground water resources of the State, 2717.68 mcm (16.1%) are under 'Over-exploited', 1021.41 mcm (6.05%) under 'Critical', 2358.89 mcm (13.97%) under 'Semi critical' and 10783.48 mcm (63.88%) are under 'Safe' categories of assessment units.

Sources of Irrigation:

Water for irrigation purpose comes from various sources such as wells, ponds, canals, rivers, dams, reservoirs, rainfall, etc. Among all the sources of irrigation, the net area irrigated from tubewells is the highest (i.e. 45.60%). The second important source is canals covering 29.16% and 7% area is covered by wells. Historically, though tanks have been considered the principal source of irrigation, their contribution is very minimal (3.12%).

Major Issues, Constraints and Opportunities:

- As of March 2024, Karnataka had 45 talukas with over-exploited groundwater. They are spread among 15 districts, of which Bengaluru Rural, Bengaluru Urban, Chikballapur, and Kolar are growing high water-intensity crops.
- Industrial discharge, agricultural runoff, and inadequate sanitation practices are contributing to the contamination of water sources, further limiting the availability of clean water.
- Limited infrastructure for water storage, distribution, and treatment is hindering the efficient management and utilization of existing water resources.

The aggregated PLP projection for 'Water Resources' sub sector for the year 2025-26 for Karnataka State has been assessed at ₹4,866.49 crore

Suggested Action Points:

- Implementation of 'Bhagya Jyothi Scheme' for energisation of pump sets may be expedited. Further, GoI's PM-KUSUM scheme may be leveraged to solarise pumpsets.
- Integrated Water Resources Management (IWRM) is necessary to ensure water for health, food, and energy, while maximising sustainable, economic, social and environmental outcomes.
- Banks may finance small Lift Irrigation Schemes, in suitable locations/ Banks may extend credit support to farmers for construction of Artificial Recharge Structures of Bore wells for Irrigation, rain water harvesting schemes, farm ponds, small weirs/check dams, roof top water harvesting system, etc.
- Govt of Karnataka is promoting micro-irrigation under various schemes (with subsidy upto 90%) and the same should be complemented with Bank finance to increase the coverage of area under micro-irrigation in the State.
- Improving water use efficiency and enhancing water productivity of irrigation systems should be a high priority area with focus on the management, operation and maintenance (MOM) of irrigation systems to sustain the water delivery service requirements of farmers.
- Reclamation of water-logged soils and saline soils may be given special attention to enhance the irrigation water use.

4.2.1(iii) Farm Mechanization

Farm Mechanization is crucial for modernization and commercialization of agriculture as it improves productivity and timeliness of agriculture operations, aids in value addition, brings down the cost of cultivation and enables climate change adaptation. Farm mechanization and crop productivity has a direct correlation as farm mechanization saves time and labor, reduces drudgery, cut down production cost in the long run, reduces postharvest losses and boosts crop output and farm income. Use of improved implements has potential to increase productivity up to 30% and reduce the cost of cultivation up to 20%.

Present Status

As per report of the Transport Department, Government of Karnataka, the total number of tractors and trailers registered as on 31 March 2024 stood at 7.81 lakh and 3.81 lakh, respectively. In case of power-operated sprayers & dusters across Karnataka, Gulbarga division stood first with 39% mechanization. Mysore division stood first in the application of power tillers with 40%, Belgaum division occupied second place with 33%, followed by the Gulbarga division with 14% and the Bangalore division stood last with 13% in terms of usage of Power Tillers in their fields. In the availability of Tractors for other Agricultural purposes on their farms, Bangalore division ranked first.

Major Issues, Constraints and Opportunities:

- Due to the small size of landholdings, there is a requirement for designing machines suitable for smallholdings.
- The average farm power availability needs to be improved from 2.02 kW per ha (2016-17) to 4.0 kW per ha by the end of 2030 to cope with the increasing demand for food grains and to address the labour issues projected due to the reduction in the percentage of agricultural workers in the total workforce.
- The quality and after-sales service of farm machinery are the other concerns as

majority of the farmers are cost-conscious. There are inadequate service centres for the proper upkeep of the machinery. In addition, the inability of local low-cost manufacturers to come up to the levels of standard designs of equipment also poses a big challenge to farm mechanization.

- Matching equipment for tractors, power tillers and other prime movers are either not available or farmers make an inappropriate selection in the absence of proper guidance, resulting in fuel wastage and high cost of production.

The aggregated PLP projection for 'Farm Mechanization' sub sector for the year 2025-26 for Karnataka State has been assessed at ₹6,830.15 crore.

Suggested Action Points:

- Bank may support Custom Hiring Service Centres (CHSC) promoted by farmers producer organizations and credit linked subsidy, if any, from State and GoI.
- As a majority of the small and marginal farmers are dependent on the custom hiring centres or individuals, these centres may be regulated by State Government in terms of fixing uniform charges and transparency in operations to save the farmers from overcharging during peak agricultural operation periods.
- Extension agencies may advise farmers on the suitability of various makes, models and horsepowers for different sizes of operational holdings.
- Banks may encourage agri-business centres by agri graduates under the AC&ABC scheme and to provide custom hire services to small and marginal farmers at affordable rates.
- There is over dependency on tractors and tractors driven implements, which is not economical for small farms due to high capital cost. There is a huge untapped market for non-tractor farm equipment that should be promoted.

4.2.1.(iv) Plantation & Horticulture including Sericulture

Karnataka is well known as a "horticultural State" in the entire country as it has made tremendous and versatile achievements in horticulture. Karnataka has received an award as a Best Horticulture State in the country. The horticultural crops are grown in an area of 26.21 lakh hectares and annual production is 241.50 lakh metric tonnes. The average productivity of horticultural crops in the State is 9.21 metric tonnes per hectare. The annual value of horticultural products produced in the State is ₹66,297 crore. It accounts for 30% of total income from agriculture sector in the State. Horticultural crops are grown in almost all districts, although each district of Karnataka has concentration of specific horticultural crops. Bengaluru and Vijayapura districts are known for grapes, Chitradurga, Belagavi, Koppala and Bagalakote are known for pomegranate, Kodagu, Chikamagaluru districts are known for coffee. Some crops like mango, tomato are widespread throughout the State, while floriculture is concentrated in peri-urban districts of Bengaluru. The vegetables are grown in most districts except coastal and hilly districts, where it is grown to a limited extent.

Sericulture is a traditional agro-industry in the State since more than 350 years. It is an important occupation in the State by virtue of high employment potential, low gestation and high returns, women friendly occupation and ideal programme for weaker sections of the society. Silk production in the State is remarkably high and it produces half of the country's silk. The climatic condition of Karnataka favours the silkworm production in all months of the year. About 60% of the work in sericulture is done by women and thereby playing a key role in rural women empowerment.

Major Issues, Constraints and Opportunities:

- Due to improper post-harvest management activities, the losses of fruits and vegetables account for 20 to 22%. There is a dire need to prevent the post-harvest loss of horticultural produce and to provide incentives to entrepreneurs/FPOs with greater emphasis on processing and value addition of horticultural crops.
- Plantations are susceptible to various pests and diseases. Managing and controlling these issues can be challenging and may require the use of pesticides and other interventions.
- Price fluctuations of the major plantation and spice crops and impact of climate change, labour shortage, high input cost, etc. are some of the adverse features affecting the sector. Ensuring fair market access and prices for plantation produce is crucial for the economic sustainability of farmers.

The aggregated PLP projection for ‘Plantation and Horticulture’ sub-sector for the year 2025-26 for Karnataka State has been assessed at ₹14,186.39 crore.

Suggested Action Points:

- Protected cultivation technology has the potential to increase the vegetable production upto 5 to 6 times as compared to open field conditions.
- Contract farming in horticultural crops need promotion as there is lot of scope for the agri-business and corporate sector to enter horticulture sector in a big way and therefore relevant Act needs amendment favouring written and legal contract between the corporate and small farmers.
- Effective utilisation of Agri Infrastructure Fund (AIF) for creation of farm-gate infrastructure for farmers, Primary Agricultural Credit Societies, Farmer Producer Organisations (FPOs), agriculture entrepreneurs, startups, etc.
- Promote and incentivize FPOs to leverage Agri-tech startup solutions to get real time market intelligence, D2C inputs, and market linkages to improve D2C business thus improving farmer earnings.
- In the marketing front, create brand Karnataka for fruits, vegetables and other products in global markets to improve product demand and provide opportunities for exports.
- Banks may adopt the cluster/area development approach for promotion of horticulture and plantation crops and sensitize/orient the branch level staff on potential available for financing. Banks may tap the potential for the credit flow to the horticulture crops in blocks, where NABARD projects have been implemented
- Setup state of the art Post Harvest Management centres in the vicinity of districts with marketable surplus of fruits and vegetables to improve post-harvest processing, reduce spillage and improve the proportion of horticulture product meeting grade-A criteria.
- Additional cold storage capacity needs to be established / existing facilities upgraded for storing high value horticultural produce.
- Introduction of export-oriented crops and varieties can fetch better market and price for farmers.

4.2.1.(v) Forestry & Wasteland Management

Karnataka has geographical area of 1,91,791 sq. km, of which 40464.30 sq. km (21.19%) of land is under forest area, which includes Reserved Forests, Protected Forests, Village Forests, Private Forests and Sec-4 Notified Forests, Unclassed Forests as per statutory provisions. In terms of forest canopy density classes, the State has 4501 sq. km under Very Dense Forest (VDF), 21048 sq. km under

Moderately Dense Forest (MDF) and 13026 sq. km under Open Forest (OF), and 4484 sq. km under scrub. In Karnataka, during the period 1st January 2015 to 5th February 2019, a total of 802.75 hectares of forest land was diverted for various non-forestry purposes under the Forest Conservation Act, 1980 (MoEF & CC, 2019).

Present Status:

As per land use statistics, Ministry of Agriculture, GoI, (2021-22), Culturable Wastelands constitutes 394000 ha, fallow land other than current fallows includes 386000 ha and current fallows comes to 678000 ha of the total geographical area of the State. If appropriate forward and backward linkages are developed at the ground level, around 40% of cultivable wasteland can be considered as potential area for raising forest tree crops for commercial purpose under the purview of farm/agro-forestry. The species, which are suitable for growing in the wastelands of Karnataka are Bamboo, Melia dubia, Silver Oak, Simarauba, Pongamia, Acacia, Subabul, Casuarina, Neem and Jatropha.

Major Issues, Constraints and Opportunities:

- Unregulated and illegal logging activities lead to the depletion of forest resources, loss of biodiversity, and socio-economic issues for local communities dependent on forests.
- Unproductive and degraded wastelands contribute to soil erosion, reduced water retention, and diminished agricultural productivity.
- Encroachment for agriculture, settlements, and infrastructure development can lead to the fragmentation and loss of forest land, affecting the overall health and biodiversity of the forests.
- There is general lack of awareness about the economics / bankability of agro forestry/ farm forestry schemes among the farmers/ bankers.

The aggregated PLP projection for ‘Forestry and Wasteland’ sub-sector for the year 2025-26 for Karnataka State has been assessed at ₹545.86 crore.

Suggested Action Points:

- Forest Department may promote commercial forestry through demonstrations on farmers’ lands by growing appropriate species that will augment farmers’ incomes. They can also promote intensive bund side plantations over large areas by planting species like Casuarina, Silver oak, Teak, etc., that can fetch supplementary income.
- The “One Nation One Pass” initiative that facilitates seamless transit of timber, bamboo and other forest produce needs to be popularised in the State by the Forest Department
- Construction of forest boundary of 3500 km to safeguard the agriculture land in the vicinity of the forest edge and also to reduce the menace of wild animals attack.
- Agro forestry could be strengthened by promoting high value forest species like Raktachandana, Sandal wood, Teak, Rose wood in fallow lands to encourage farmers to augment their income.
- Central and State Govt. have made policy for bamboo cultivation through Bamboo Missions. These schemes will support for nursery development, technological upgradation, development of indigenous capacities/enterprises, linkages with markets, etc. with an aim to promote bamboo sector in the country.

4.2.1.(vi) Animal Husbandry-Dairy

As per the 20th Livestock census (2019), India’s livestock sector is one of the largest in the world, with a share of 11.6% of world livestock population. The total livestock population in India has increased by 4.6% over the previous census. Agriculture

diversification through animal husbandry is one of the primary drivers of growth in rural incomes and higher public investment in livestock sector is need of the hour for doubling farmers income.

Present Status:

In Karnataka, majority of the population is dependent on agriculture and animal husbandry activities. Income from animal husbandry to GSDP was 3.65%. The density of livestock in the State was estimated at 151.21 per sq.km and 47468 per lakh human population. Livestock is vital for people living in drought-prone, hilly, tribal and other less favoured areas, where crop production may be uncertain. It supports the earning capacity of landless, marginal and small farmers and is strongly integrated with various farming systems. Moreover, the progress of dairy sector in some districts viz., Tumakuru, Hassan, Belagavi, Mysuru, Dakshina Kannada and Kolar is in the process of redefining the concept of “dairying as a commercial activity” rather than as an allied agriculture activity.

Major Issues, Constraints and Opportunities:

- Shortage of good quality animals in the local markets: As per the 20th Livestock Census there is a sharp decline in the population of cattle and buffaloes, which form the majority share of assets financed by banks. Indiscriminate slaughter of good quality milch animals (in dry period) / selling the milch animals to neighbouring States is also one of the reasons for shortage of milch animals.
- Availability and affordability of quality feed and fodder.
- High cost of concentrate feed and milking machines
- Inadequate extension service on educating farmers on better animal care feeding techniques, production of quality hygienic milk and fodder/ azola cultivation.

The aggregated PLP projection for ‘Animal Husbandry - Dairy’ sub-sector for the year 2025-26 for Karnataka State has been assessed at ₹12,349.57 crore of which, term loan is assessed for ₹10113.52 crore and working capital loan is assessed for ₹ 2236.05 crore.

Suggested Action Points:

- Animal Husbandry Infrastructure Development Fund (AHIDF) scheme may be leveraged to provide financial assistance to individuals/ FPOs for establishment of infrastructure for dairy processing and value addition infrastructure and establishment of animal feed plant in the private sector.
- KMF may help the banks in identification of potential dairy farmers and in recovery of the loan amount through tripartite agreement. Absence of tripartite agreement in some districts is hindering credit flow to dairy sector.
- Credit linkage of functional dairy cooperative societies for establishment of modern infrastructure of quality milk production and processing.
- Rejuvenation of the defunct dairy co-operative societies may also be undertaken to help the dairy farmers.
- Semen of indigenous animals may be made available in their respective breeding tracts as envisaged in the Livestock Breeding Policy, formulated by DAH&VS.
- Establishment of organized livestock markets to facilitate ease in trading of quality cattle and to eliminate middlemen.
- Ensure regular vaccination livestock programme, livestock ambulance service, wider coverage and bridge the gap of access of veterinary hospital, timely action and prevention of disease outbreak.
- Area under permanent pasture in the State is 8.72 lakh hectares. Livestock population is 3.03 crores as per 20th census. Considering this setting up fodder banks in every block may be encouraged for growth of the sector.

4.2.1.(vii) Animal Husbandry – Poultry

Karnataka has very congenial atmosphere for growth of poultry industry. The factors responsible for growth include better climate, presence of natural wealth, availability of skilled and unskilled labourers, technical expertise, access to modern technology such as computer software, spreadsheets etc. The availability of advanced equipment for automation, good quality feed and substitutes of feed ingredients at lower prices have all added to reduce the cost of production of birds.

Present Status:

- According to 20th Livestock Census, State of Karnataka has 5.95 crore poultry population.
- According to Basic Animal Husbandry Statistics-2024, estimated production of eggs is 94591 lakhs and of meat is 454000 tonnes (2023-24). The per capita availability during 2023-24 is around 140 eggs per annum. Karnataka ranks 8th in per capita availability of eggs during 2023-24 in India as per Basic Animal Husbandry statistics 2024, which is still very low compared to the ICMR's recommended consumption of 180 eggs per person per annum. Karnataka ranks 5th in egg production in India.
- The districts leading in broiler chicken production include Bangalore rural, Tumkur, Kolar and Chikkaballapur. The districts popular in chicken egg production include Ballari, Mysuru, Davangere, Raichur and Koppal.
- There are 24 poultry farms functioning under the Department of AH&VS for development of poultry in the State. The major developmental activities are breeding and rearing of Giriraja parent stock and supply of day-old chicks to the farmers.

Major Issues, Constraints and Opportunities:

- High cost of feed/ chicks/ labour.
- Volatility of broiler prices in the market
- Lack of insurance products in poultry sector
- Lack of promotional activities for manufacturing of own feed by broiler farmers.

The aggregated PLP projection for ‘Animal Husbandry - Poultry’ sub-sector for the year 2025-26 for Karnataka state has been assessed at ₹2,871.17 crore, of which, term loan is assessed for ₹2345.99 crore and working capital loan is assessed for ₹525.18 crore.

Suggested Action Points:

- “Feed Formulae” for low-cost feed developed by the Veterinary Colleges and Research Institutions may be supplied to the poultry farmers through “Lab to Land programme” and other extension services.
- Strict enforcement of biosecurity norms for setting up of poultry farms and establishment of common incinerator facilities by local bodies.
- Contract rearing by tying up with reputed poultry brands like Venkys, Saguna needs to be explored.
- The poultry industry may shift from live-bird markets to frozen product markets. To support this transition, infrastructure such as cold chains and modern abattoirs may be strengthened.
- Promotion of maize and soya production through contract farming by private entrepreneurs with institutional support.
- Insurance companies may consider creating special product for poultry insurance as the existing poultry insurance cover is not being utilized by many poultry farmers.

4.2.1.(viii) Animal Husbandry – Sheep, Goat and Piggery

Sheep and Goat are important livestock that contribute greatly to the agrarian economy, especially in the arid/semi-arid and mountainous areas. The sector plays an important role in providing livelihood to a large percentage of small and marginal farmers and landless labourers. Several rural-based industries use wool and sheep skins as raw material. Sheep manure is an important source of soil fertility. Sheep and goats are mostly maintained on natural vegetation on common grazing lands, wastelands and uncultivated (fallow) lands, stubbles of cultivated crops and top feeds. Since past few years stall fed goat rearing is picking up in some areas.

Present Status

- As per Livestock Census 2019, the population of Sheep, Goat and Pigs in the State was 11.05 million, 6.10 million, and 0.30 million, respectively with growth of 15.31%, 28.63% and 6.25% respectively over the previous Census year.
- In Karnataka the estimated total meat produced during the year 2023-24 was 454000 tonnes showing an increase of 4.77% over previous year (433310 tonnes). This includes 5890 tonnes of Buffalo meat. Out of this, 156910 tonnes was from sheep, 100510 tonnes from goat and 7240 tonnes from pig and 183450 tonnes from Poultry of total meat produced in the State. (Basic Animal Husbandry Statistics 2024)
- The total estimated wool produced during the year 2023-24 stood at 659000 kg as against 732670 kg produced during the year 2022-23 showing decrease of 10.05 % over previous year. (Basic Animal Husbandry Statistics 2024)
- While sheep and goat rearing is taken up by farmers in almost all the districts, pig rearing and breeding is taken up as livelihood activity in few districts of the State viz., Kodagu, Chikkamagaluru, Mandya, Dakshina Kannada, parts of Hassan and Kolar.

Major Issues, Constraints and Opportunities:

- Non availability of adequate grazing lands is one of the major constraints for farmers taking up sheep/goat rearing.
- Lack of hygienic/modern slaughter houses/abattoirs
- Inadequate vaccine availability at village level.

The aggregated PLP projection for ‘Sheep, Goat and Piggery Development’ sub- sector for the year 2025-26 for Karnataka State has been assessed at ₹2,832.79 crore, of which, term loan is assessed for ₹2353.15 crore and working capital loan is assessed for ₹479.64 crore.

Suggested Action Points:

- Improvement in market linkages for live animals as well as meat may be addressed so as to ensure fair and remunerative prices, especially to small farmers/ shepherds.
- Defunct Sheep and Wool Producers Cooperative Societies need to be revived, to assist farmers in production and marketing of produce.
- Modern abattoirs and slaughter houses cum meat processing centers may be financed by banks.
- As per the operational guidelines of AHIDF scheme, the scheduled banks may provide financial assistance to individuals/ FPOs for establishment of infrastructure for meat processing and value addition infrastructure and establishment of animal feed plant in the private sector.
- NARI Suvarna Rams may be popularized among sheep farmers.

- Private Entrepreneurs may be encouraged to set up retail marketing units and live markets for selling pigs. In the districts where pig meat is in demand, pig breeders as well as rearers need to be provided with credit support.
- Banks may also finance stall fed goat rearing units to augment the income of the farmers.

4.2.1.(ix) Fisheries

The State has vast potential for fish production through capture and culture fisheries in marine, inland and brackish water sector (i.e 3.04 lakh ha of ponds and tanks and 2.73 lakh ha of reservoirs). In addition, the State has 0.10 lakh ha of brackish water resources and 320 km long coastline, exclusive economic zone of 87000 sq. km and continental shelf area of 27,000 sq. km. (Karnataka Fisheries Statistics at a Glance 2023-24).

- There are about 9.84 lakh fishermen in the State, of which 3.31 lakh fishermen are in the marine sector and 6.53 lakh fishermen are in inland sector, they are involved in various fisheries activities.
- The State has 9 major fishing ports. Mangalore fishing port in Dakshina Kannada district is a major fishing port. About 90% of the marine fish production in the State are harvested through these ports. There are 16 fish landing centers and 91 beach landing centers providing landing facilities to the small boats and traditional crafts.
- There are 24820 registered fishing boats including 10 deep sea fishing vessels in the State.
- During the year 2023-24, the total fish production of the State was 9.75 lakh metric tonne. As against the inland fish production potential of 8.5 lakh metric tonne, the total inland fish production in the State during 2023-24 was 4.33 lakh metric tonne, indicating huge gap in potential for exploitation. As against marine fish production potential of 6.02 lakh metric tonne, the production during 2023-24 was 5.42 lakh metric tonne.
- Marine products of 227868 metric tonne (worth ₹3761.55 crore) were exported from Karnataka during 2023-24.

Major Issues, Constraints and Opportunities

- Shortage in the supply of quality fish seeds
- Poor reservoir fish production and unscientific harvesting and quality processing for global markets
- Lack of deep-sea fishing facilities and sub-optimal utilization of inland water resources
- Marketing remains a weak link in the fisheries sector. While most of the shrimp and prawns produced in the district are sold to nearby States like Goa, there is significant export potential, if marketing and quality control are improved.

The aggregated PLP projection for ‘Fisheries’ sub-sector for the year 2025-26 for Karnataka State has been assessed at ₹1,489.03 crore, of which, term loan is assessed for ₹ 858.55 crore and working capital loan is assessed for ₹630.48 crore.

Suggested Action Points:

- There are good opportunities for development of ornamental fisheries and marketing in and around major cities like Bengaluru. Presently, these fishes are being brought from Chennai and Kolkata.

- Fishery by-products is another area, which has huge market potential both in the country as well as abroad. This can be promoted as micro, small and medium enterprises (MSME) with support from banks under priority sector lending.
- Subsidy schemes under fisheries sector need to be credit linked for developing the sector with formal credit. This will ensure effective end use of resources. Subsidy facilities available from NFDB needs to be made use of by guiding the potential entrepreneurs.
- Banks need to sanction KCC for fisheries aggressively to cover all eligible fish farmers/fishermen under the formal financing mechanism
- Fish Farmers Producer Organizations/Fish Farmer Cooperatives can be promoted in potential areas to take up collective fish farming, by taking water bodies on contract/lease to increase their turnover and enhancing their income through marketing.
- Banks may encourage and support JLGs of fishermen/women by extending adequate credit support.
- State may utilize funds under FIDF for development of fisheries infrastructure.

4.2.1.(x) Sustainable Agriculture Practices

Sustainable agriculture is a holistic approach to agriculture that goes beyond single-crop or single-livestock production. It's based on several key principles, including diversification, resource optimisation, and fostering symbiotic relationships between different components of the farm. This creates a closed-loop system that maximises productivity, while minimising waste and environmental impact.

Integration of various agricultural enterprises viz., cropping, animal husbandry, fishery, forestry, etc. have great potentialities in the agricultural economy. These enterprises not only supplement the income of the farmers but also help in increasing the family labour employment.

India's National Agricultural Policy stresses on the requirement of non-environment degrading, technologically sound, and economically achievable ways like rationalising the use of land and water in different agro-oriented States, sensitising the community of farmers regarding the environmental effects of reckless agriculture.

Present Status

As regards Integrated Farming in the State, many farmers cultivate crops and also rear dairy animals or sheep/ goat for additional income. In terms of cropping systems, finger millet is accompanied by vegetable/bengal gram/bajra as an intercrop. Initiative for popularising integrated farming has been encouraged by KVKs by demonstrating in farmer's field. KVK, Uttar Kannada had demonstrated IFS in 04 blocks targeting SC and ST households in the district. The project was designed so that the beneficiaries get regular income from short term field crops, flower crops and vegetables and fixed income at regular intervals by planting agroforestry species like teak, bamboo, etc. In addition, Agriculture Department conducts field day and also through RSK encourages integrated farming. NABARD, under the Farm Sector Promotion Fund, has funded a project to the University of Agricultural Sciences, Dharwad on Integrated Farming, which has led to the establishment of a model IFS village in the area. NABARD Karnataka has conducted Regional Advisory Group on IFS to develop and disseminate upon various models of IFS.

4.2.1.(xi) Farm Credit- Others, including Two Wheelers for farmers

The average size of land holding is shrinking due to demographic pressure and the use of bullocks as draught animals is prevalent amongst those farmers whose land holding is small.

Present Status

Due to easy availability of two wheelers, it has become a popular choice for farmers. They provide a cost-effective and efficient mode of transportation to farmers, reducing the time and effort required for commuting between farms and markets. These are mostly used to procure small quantities of inputs as well as ferry outputs to sell in nearby towns. As per RTO, Karnataka Annual Report 2023-24, 1276359 two wheelers have been registered in Karnataka during 2023-24.

There are many miscellaneous activities not covered in the subsector, which form a part of priority sector, such as loans to SF/MF for purchase of land, loans to distressed farmers indebted to non-institutional lenders, etc.

Major Issues, Constraints and Opportunities

- Individuals seeking two-wheeler loans may face challenges related to their credit history, income stability, and overall creditworthiness.
- Economic conditions, including inflation and economic downturns, can affect the overall credit environment, making it more challenging for individuals to secure loans.
- High-interest rates on loans can be a significant constraint, making the overall cost of financing a two-wheeler higher and potentially limiting access for certain income groups.

The aggregated PLP projection for ‘Farm Credit Others’ sub sector for the year 2025-26 for Karnataka State has been assessed at ₹1,513.29 crore.

Suggested Action Points

- The department may motivate farmers for rearing of male calves for draught purposes.
- DIC may train artisans to develop workmanship in manufacturing pneumatic tyre/ rubber bound iron wheel cart.
- Banks need to facilitate debt swapping for farmers on flexible terms.
- Vaccination for foot & mouth disease and lumpy skin disease may be made mandatory especially for animals traded in village fairs / livestock markets.

4.2.2 Agriculture Infrastructure

4.2.2(i) Construction of Storage and Marketing Infrastructure

Karnataka is one of the leading producers of food grains, fruits and vegetables in the country. The production of fruits and vegetables have surpassed the production of food grains in the State. This shift underscores the need to enhance storage and processing infrastructure to minimize post-harvest losses and maximize the value of the produce.

Present Status

The total food grain production in the State was 112.32 lakh tonnes during 2023-24 as against 143.53 lakh tonnes during 2022-23. Horticulture sector has also emerged as an important component of the State economy and has contributed more than one third share to the economy of agriculture and allied sectors. In many dry regions of the State, horticultural crops have evolved as an alternative crop to agricultural crops. Horticulture crop covers an area of 26.97 lakh ha and the annual production is 240.11 lakh MT. (Annual Report, Dept of Horticulture 2022-23). The details of dry storage godowns and market yards created in Karnataka under different schemes of NABARD and Government of India (as on 31 March 2024) are furnished below:

Dry Storage Godowns supported under NABARD & GoI schemes

1. Rural Infrastructure Development Fund

No. of godowns -258

Capacity (lakh MT) – 4.03

2. NABARD Infrastructure Development Fund (NIDA)

No. of godowns -25

Capacity (lakh MT) –1.22

3. Warehouse Infrastructure Development Fund(WIF)

No. of godowns -320

Capacity (lakh MT) – 187530.90

4. Grameena Bhandara Yojana (GoI scheme, now part of ISAM)

No. of godowns -4131

Capacity (lakh MT) – 33.28

Market Yards supported under NABARD & GoI schemes

1. RIDF

No. of Market Yards supported – 905

2. WIF

No. of Market Yards supported – 111

No. of Covered Auction Platforms – 365

Cold Storage & Cold chain for Fruits & Vegetables

•In Karnataka, only 1% of the total production of fruits and vegetables are processed into different products. About 25-30% of the produce is lost due to improper post harvest management. In order to avoid post-harvest losses, the practice should be towards integrated post harvest management by creation of pack houses, integrated pack houses, cold room staging, reefer vans, processing units, cold storage units, ripening chambers, dryers and marketing facilities.

•Karnataka State has 182 cold storages, of which 171 are in private and 7 are in public sector, with a total capacity of 7.24 lakh MT. Under RIDF Tranche XXVII - XXX, assistance of ₹355.55 crore has been extended for creation of cold storage facilities of 97205 MT to the Govt of Karnataka.

•In the year 2023-24, 05 cold storage units were constructed, and 50,648 beneficiaries were subsidized for various post-harvest management activities of horticultural products.

Major Issues, Constraints and Opportunities

- Lack of new agri. markets, certification/ standardization centres and other post-harvest facilities near the major production centres.
- Need to support creation of pack houses, new cold storages, renovate existing cold storages, develop cold chains / cold chambers, etc.

The aggregated PLP projection for ‘Construction of Storage Facilities’ sub sector for the year 2025-26 for Karnataka state has been assessed at ₹ 2,777.02 crore

Suggested Action Points

- Strengthening of FPOs to organise the various post-harvest activities necessary at the farm gate and undertake the collection, aggregation, grading and transportation of the produce to the market centres to ensure maximum returns to the farmers.
- Warehouse receipt system may be adopted by all warehouses and farmers may be provided pledge loans against NWRs.
- Development of cold chain infrastructure and cold storage units for improving the storage and handling of perishable horticulture produce has to be taken up expeditiously.
- Financing of cold storages to be done by integrating with roof-top solar panels.

4.2.2(ii) Land Development, Soil Conservation and Watershed Development

Given the finite supply of land resources, sustainable use and management of land resources is a necessity for the well-being of people of a country. Whereas, Soil, on the other hand is an important natural resource for agricultural production and acts as the base for agriculture. Soil remains key enabler towards healthy, sustainable, and resilient food systems and soil health has a direct impact on several Sustainable Development Goals (SDGs). Karnataka has 10 different agroclimatic zones having different rainfall pattern, soil types and crops grown.

Present Status

Land development and soil conservation: About 63% of the geographical area (71 % of the NSA) of the State is in dry zones. State has about 13.5 lakh hectare (ha) area under different categories of wastelands and problematic soils requiring different management practices and reclamation measures. Soil degradation is rampant across the State due to excessive biotic pressures coupled with absence of resource conservation measures. Except 15.56% of the area, the remaining is subjected to moderate to severe erosion. Hence, treatment through various conservation measures becomes absolutely essential.

Watershed Development: Out of total geographical area of 190.50 lakh ha of the State, 129.70 lakh ha is available for watershed development. Upto March 2023, an area of 73.25 lakh ha has been treated, and 9.52 lakh ha is under treatment. Out of the treated area of 73.25 lakh ha, NABARD has treated 3.29 lakh ha of watershed area by implementing 356 projects across the State.

Krishi Bhagya Yojana for promotion of assured water for sustainable agriculture in all the rainfed area of State, Raitha Siri for promotion of minor millets production and enhancing soil productivity, Saavayava Yojane to enhance the adoption of organic farming are few schemes under implementation. Sujala – III for watershed development, Watershed development for drought proofing, Pradhan Mantri

Krishi Sinchai Yojana-Watershed Development (PMKSY-WD) with a notion to enhance recharge of underground water and agricultural productivity, to conserve soil, moisture and nutrients etc., are also being implemented.

Major Issues, Constraints and Opportunities

- Insufficient vegetation cover, especially in hilly or sloped areas, leaves soil exposed to erosion. Planting cover crops and implementing agroforestry practices can mitigate this issue. Though more than 50% of the watersheds are treated, the sustainability of the assets created are under question in view of the stability to withstand the adverse local conditions leaving a huge potential for treatment so as to achieve the desired results
- Intensive and unsustainable farming practices, such as monoculture, excessive use of chemical fertilizers and pesticides, and poor irrigation management, can degrade soil health and structure.

The aggregated PLP projection for ‘Land Development, Soil Conservation, Watershed Development’ sub sector for the year 2025-26 for Karnataka State has been assessed at ₹3,227.01 crore

Suggested Action Points

- Promote Integrated Farming System (IFS) with emphasis on multi-cropping, rotational cropping, inter-cropping, mixed cropping practices with allied activities like horticulture, livestock, fishery, agro-forestry, apiculture, etc., to enable farmers to not only maximize farm returns to sustain livelihood, but also to mitigate the impacts of drought, flood or other extreme weather events.
- Area based measures like terracing, bunding, growing vegetative cover, etc., could be taken up by farmers on a community basis.
- Banks may prepare activity-wise banking plans in treated watersheds and ensure effective implementation of the same.
- Promotion of measures to improve soil quality and soil health, e.g., integrated nutrient management using organic fertilizers, tank silt application, mulching, green leaf application, vermi-composting, promotion of agro-forestry and related soil protection measures. Govt. can establish Soil Testing Laboratory at each taluk level.
- Desilting of water storage bodies like rivers, check dams, lakes, ponds, etc., can be carried out on a regular basis.
- Focus may be given on construction of series of rainwater harvesting structures like farm ponds and check dams that will aid in increasing the ground water table. By introduction of JIVA project in the watersheds, prioritising soil health through traditional cultivation practices is in implementation stage.

4.2.2(iii) Others – Tissue Culture/ Agri Bio-tech, Seed Production, Vermicomposting, Bio Pesticides/ Fertilisers, etc.

- Karnataka's biotech industry continued its national leadership in innovation with another strong growth year for its Bioeconomy in 2023. From \$22 billion in 2021 to an impressive \$31 billion in 2023, the State has added \$9 billion to its economic value. This 41% surge in bioeconomy numbers in just two years is a sign of the vibrancy of the State's biotech sector, aided by strong support for innovative enterprises
- The contribution of BioAgri sector to the BioEconomy of the State is \$1.22 billion (4%). Although smaller compared to other segments, the contribution is crucial for sustainable agricultural practices. Representing 85% of the BioAgri market, Bt Cotton showcased its dominance in Karnataka's agricultural landscape.
- During 2023-24 using LAB Scheme and KSHDA budget, 5.92 lakhs tissue culture plants have been produced by utilizing ₹77.10 lakh. 417.55 tonnes of bio-fertilizers/bio control agents and 34149 litres of liquid biofertilizers have been produced by utilizing ₹ 188.24 lakh. Quality seeds have been provided to 1315 farmers at a cost of ₹17.00 lakh up to the end of December 2023.

Major Issues, Constraints and Opportunities

- Lack of awareness among the entrepreneurs/bankers about the potential available in the sector results in poor credit flow.
- Lack of proper expertise and presence of biotechnology hubs only in and around Bangalore is hampering the progress of this sector.
- Development of the sector is concentrated in few pockets of the State. Efforts towards spreading these developments to other potential clusters need to be initiated.
- Use of bio-fertilizers can improve productivity, consume smaller amounts of energy, mitigate contamination of soil and water, increase soil fertility and biological control of phytopathogenic organisms. This will translate into profitable benefits for farmers. The activity will also result in sustainability and environment protection.

The aggregated PLP projection for 'Others- Tissue culture, agri-biotech, seed production, bio-pesticides/fertilizers, vermicomposting, etc.' sub-sector for the year 2025-26 for Karnataka State has been assessed at ₹1,684.91 crore

Suggested Action Points:

- Exploring biofuels and bioCNG production from agricultural waste and municipal solid waste presents new avenues for sustainable growth.
- The implementation of Biotechnology policy should be fast tracked.
- Bankers need to be sensitized about the scope available for credit flow to this sector.
- Banks to formulate schemes, which will cater to the need of this sector.

4.2.3 Ancillary Activities

4.2.3(i) Food & Agro Processing

- About 30% of the total workers in Karnataka are engaged in agricultural and allied sector activities (Census 2011), which accounts for approximately 13% of the Karnataka's Gross State Value Added (GSVA) for the year 2023-24.
- Karnataka ranks fifth in India in terms of total area under horticulture. Stands fifth in production of vegetable crops and third in fruit crop production.
- Largest producer of spices, aromatic and medicinal crops and tropical fruits.
- Second largest milk-producing State after Gujarat.

- Second largest producer of grapes in the country
 - Accounts for the production of 12% of total fruits, 8% of total vegetables and 70 % of coffee in the country.
 - Third largest producer of sugar and ranks fourth in sugarcane production
- However, one of the daunting issues faced by the agriculture sector is post-harvest wastage.
- Presently, there are 11, MoFPI approved Food Parks and Agro Processing Clusters (APC) in the State.

Major Issues, Constraints and Opportunities

- Poor post-harvest management infrastructure facilities at the farm gate.
- Lack of cutting-edge infrastructure - The processors in this sector deal with seasonal, perishable materials, which need to be processed in a short period. Such industries are often characterised by poor adoption of quality standards, which causes reduced brand value of Indian Food Industry in the global trade. Therefore, the sector needs support for creation of infrastructure and targeted incentives to attract investment for creation of processing capacity.
- Lack of focus on quality and safety standards, and not having enough of product development and innovation
- Seasonality of operations and low-capacity utilization

The aggregated PLP projection for ‘Food and Agro Processing’ sub-sector for the year 2025-26 for Karnataka State has been assessed at ₹12,364.08 crore.

Suggested Action Points

- PPP investments need to be encouraged for agro processing sector.
- The sector offers immense potential for export of processed food by adhering to the quality standards. Initiatives for strengthening quality standards through creation and provision of services like R&D, testing, quality improvement, marketing and enhancing competitiveness of the sector through promotion of innovations in products and processes, creating adequate infrastructure for food testing and training manpower for food safety will provide impetus to the sector.
- Several schemes have been rolled out by various ministries (especially PMFME) and the State Government for the development of food processing and allied industries. However, most schemes are standalone schemes with little reference to other schemes even though the beneficiary sub-segments are common. This has resulted in a fragmented approach, where the advantages of one scheme are not captured by another scheme. Convergence of various schemes (primarily AIF) considering the common components involved and to avoid overlaps may be considered going forward

4.2.3(ii) Agri. Ancillary Activities -Others

Considering that price realization by farmers for most crops grown in the State are subject to market fluctuations, providing produce loans or loans against warehouse receipts to farmers will prevent distress sale of produce. Further, collectivization of farming community through Farmers Producers Organizations will help reduce farming expenditure and ensure better price realization. The loans under this category would be to those institutions, which are typically farmers' producer societies and PACS.

- Loans to PACS/FSS/LAMPS for construction of godowns/on-lending to members and loans to Micro Finance Institutions (MFIs) for on lending is another opportunity for bankers in extending agriculture loan facilities.
- There are several agencies in micro finance sector like SKDRDP, ODP, SRFS, NABFINS, Dhan Foundation etc., operating in the State. Further, there are several MFIs like Credit Access, Fincare, SSFL, Navachetana, etc. operating in the State who extend credit to SHG/JLGs. Banks lend to SHG/JLGs directly as well as through refinance.

Major Issues, Constraints and Opportunities

- The off-take of AC&ABC scheme is not encouraging and banks need to create awareness about the scheme.
- Financing Farmer Producer Organizations (FPOs) can be challenging due to various issues and constraints like limited or no credit history, challenges in providing traditional collateral, such as land, which is often required by financial institution, weak governance structures and inadequate management capacities within some FPOs can impact their ability to attract financing.

The aggregated PLP projection for ‘Ancilliary Activities – Others’ sub-sector for the year 2025-26 for Karnataka State has been assessed at ₹14,447.91 crore.

Suggested Action Points

- PACS may create adequate storage and other infrastructure with support under Agriculture Infrastructure Fund (AIF) and concessional Special Refinance Facility of NABARD to provide pledge finance and value addition infrastructure to enhance farmers income.
- Banks can provide finance for setting up of Agri Clinics and Agri Business Centres, which provides agriculture extension service to farmers.
- Banks may utilise the Credit Guarantee Fund created by NABSanrakshan for financing FPOs.
- Agriculture Infrastructure Fund (AIF) is another initiative of GoI aiming to address the existing infrastructure gaps and to provide a fillip to agriculture infrastructure by mobilizing medium / long term debt financing facility to PACS, Marketing Cooperative Societies, FPOs, Self Help Group (SHG), Farmers, Joint Liability Groups (JLG), etc. The scheme provides interest subvention of 3% per annum up to a limit of ₹2 crore and credit guarantee coverage fee.

4.3 MSME

Micro Small and Medium enterprises (MSMEs) are considered as engine of economic growth that promote equitable development and are a significant contributor to employment generation, GDP, exports and entrepreneurship development especially in semi-urban and rural areas of India. Karnataka has more than 8.5 lakh MSMEs, which provide employment to over 55 lakh people. The State has invested about ₹ 4 lakh crore in the last 5 years and is in 5th place in the country in terms of industrial growth. Karnataka's top 5 major industries are food processing, electronics, readymade garments, manufacturing, automobile, and chemical plants. Bengaluru's Peenya Industrial Area is home to more than 3,500 MSMEs from different sectors, making it one of Asia's largest Industrial areas. The majority of the MSMEs in Peenya are in the light engineering and auto components sector.

Major Issues, Constraints and Opportunities

- Shortage of trained labour affecting the productivity of MSMEs.
- Limited access to formal credit remains a significant challenge for many MSMEs.
- MSMEs may face difficulties in accessing markets, especially in the face of competition from larger enterprises. E-commerce penetration and global competition can also pose challenges.
- MSMEs can be particularly vulnerable to global economic fluctuations.
- Adapting to environmental regulations and incorporating sustainable practices may be challenging for some MSMEs due to cost implications and limited awareness.
- Many MSMEs lack the resources to invest in updated technologies. This can affect their competitiveness and ability to adapt to changing market trends

The aggregated PLP projection for “Micro, Small and Medium Enterprises (MSME)” sector for the year 2025-26 for Karnataka State has been assessed at ₹1,87,716.31 crore.

Suggested Action Points

- Encourage adoption of digital technologies and Industry 4.0 practices.
- Facilitate market linkages and collaborations with larger enterprises.
- Create and support industrial clusters to encourage collaboration and economies of scale.
- Promote entrepreneurship through awareness campaigns and mentorship programs.

4.4 Export Credit

Exports play an important role in accelerating the economic growth of the country. Of the several factors influencing export growth, credit is a very important factor that enables exporters to efficiently execute their export orders. Export credit is granted in INR as well as in foreign currency. RBI has initiated several measures in the recent years to ensure timely and hassle-free flow of credit to the export sector. These measures, inter alia, include rationalization and liberalization of export credit interest rates, flexibility in repayment/prepayment of pre-shipment credit, special financial package for large value exporters, export finance for agricultural exports, Gold Card Scheme for exporters, etc.

Karnataka is one of the States that outpaced the national average growth rate of exports. There are 6 districts from Karnataka, which are among the top 100 districts of the country that contribute to 87% of the total exports of the country and Bengaluru Urban district is in the top 10 districts of the country. Bengaluru Urban and Dakshin Kannada are the top exporting districts from State, with Medicine and

Petroleum products as primary exports. (Export Preparedness Index 2022 by NITI Aayog).

Nearly 65% of India's aerospace exports originate in Karnataka. It is India's largest Electronics chip design hub. 50% of India's machine tools production happens in Karnataka. 63% of installed power capacity is in renewable energy sources. Bengaluru has multiple thriving industries such as Aerospace, as it has an Aerospace Special Economic Zone, R&D centres of HAL, aeronautic centres and presence of various leading players in the industry such as Airbus, DRDO, and ISRO among others. The state attracted \$ 2844 million FDI equity inflow over the period April to September 2023, which is 14% of all India. Karnataka with ₹ 23,460 Crore stood second position on FDI inflows among 32 Indian States from April to September 2023. Karnataka's exports amounted to about ₹1267656 crores in 2022-23 which constituted about 20.50% of the country's exports. The share of Merchandise exports in the national exports constitutes around 6.19% and Software/ Service exports at 41% for the year 2022-23. State's exports in agriculture commodity amounted to \$2376.87 million in 2020-21 and \$2789.36 million in 2022-23, with a significant increase of 17 %. (Economic Survey 2023-24)

The State has made rapid and spectacular strides in the new economy. Information technology, biotechnology and research and development institutions have enhanced Karnataka's achievements at national and global levels. Karnataka accounts for more than one third of electronics and computer software exports from the country. It is also a leader in exports of readymade garments, petro-chemicals and engineering commodities from Southern Region. The State has sector-specific SEZs for key industries such as IT, biotechnology, engineering, food processing and aerospace.

Major Issues, Constraints and Opportunities

- Complex documentation requirements and compliance procedures can create administrative burdens for exporters seeking credit.
- Exporters face the risk of non-payment or delayed payment by foreign buyers, leading to financial losses.
- Limited financial support programs may constrain the ability of exporters to explore new markets.

The aggregated PLP projection for “Export Credit” sector for the year 2025-26 for Karnataka State has been assessed at ₹ 5,541.80 crore

Suggested Action Points

- Settling the pre-shipment credit within the stipulated time after the dispatch of goods or converting them into Post Shipment credit should be ensured.
- The backward integration especially for perishables may be organised and strengthened to address quality and longevity issues.
- Exporters to be encouraged to avail the export credit insurance facilities extended by ECGC.
- Wide publicity in media regarding conduct of Trade Fairs on exports by VTPC.
- To create a strong network with Export Promotion Councils, FIEO, ITPO, NCTL, and Products Sectoral Associations to give impetus to Public – Private partnership.

4.5 Education

Education plays a significant and remedial role in balancing the socio-economic fabric and progress of the country. Since the citizens are the most valuable resource, our billion-strong nation needs nourishment and care in the form of basic education to achieve a better quality of life. Investment in education is investment in human capital as it is central to the human resources development and empowerment in any country. The literacy rate in the State during 2001 was 66.64

%, which increased to 75.4% in 2011. Karnataka's overall literacy rate, male and female literacy rates are above the national average.

While Dakshina Kannada district holds the highest literacy rate in the State, the districts like Kalburgi, Bengaluru Rural, Bagalkot, Raichuru, Kolar, Chamarajanagara, Vijayapura and Bidar with a lower literacy rate in 2001 have crossed the State average literacy rate in 2011. This is attributed to literacy programmes implemented by the Department of Education with a focus on backward districts/regions of the State. The Sarva Shiksha Abhiyan (SSA) and Rashtriya Madhyamika Shiksha Abhiyan (RMSA) initiatives resulted in good schooling facilities, attractive incentive schemes to improve learning, quality assurance measures and increased awareness among the community.

Major Issues, Constraints and Opportunities

- Variations in the quality of education, including inadequately trained teachers, outdated curriculum, and limited resources.
- Disparities in access to digital technology, exacerbating inequalities in remote and online learning opportunities.
- Challenges in measuring and assessing learning outcomes, leading to difficulties in identifying areas for improvement.

The aggregated PLP projection for “Education” sector for the year 2025- 26 for Karnataka State has been assessed at ₹5,583.15 crore.

Suggested Action Points

- There is a need to spread awareness on the Central Sector Interest Subsidy scheme for studies in India among the students from the economically weaker sections with parental income of up to ₹4.50 lakh during the moratorium period through the colleges.
- Proper coordination between college management and bankers in the district will help in guiding /assisting students to enroll for professional courses. This will help students avail hassle free timely education loan.
- Conducting campus recruitment drives/ensuring maximum placement of students graduating from specialised/vocational institutions, etc., will encourage students for availing education loan.
- Institutes/colleges offering professional/specialised courses may assess the employability of students post completion of the course.
- Banks may assess the employability and expected remuneration attached to the course and also the institution's standing in a realistic manner to ensure that repayment of loan is ensured.
- Banks are not eager to finance loans up to ₹4 lakh as it requires no collateral or margin. This approach affects the low-income group customers the most. Thus, banks may be encouraged to converge with existing schemes of the State Govt to extend credit.

4.6 Housing

The vision for Rural Housing aims at “Ensuring adequate and affordable housing for all and facilitate development of sustainable and inclusive habitats in rural areas by expanding government support, promoting community participation, self-help and public private partnership within the framework of Panchayat Raj”.

Major Issues, Constraints and Opportunities

- Affordable housing remains a significant challenge, especially in urban areas. High land prices, construction costs, and other factors contribute to the unaffordability of housing for many residents.
- Limited availability of land, particularly in urban and peri-urban areas, can drive up land prices, making it challenging for developers to offer affordable housing options.
- Inadequate infrastructure, including roads, water supply, sanitation, and electricity, in certain areas can impact the habitability of housing developments.
- In some cases, unclear or outdated land records can create disputes and legal issues, complicating the development and ownership of properties.
- Limited access to affordable housing finance can be a constraint for potential homebuyers. This includes challenges related to high-interest rates, stringent eligibility criteria, and limited financial literacy.
- With more number of people preferring Tier II cities as a retirement destination, there exists a good scope for disbursement of more and more housing loans.

The aggregated PLP projection for “Housing” sector for the year 2025-26 for Karnataka State has been assessed at ₹ 28,090.33 crore.

Suggested Action Points

- There is a need for banks not only for sanctioning loans realistically for construction/ purchase of ready-built houses/ flats but also develop a Housing Loan Guarantee Fund leveraging and linking the same with insurance, wherein in the event of the untimely demise of the loanee, the loan can be adjusted against the claim out of the guarantee fund.
- There is a need to create awareness of the various government schemes under which subsidy is available among eligible beneficiaries of PMAY - Grameen and Urban.

4.7(i) Social Infrastructure

There is scope for setting up new schools, colleges, hospitals, private nursing homes plus upgradation or modernising the existing ones. In 2022-23, there were 25248 Lower Primary, 35693 Higher Primary and 17371 High Schools in the State. Under RIDF, 13421 Rural Education Infrastructure projects (Primary & Secondary schools, PU colleges, Polytechnic, ITI, GTTC, agriculture & horticulture colleges etc.), 6472 Anganwadis, 337 Health Infrastructure Projects (PHC, CHC, MCH) have been supported.

Health Infrastructure:

Karnataka is one of the pioneering States in the country to provide comprehensive public health services to its people. As per the present system, the three tier health infrastructure is as follows:

- Sub-Centre (SC) - One sub-centre for every 5000 population in plain area and 3000 population in hilly areas. Currently, there are 9493 Sub-centres.
- Primary Health Centre (PHC) - There are 2390 PHCs, one PHC for every 30,000 population in plains and 15,000 population in tribal and hilly areas. Accommodation for housing 6 bed wards, labour room, dispensary, laboratory, store, office, etc. have to be provided and at least one medical officer with other para medical personnel is required to be posted.
- Community Health Centres (CHC) –At present, there are 205 community health centres in the State with one Community Health Centre for every four PHCs or for 1.00 lakh to 1.25 lakh population. Accommodation for housing ward of 30 beds and four specialists with other accessory services are to be provided.
- Taluk Hospitals - These hospitals are located in Taluk headquarters with a sanctioned bed strength of minimum 100 beds and currently there are 151 Taluk Hospitals. Taluk hospitals are provided with 10 specialists and one dental Surgeon supported by other staff.
- District Hospitals- There are 23 district hospitals.

Major Issues, Constraints and Opportunities

- High costs associated with accessing essential social services, particularly in healthcare and education, leading to exclusion for certain populations.
- Disparities in access to modern technology for education and information, leading to a digital divide and limited opportunities for those without access.
- Limited community participation and engagement in the planning and decision-making processes related to social infrastructure projects.

The aggregated PLP projection for “Social Infrastructure involving Bank Credit” sector for the year 2025-26 for Karnataka State has been assessed at ₹1866.88 crore.

Suggested Action Points

- Karnataka is a preferred location for various types of enterprises as well as to people who prefer to settle down here. Covid 19 has shown gaps in medical facility, hospitals and nursing homes. There is a need to set up more hospitals and encourage setting up of nursing homes at rural centres and taluka level as well.
- Banks should come forward to finance social infrastructure projects, which are socially desirable and commercially viable.

4.7(ii) Renewable Energy

Karnataka is blessed with abundant renewable energy resources of all forms including Solar, Wind, Small hydro, Biomass, Waste to Energy, Tidal, etc. Karnataka Renewable Energy Development Ltd., (KREDL) is the nodal agency for the development of renewable energy sources. The agency also envisages private sector investment for renewable energy development in the State. As per the Karnataka Economic Survey 2023-24, the capacity addition in private sector under renewable energy during 2022-23 was 584.61 MW and it is 235.50 MW during 2023-24 (upto Nov-23)

The Karnataka Renewable Energy Policy 2022-27 has the objective to facilitate development of 10 GW of additional RE projects with or without energy storage systems in the State, including up to 1 GW of Rooftop solar PV projects. The policy intends to position Karnataka as a preferred renewables investment location and to build a sustainable and green energy-friendly economy.

Major Issues, Constraints and Opportunities

- High capital cost, lack of awareness of the suitable technology, corrosion of various forms, formation of scales in absorbers, improper selection and processing of materials etc. are the main constraints in popularizing and creation of solar energy. Wind mills and Hydro-electric projects are not coming up on account of environmental considerations, difficulties in resettlement of local inhabitants, inter-state river water disputes, etc.
- Long term policies for installation of wind mills/ hydro-electric projects by the Government will help to support the sector. Extension support by the implementing departments, imparting training to farmers and rural youth about skills for installation and maintenance of bio gas plants are needed to revive the bio gas programme.
- Involvement of NGOs, SHGs and Farmers Clubs to disseminate the knowledge about the use of plants and also benefits derived to the rural people are needed to popularize the scheme.

The aggregated PLP projection for “Renewable Energy” sector for the year 2025-26 for Karnataka State has been assessed at ₹1164.84 crore.

Suggested Action Points

- Government of Karnataka may explore possibilities of conducting exclusive training to rural youth on maintenance and servicing of solar transmission and creating awareness about solar lighting, solar pump sets, solar cookers, wind pumps etc. across the State.
- Implement regulations that encourage industries to meet a certain percentage of their energy needs through renewable sources.
- Promote decentralized energy systems, such as rooftop solar installations, to enhance resilience and reduce transmission losses.
- Explore innovative financing mechanisms, including green bonds and venture capital, to attract investment.

4.8 Others

As on 31 March 2024, 17.80 crore rural households were covered under the SHG-BLP. A total of 144 .22 lakh SHGs were savings linked to the banking sector with savings of ₹65,089 crore, registering growth of 9.51% over the previous year. The credit disbursement to SHGs surged from ₹29 lakh in 1992 to ₹2,09,286 crore as on 31 March 2024. However, the Y-o-Y growth of savings linked SHGs decelerated from 12.7% during 2022-2023 to 7.6% in 2023-24. The loan outstanding stood ₹2,59,664 crore as on 31 March 2024.

Karnataka has been actively involved in the SHG Bank Linkage Programme, since its inception. The National Rural Livelihood Mission (NRLM), the poverty reduction programme of GoI, is being implemented as Karnataka State Rural Livelihood Mission (KSRLM) in all the blocks of Karnataka. KSRLM envisages creation of sustainable livelihoods of the rural poor living below the poverty line within a period of 5 to 7 years. Regular savings, maintenance of books and accounts, internal lending and credit support from banks are the major factors for spearheading the movement in the State.

In Karnataka, during 2023-24, total no of 1,17,424 SHGs were saving linked with ₹ 531.40 crore and 3,75,701 SHGs were credit linked in tune of ₹14,531.41 crore. Marking a strategic alliance to benefit rural women SHGs, NABARD and the National Rural Livelihood Mission (DAY-NRLM) under the Ministry of Rural Development, GoI inked a landmark MoU on 27 February 2024. The comprehensive MoU which covers a period of 3 years, seeks to harmonize NABARD's role of enabler and facilitator in the SHG ecosystem since inception of the movement, with the transformative goal of NRLM to promote women led development in rural areas.

Major Issues, Constraints and Opportunities

- Identification/ re-activation of dormant/ inactive group by providing various capacity building initiatives both to bankers and SHG members.
- Issues relating to multiple membership and multiple financing to be addressed.
- Thrust on sustenance of existing groups with focus on quality of SHGs, which is key to sustenance. Banks need to introduce regular grading of SHGs. The SHGs need to be provided training for reiterating the basic tenets, group dynamics and proper bookkeeping.
- Addressing regional imbalance by targeting blocks, where there is less development.
- The role of banks is critical to the success of microfinance programmes since credit is the stepping stone for graduating towards livelihood interventions.

The aggregated PLP projection for “Others-Informal Credit Delivery Sector” sector for the year 2025-26 for Karnataka State has been assessed at ₹13,299.94 crore.

Suggested Action Points

- Identification of active SHGs linked with Banks and revival of dormant SHGs.
- Assessing the quantum of credit needs of the microfinance sector and encouraging banks to fulfill the same.
- Support to be extended for setting up micro enterprises and skill development for producing/processing, packing and marketing of products.
- Exploring market avenues and assessment of support requirement.
- Identification of potential SHG members/enterprise which can be graduated from subsistence to growth enterprise. NRLM/SRLM to provide necessary intensive training and sponsor applications from potential entrepreneurs under various schemes.

Chapter 5

Status and Prospects of Cooperatives

5.1 Background

A cooperative is defined as an autonomous association of persons united voluntarily to meet their common social economic and cultural needs as well as their aspirations through a jointly owned and democratically controlled enterprise'. A cooperative is governed by seven major principles i.e. voluntary and open membership, principle of democratic member control, principle of member economic participation, principle of autonomy and independence, principle of education training and information, principle of cooperation and principle of concern for community. Cooperative enterprises help their members to collectively solve shared socio-economic problems. Cooperatives strengthen bargaining powers of their members, help them get access to competitive markets and to capitalize on new market opportunities. As such they improve income opportunities reduce costs and manage risks of the members

5.2 Status of Cooperatives in the Country

Indian cooperative movement, the world's largest movement covers almost 98% of rural India having more than 8.20 lakh societies with membership of about 296 million. Among all States, Maharashtra has the highest number of societies with a total of over 2.23 lakh registered societies, followed by Gujarat with more than 83000 societies. Nationwide, Karnataka stands at 5th position with over 45000 registered societies (data as per NCD portal dated 01.01.2025). Within a short span of time, the role of cooperatives has extended to agricultural credit, real estate, power, insurance, healthcare, tourism sector, etc.

5.3 Formation of Ministry of Cooperation by GoI

The GoI has set up a separate Ministry for Cooperation on 06 July 2021 for providing a separate administrative, legal and policy framework for strengthening the cooperative movement in the country, to help deepen the presence of cooperatives, to streamline processes for “ease of doing business” for co-operatives and enable development of Multi-State Co-operatives (MSC). In the words of the Hon'ble Prime Minister “The Cooperative movement is such a model which can provide a successful alternative to socialism and capitalism”

5.4 Latest initiatives by the Ministry of Cooperation (MoC), GoI

Primary Agricultural Credit Societies (PACS) or primary Dairy/ Fishery cooperative societies with the support of NABARD, NDDB and NFDB.

World's largest food grain storage scheme for cooperatives: The “World's Largest Grain Storage Plan in Cooperative Sector”, to be rolled out as a Pilot Project for creation of various agriculture infrastructure at Primary Agricultural Credit Societies (PACS) level, including Warehouses, Custom Hiring Centers, processing units, Fair Price Shops, etc.

Establishment of National Cooperative Database (NCD): A national cooperative database is being prepared by the Ministry of Cooperation, where country-wide mapping of PACS, dairy and fishery cooperative societies at panchayat and village level is being carried out. This exercise would help in identifying those panchayats and villages, which are not served by the cooperative societies.

Amendment to Multi State Coop. Act, 2002: The Multi-State Co-operative Societies Act, 2002 was enacted to consolidate and amend the law relating to co-operative societies, with objects not confined to one State and serving the interests of members in more than one State, to facilitate the voluntary formation and democratic functioning of co-operatives as people's institutions based on self-help and mutual aid. In August 2023, Parliament has passed Multi-State Co-operative Societies (Amendment) Bill, 2023 allowing state co-operative societies to merge into existing multi-state cooperative societies.

New Cooperative Policy: Suggestions on the draft of new cooperative policy with a view to strengthen the cooperatives and make them vibrant with increased contribution to the economy was sought from stakeholders and formulation of new cooperative policy is expected soon.

Apart from these, the MoC has launched several other initiatives to strengthen the cooperative sector that will create immense business potential from grassroots upward in times to come.

Computerisation of ARDBs: Under the project, 1851 units of ARDBs in the 11 States and 2 UTs are being computerized and NABARD is acting as the implementing agency in the project.

Computerization of Office of Registrar of Cooperative Societies (RCS) of the States/UTs: Under this project, offices of the Registrar of Cooperative Societies (RCS) of all States/UTs are proposed to be computerized.

5.5 **Status of Cooperatives in the State**

Karnataka is one of the few States in the country, where all the three tiers of short term and two tiers of long term cooperative credit structure are functioning actively to cater to the credit needs of farmers. The Short Term Cooperative structure comprises Karnataka State Cooperative Apex Bank (KSCAB), 21 District Central Cooperative Banks (DCCBs) and 6164 Primary Agricultural Cooperative Credit Societies (PACS) at the village level. The Long Term Cooperative structure comprises Karnataka State Cooperative Agriculture and Rural Development Bank (KSCARDB) at the State level with 25 branches and 181 Primary Cooperative Agriculture and Rural Development Bank (PCARDBs) at Taluk level. NABARD provides refinance to both ST and LT structure.

5.6 **Computerization of Primary Agricultural Credit Societies/ARDBs**

Computerization of Primary Agricultural Credit Societies: To empower PACS and transform them into self-reliant and vibrant multi-service providers, Government of India (GoI) has launched the Centrally Sponsored Project for Computerization of PACS on 29th June 2022. This ambitious project spans five years (2022-23 to 2026-27) and seeks to computerize 63000 PACS across India with an estimated outlay of ₹ 2516 crore. The project was officially inaugurated by the Hon'ble Prime Minister on 24th February 2024 in the presence of several dignitaries including Union Home Minister, Minister of Cooperation, Union Agriculture and Farmers Welfare Minister, Union Consumer Affairs, Food and Public Distribution Minister. NABARD acts as the implementing agency of the project. In Karnataka, 5491 PACS have been sanctioned for the first phase of the project with a budget allocation of ₹175.26 crore of which ₹70.10 crore to be contributed by the State. Hardware installation is completed in these PACS and efforts are ongoing to digitize legacy records and enable Go-Live functionality. Additionally, the 7th Karnataka SLIMC meeting has proposed 192 more PACS for computerization in the next phase, further expanding the project's scope within the State.

Computerization of SCARDB: Under this Centrally Sponsored project, in Karnataka 207 units of KSCARDB have been identified by the State Govt. for computerization with a total budget of ₹11.70 crore to be borne by the GoI, State Govt and KSCARDB.

5.7 **Way Forward**

The essence of cooperatives lies in their member-centric and democratic nature and their objective of equitable economic development of their members. Thus, with the support of all stakeholders, effective implementation of the interventions planned in the State will strengthen the cooperatives and make them vibrant grassroots institutions with the potential to intensify the pace of rural development and realise the vision of 'Sahkar se Samriddhi'.

Chapter 6

Infrastructure Support

6 Introduction

Infrastructure plays a pivotal role in driving socio-economic development particularly in rural areas where access to essential services and facilities significantly impacts the quality of life. In the context of rural areas of Karnataka infrastructure support has been a cornerstone of government policies and initiatives aimed at fostering inclusive growth. The region's development agenda emphasizes improving rural connectivity through roads and bridges, ensuring reliable access to clean drinking water, enhancing agricultural productivity through irrigation facilities and providing robust educational and healthcare infrastructure. Support under NABARD have further accelerated progress by addressing critical gaps in sectors like education, health, rural markets and community welfare. This chapter delves into various dimensions of infrastructure support in rural Karnataka highlighting its role in transforming rural landscapes and empowering communities for sustainable development.

6.1 Rural Infrastructure

Rural infrastructure is a critical driver of the State's socio-economic transformation catering to the diverse needs of its vast rural population. The State has made significant strides in improving rural connectivity with extensive networks of roads and bridges linking remote villages to markets, educational institutions and healthcare facilities. Agricultural infrastructure including irrigation system, groundwater recharge structures and storage godowns supports the livelihoods of millions of farmers enhancing productivity and resilience. Efforts have also been directed towards strengthening social infrastructure such as schools, colleges, hostels and healthcare centers to ensure access to quality education and health services. Additionally, Karnataka has embraced technology-driven initiatives like village knowledge centers, artificial intelligence for agriculture centers to bridge the digital divide and empower rural communities with information and resources.

6.2 Rural Infrastructure Development in the State

Development of rural infrastructure in the State has been significantly bolstered by the support of NABARD. As a key facilitator of rural progress, NABARD has played a pivotal role in funding and implementing projects under the Rural Infrastructure Development Fund (RIDF). These projects span critical sectors such as irrigation, rural roads & bridges, drinking water, healthcare and educational facilities. Through RIDF, NABARD has provided timely financial assistance to the State Government for the creation of durable assets that directly benefit rural communities. Special focus has been placed on projects that enhance agricultural productivity including watershed development, groundwater recharge structures and market infrastructure. Furthermore, NABARD has supported social infrastructure such as Anganwadi centers, hostels residential schools, ensuring improved living standards for marginalized section of society. By addressing infrastructural gaps and promoting inclusive development, NABARD's interventions have catalyzed Karnataka's journey toward rural empowerment and sustainability.

6.3 **Rural Infrastructure Development in Karnataka**

The State is having good road connectivity with 14 national highways and 115 State highways having a total length of 28311 kilometers. Drinking water connections under Jal Jeevan Mission have been provided to 76.02% of rural households.

6.3.1 **Irrigation**

The irrigation sector is a cornerstone of Karnataka's rural economy, given the State's dependence on agriculture as a primary livelihood source. Karnataka has made significant strides in enhancing its irrigation infrastructure and has implemented a wide range of irrigation projects from major and medium-sized dams to minor irrigation schemes, to ensure water availability for agricultural activities across its diverse geographical regions. The State has developed irrigation potential of approximately 4 million hectares. However, a significant percentage of the agricultural land remains dependent on rainfall, offering further scope for development of irrigation facilities in the State.

6.3.2 **Agriculture Allied Land Development & Soil Conservation**

Agriculture and allied activities form the backbone of the State's rural economy contributing significantly to the GDP. Recognizing the importance of sustainable agricultural practices, Karnataka has focused on land development and soil conservation to ensure long-term productivity and ecological balance.

6.3.3 **Warehousing**

Warehousing plays a crucial role in the State's agricultural value chain ensuring the safe storage of produce, minimizing post-harvest losses and enabling farmers to realize better prices. The State has been actively working to enhance its warehousing capacity particularly in rural areas to support its diverse agricultural base. Bengaluru as the State's financial hub has experienced significant growth in its warehousing market. Utilisation of warehousing facilities have been more by agencies and utilisation by farmers remain limited.

6.3.4 **Animal Husbandry/ Dairy Development/ Fisheries**

Animal husbandry, Dairy development and Fisheries are vital components of Karnataka's rural economy, providing sustainable livelihoods and nutritional security to millions. The State has prioritized these sectors to diversify income sources for rural households and reduce their reliance on traditional agriculture. Dairy sector has a notable contribution to the country's milk production with an annual growth rate of 8.76%. The State produced approximately 1.2 million metric tons of fish in 2023 and have sustainably exploited its marine and inland water resources.

6.3.5 **Power**

The State has achieved near self sufficiency in power generation. The power sector is a critical enabler of economic and social development in Karnataka, especially in rural areas where reliable electricity supply drives agricultural productivity, industrial growth and improved quality of life. Karnataka has made significant strides in electrification through Thermal Power Stations, Hydroelectric Power Stations and through promotion of renewable energy sources like solar and wind energy. The State has been proactive in expanding its renewable energy capacity, which is reflected by its contribution rising from 17.28% in 2014-15 to 20.75% in 2023-24.

6.3.6 **Social Infrastructure**

Social infrastructure forms the backbone of human development, encompassing essential facilities like education, healthcare and community services. In Karnataka, significant efforts have been made to strengthen social infrastructure particularly in rural areas, to enhance the quality of life and promote inclusive growth.

6.4 **Infrastructure support under RIDF**

The GoI created Rural Infrastructure Development Fund (RIDF) in 1995-96 under the aegis of NABARD with the objective of giving low cost fund to support State Governments and State Owned Corporations for quick completion of ongoing projects relating to medium and minor irrigation, soil conservation, watershed management and other forms of rural infrastructure. Presently, RIDF covers 39 eligible activities under Agriculture, Social and Rural connectivity sectors and has evolved into a dependable, affordable and timely source of funding for rural infrastructure projects for State Governments. In Karnataka, support has been extended for projects encompassing a wide range of activities viz; Irrigation, Flood Protection Works, Ground Water Recharge Structures, Roads, Bridges, Godowns, Rural Markets, Primary and Secondary Schools, First Grade Colleges, Polytechnic Colleges, Backward Classes Hostels, Residential Schools, Anganwadi Centers, Primary Health Centers, Watershed Development, Village, Knowledge Centers, Rural Service Centers, Sericulture, Fish Jetties and Drinking Water projects. Under RIDF Tranches I to XXX, 44372 projects have been sanctioned to Karnataka State with RIDF loan of ₹22560.20 crore as on 31 December 2024. As against the sanctioned amount, GoK has drawn ₹17805.28 crore. These projects are contemplated to bring in 5.34 lakh area under irrigation and laying of 45688 km of rural roads, construction of 58872 meters of rural bridges, 1930 veterinary institutions, 926 rural market infrastructures, 270 rural godowns, 276 Raita Sampark Kendras, 33 fish jetties, 12 fish farms / ponds, 13500 rural educational institutions, 338 public health institutions, etc. Apart from this, the assistance under RIDF has also led to creation of infrastructure for marketing silkworm cocoons and ensuring drinking water supply in rural areas of the State.

6.5 **Support under NABARD Infrastructure Development Assistance (NIDA) Fund**

NIDA is an additional line of credit support designed to fund the State Government/State-owned/central-owned institutions for creation of rural infrastructure, which facilitates better communication, connectivity, irrigation, social infrastructure and credit absorption capacity in rural areas. An ongoing NIDA project for implementing rural drinking water supply in four districts (Raichur, Dharwad, Vijayapura & Mandya) is expected to benefit 3636 habitations with a population of around 71.87 lakh in providing safe and sustainable drinking water at household level. All the above projects are grounded and an amount of ₹2292.72 crore has been released as on 31 December 2024 to Govt. of Karnataka for project implementation against a total sanction of ₹2629.00 crore. Further, NABARD has also extended loan assistance of ₹995.70 crore to KPTCL, which will augment power transmission infrastructure to rural areas in the State.

6.6 **Infrastructure support under Warehouse Infrastructure Fund (WIF)**

These facilities are strategically located to serve small and marginal farmers enabling them to store their produce and access market linkages efficiently. NABARD extends financial assistance through the Warehouse Infrastructure

Fund (WIF) to State Governments, State-owned agencies and corporate entities to systematically enhance warehouse capacity, thereby strengthening agricultural value chains. The investment through WIF plays a pivotal role in facilitating and enhancing farmers' access to finance through Negotiable Warehouse Receipts (NWRs). Financial assistance of ₹1700.44 crore under WIF has been sanctioned to State Government and Karnataka State Warehousing Corporation (KSWC) for improvement of market yards, augmentation of marketing and storage infrastructures in APMCs and construction of warehouses in rural areas. This assistance is expected to help the State to create 3.67 lakh MT of storage capacity.

6.7 Infrastructure support under Food Processing Fund (FPF)

Development of food processing industry in the country is accorded top priority by the Government of India, as it is one of the most critical links in the agri value chain. Taking this agenda further, the Hon'ble Union Finance Minister in 2014 announced setting up of a Special Fund of ₹ 2000 crore in NABARD for providing direct term loans at affordable rates of interest to Designated Food Parks (DFPs) and food processing units. The fund will provide impetus to development of the food processing sector on a cluster basis in the country and will reduce wastage of agricultural produce. In Karnataka, 14 Food Parks has been marked as Designated Food Parks (DFPs) by MOFPI GoI. Recognising the need of Food Processing Sector in the State, NABARD has been in continuous dialogue with the Government of Karnataka and entities promoted by the State Government for scouting suitable proposals in the State. The State Government has approached NABARD for financial support to establish two food parks in Vijayapura and Shivamogga districts.

6.8 Infrastructure support under Long Term Irrigation Fund (LTIF)

LTIF was set up in NABARD, based on Union Budget 2016-17 announcement for fast tracking and completion of 99 major and medium irrigation projects in 18 States. Subsequently 4 more projects were included under LTIF. NABARD has extended support under the fund towards central share as well as state share. Loan towards central share has been extended to National Water Development Agency (NWDA) a SPV of GoI, whereas the state share has been extended to participating State Governments. From 2021-22 onwards LTIF funding arrangement is in operation towards state share only and has since been continued up to 2025-26. In Karnataka, 5 irrigation projects viz. Narayanpur Left Bank Canal (ERM), Upper Tunga Irrigation Project, Bhima LIS Karanja Irrigation Project and Sri Rameshwar Irrigation project had been prioritized for loan assistance under LTIF. In respect of these 5 projects, NABARD has sanctioned ₹1837.34 crore under LTIF towards Central Share against which an amount of ₹1183.32 crore has been released.

6.9 Infrastructure support under Micro Irrigation Fund (MIF)

Micro Irrigation Fund was operationalized in NABARD in 2019-20, with an initial corpus of ₹5000 crore to facilitate the State Governments in mobilizing additional resources for expanding coverage under micro-irrigation and incentivizing its adoption beyond the provisions of Pradhan Mantri Krishi Sinchayee Yojana – Per Drop More Crop. An amount of ₹290.33 crore was sanctioned to the Karnataka State during 2023-24, which is the first ever availment of this fund by the State. Further, the project has been promptly grounded, and an amount of ₹159.86 crore has been released as on 31.12.2024. The project envisages to benefit 2.63 lakh farmers, out of which 1.97 lakh farmers are small and marginal farmers (75%).

6.10 Infrastructure Support under Fisheries and Aquaculture Infrastructure Development Fund (FIDF)

Government of India has extended the implementation period of Fisheries and Aquaculture Infrastructure Development Fund (FIDF) till 31st March 2026. The objective of the fund is to create and modernize infrastructure related to marine and inland capture and culture fisheries to reduce post-harvest losses, improve domestic marketing facilities and also bridge the resource gaps. NABARD has been in continuous dialogue with Karnataka State Government for scouting suitable proposals.

6.11 Way Forward

Keeping in view the National Infrastructure Indices, State Government may identify focus areas for creation and strengthening of infrastructure in the State, which can be formulated into feasible projects and posed to NABARD for assistance under RIDF, NIDA or other suitable products. The critical infrastructure identified by NABARD may be accorded priority for implementation. Considering the need to address the problems on account of frequent droughts experienced in the State, coverage under micro irrigation programme may be expanded and implemented in a time bound manner, particularly in the arid and semi-arid areas.

Chapter 7

Details of Policy Initiatives

7.1 Govt. of India

The Ministry of Cooperation, GoI has taken number of initiatives to strengthen and deepen the cooperative movement at the grassroot level. The ministry in coordination with State Governments, NABARD, National level federations and other stakeholders is working on the following initiatives:

1. World's Largest Grain Storage programme in Cooperative Sector (WLGSP) Ministry of Cooperation (MoC), GoI is implementing pilot project for World's Largest Grain Storage Programme in Cooperative Sector. The Pilot Project entails setting up of grain storage infrastructure including warehouse and silos along with other agri-infrastructure including Procurement Centre, Custom Hiring Center, Primary Processing Center, Grameen Haats, etc.
2. Centrally Sponsored Scheme for Computerization of Primary Agricultural Credit Societies (PACS)/ Government has approved a scheme for Computerization of Primary Agricultural Credit Societies (PACS) with an objective of increasing efficiency of PACS, bringing transparency and accountability in their operations, facilitating PACS to diversify their business and undertake multiple activities/ services. A total of 63000 PACS have been taken for computerization under the project.
3. Establishing Multi-purpose PACS/Dairy/Fisheries cooperatives in every panchayat with support of NABARD, NDDB, NFDB, NCDC and other National Level Federations.
4. PACS as Common Service Centers (CSCs) for better access to e-services. Ministry of Cooperation has announced supporting more than 300 e-services through PACS in association with MeitY, NABARD and CSC e-Governance Services India Limited.
5. Micro-ATMs to Bank Mitra Cooperative Societies for providing doorstep financial services
6. Computerization of Agriculture and Rural Development Banks (ARDBs)
To strengthen the long-term cooperative credit structure, the project of computerization of 1851 units of Agriculture and Rural Development Banks (ARDBs) spread across 13 States/ Union Territories has been approved by the Government. NABARD is the implementing agency for the project and will develop a national level software for ARDBs.
7. Co-operative Education – Setting up of World's Largest Cooperative University - This aims at introduction of cooperative education in independent degree / diploma courses in Schools and Universities.
8. World's Largest Cooperative Training Scheme - This aims at revamping existing cooperative training structure in the country.
9. New Cooperative Policy with a view to strengthen the cooperatives and make them vibrant with increased contribution to the economy
10. Amendment to Multi State Cooperative Act 2002 and setting up of 3 new Multi State Cooperative Society (MSCS) in the areas of seed production and marketing, organic products and export from cooperative sector.

11. To provide facilities at par with FPOs for existing PACS
12. Establishment of National Cooperative Database
13. Digital Agriculture Mission:
The Digital Agriculture Mission (DAM) aims to revolutionize India's agriculture sector by leveraging digital technology inspired by the success of India's digital revolution in other sectors. With a substantial financial outlay of ₹2817 crore, it focuses on creating a Digital Public Infrastructure (DPI) for agriculture.
14. Agri Stack:
Key components of the mission include the Agri Stack—a farmer-centric DPI to streamline services with the creation of a unique digital Farmer ID linked to important farmer data such as land records and crop details.
15. Vistaar (Virtually Integrated System to Access Agricultural Resources):
Vistaar initiative of MoA&FW is an open, interoperable and federated network dedicated to agricultural information and advisory services with a mission to empower farmers and enhance their farming practices for better sustainable livelihood.
16. JanSamarth Portal:
JanSamarth Portal, a GoI initiative is a unique digital portal linking credit linked subsidy schemes for ease of access to all the beneficiaries and related stakeholders. Schemes such as e-Kisan Upaj Nidhi, KCC, AIF etc. are accessible through the portal.
17. Agriculture Infrastructure Fund (AIF) Scheme
The Agricultural Infrastructure Fund (AIF) has played a pivotal role in transforming India's agricultural landscape. In addition to existing activities the purview of AIF scheme has now been extended to the following:
 - i. Viable Farming Assets: The scheme includes the creation of infrastructure for viable projects for building community farming assets.
 - ii. Integrated Processing Projects: The list of eligible activities under AIF includes integrated primary and secondary processing projects.
 - iii. PM KUSUM Component: The aim is to promote sustainable clean energy solutions alongside agricultural infrastructure development.
 - iv. Enhanced Credit Guarantee Coverage: The government proposes to extend AIF credit guarantee coverage for FPOs through the NABSanrakshan Trustee Company Pvt. Ltd.
18. Dairy Processing & Infrastructure Development Fund (DIDF)/ Animal Husbandry Infrastructure Development Fund (AHIDF):
Government has approved merger of DIDF with AHIDF and extension of AHIDF for another three years till 31 March 2026. Further NABARD is included as loaning entity under the revamped AHIDF scheme.
19. Fisheries & Aquaculture Infrastructure Development Fund (FIDF): GoI has extended the scheme for a period of another 3 years from 01.04.2023 to 31.03.2026.
20. Framework for Voluntary Carbon Market (VCM) in Agriculture Sector:
The Ministry of Agriculture and Farmers Welfare, GoI has launched a Framework for Voluntary Carbon Market in Agriculture Sector. Under the Framework the Ministry envisages creating long-term carbon credit benefits primarily for small and marginal farmers by developing a VCM Framework and setting guidelines. NABARD is the nodal agency to coordinate and implement the various pilot

projects under the VCM.

21. PM JANMAN (Pradhan Mantri Janjati Adivasi Nyaya Maha Abhiyan): PM JANMAN is a recently launched initiative by the Government of India, specifically designed to address the socio-economic challenges faced by the Particularly Vulnerable Tribal Groups (PVTGs) across the country. The program aims for the comprehensive development of 75 PVTGs in 18 States and 1 Union Territory with an allocation of ₹24104 crore.

7.2 Reserve Bank of India

Master Circular on Lead Bank Scheme, SHG- Bank Linkage Programme and Deen Dayal Antyodaya Yojana - National Rural Livelihood Mission (DAY-NRLM) SHG - Bank Linkage consolidating the relevant guidelines/ instructions issued by Reserve Bank of India.

RBI's Green Deposit Framework - The Green Deposit Framework by RBI is designed to encourage regulated entities (REs) in India such as scheduled commercial banks and deposit-taking non-banking financial companies, to offer green deposits. These deposits are earmarked for financing projects that contribute to environmental sustainability, such as renewable energy, efficiency and pollution control. REs must develop and publicly disclose a comprehensive policy and financing framework detailing how funds will be allocated and managed.

Unified Lending Interface (ULI): The Reserve Bank of India (RBI) as part of its strategy to create digital public infrastructure in the country, has announced re-engineering of setting up of a new technology platform called the Unified Lending Interface (ULI), which will enable friction-less credit to farmers and MSME borrowers to begin with. The eKCC Portal developed by NABARD has already been integrated with the ULI for fetching and validation of land records to facilitate dispensation of crop loans to farmer members of cooperatives.

7.3 NABARD

1. Refinance support

NABARD provides short term refinance to Cooperatives, RRBs and SFBs for their crop loan lending. To ensure increased and uninterrupted credit flow to farmers as also to give a boost to capital formation in agriculture sector, NABARD provides refinance to Commercial banks, Cooperative banks and RRBs.

2. Schematic Refinance for Water Sanitation and Hygiene (WASH)

To provide clean water, sanitation and hygienic conditions to rural and semi urban areas and thereby to protect human health during outbreak of infectious disease. NABARD introduced a special refinance scheme on Water Sanitation and Hygiene (WASH).

3. Special Refinance Scheme (SRS) on PACS as MSCs

NABARD introduced a Special Refinance Scheme to saturate all the potential PACS for conversion as Multi Service Centres over a period of three years commencing from the year 2020-21.

4. Credit-linked subsidy schemes of GoI

- i. New Agriculture Marketing Infrastructure, sub scheme of Integrated Scheme for Agricultural Marketing (ISAM): GoI had approved continuation of the scheme till 31 March 2026. The scheme lays special focus on developing and upgrading of Gramin Haats as GrAMs through strengthening of infrastructure.
- ii. Agri Clinics and Agri Business Centres (ACABC): The Central Sector Scheme of Agri-Clinics and Agri-Business Centres was launched in April 2002 by the Ministry of Agriculture, GoI. Composite subsidy of 44% of the project cost for women SC/ST & all categories of candidates from Northeast and Hill States and 36% of project cost for all other beneficiaries is provided under the scheme.

5. Interest Subvention Schemes of GoI

- i. NABARD implements crop loan interest subvention scheme of GoI for Cooperative Banks and RRBs, under which interest subvention of 1.5% is provided to banks for extending crop loans up to ₹3 lakh at a concessional interest rate of 7% per annum. The scheme also provides an incentive of 3% to the farmers making prompt repayment of loans thereby making credit available at an effective interest of 4% per annum.
- ii. NRLM Interest Subvention: NABARD also implements interest subvention scheme under DAY-NRLM for Cooperative Banks and RRBs. NABARD has developed a web portal for NRLM Interest Subvention claims by RRBs and Cooperative Banks in respect of WSHGs financed by them under DAY-NRLM.
- iii. GoI introduced Sugar Ethanol Interest Subvention scheme in 2018-19 with a view to increase the production of ethanol and its supply under the Ethanol Blended Petrol (EBP). NABARD is the nodal agency responsible for managing the Sugar Ethanol Interest Subvention Scheme of the Department of Food and Public Distribution (DFPD), Government of India. NABARD has launched a sugar ethanol portal to speed up the claim settlement process.

6. Rural Infrastructure Development Fund (RIDF)

- i. RIDF instituted in NABARD during 1995-96 with the main objective of providing loans to State Governments for completing ongoing rural infrastructure projects, at present covers as many as 39 activities classified under three broad sectors viz. (i) Agriculture and Related sector (ii) Social sector and (iii) Rural Connectivity.

7. Micro Credit Intervention

NABARD has been extending grant support to partner agencies for promotion and nurturing of SHGs, training and capacity building of SHG members and other stake holders besides initiating special programmes for backward regions. A few recent initiatives taken under micro credit are as under:

- a. Scheme for grant support to SHGs/ JLGs/ POs/ Microentrepreneurs for training on onboarding onto e-commerce platforms/ ONDC/ social media platforms.
- b. Scheme for grant support to SHGs/ JLGs/ POs for Physical Marketing of Products.
- c. NABARD in 2023-24 announced guidelines for a pilot project to be taken up by Regional Offices titled m-Suwidha (Microenterprises through Skill Upgradation for Women) to support need based and location specific developmental projects by

strategizing end-to-end interventions.

d. Pilot Project: Real-time banking solution for SHGs (Money Purse Application).

e. Pilot Project – Graduated Rural Income generation Project (GRIP): A pilot project to build capacities and enable asset generation by ultra-poor rural women and graduating them to access formal financial services through the innovative concept of returnable grant was sanctioned during 2023-24.

f. MoU with NRLM, MoRD: Marking a strategic alliance to benefit rural women SHGs, NABARD and the National Rural Livelihood Mission (DAY-NRLM) under the Ministry of Rural Development, GoI inked a landmark MoU on 27 February 2024.

8. Farm Sector Development

a. Participatory Sustainable Groundwater Management in overexploited Blocks/Watersheds:

A pilot project titled "Participatory Sustainable Groundwater Management in overexploited Blocks/Watersheds" has been launched in five States: Punjab, Haryana, Rajasthan, Uttar Pradesh and Tamil Nadu. This innovative pilot initiative by NABARD is the first of its kind aimed at demand side management of water at the micro-watershed/village level.

b. Expansion of JIVA:

Based on the success of the pilot phase, JIVA is being expanded to 25 new projects in central eastern and north-eastern States to further widen and deepen the programme focusing on completed or near-completion watershed/ shed spring and tribal development projects with thrust on districts identified under aspirational / low priority sector lending districts.

c. Accelerator approach for growth of FPOs:

NABARD has come up with FPO accelerator programme, which is a structured framework to empower FPOs by providing access to specialized training, mentorship and resources, envisaging the enhancement in FPO's operational efficiency, adopt modern agricultural techniques and navigate market complexities

d. Saturation Drive campaign:

Government has launched the saturation drive to provide benefits of schemes of Agriculture Department to the FPOs in the form of licenses of inputs, seeds, fertilizer, etc. FPOs will also be linked to mandis facilitated with registrations under GST, FSSAI and onboarding to platforms like ONDC and other e-retailing platforms for sale of their produce.

e. National FPO Policy:

MoA&FW GoI is working on finalization of a National Policy on FPOs to create a supportive environment for the FPOs after ongoing deliberations and consultative meetings on the draft policy.

9. Climate Action and Sustainability

NABARD is a Direct Access Entity (DAE) to the Green Climate Fund (GCF) and the National Implementing Entity (NIE) to Adaptation Fund (AF) and National Adaptation Fund for Climate Change (NAFCC).

10. Off Farm Sector Development

i. Capacity Building Fund Social Stock Exchange (CBF-SSE): The Capacity Building Fund of Social Stock Exchange (CBF-SSE) was set up in NABARD with funding to

be contributed by NABARD, SIDBI, BSE, NSE and other CBF is being used to improve the ability of all stakeholders to navigate through the operational dynamics of SSE, understand the nuances, processes, instruments, etc.

ii. Gram Vihar - New Scheme for promotion of Rural Tourism: A new scheme in the name of "Gram Vihar" has been introduced to give a fillip to the rural tourism sector in the country by promoting i.e. one day trip without night stay.

11. Agriculture Credit during 2023-24

Disbursement of agriculture credit during 2023-24 was ₹25.10 lakh crore as against target of ₹20.00 lakh, crore indicating achievement of 125%. Commercial Banks, RRBs and Co-operative Banks accounted for 75%, 13% and 12% of the total disbursement, respectively.

12. Technology Facilitation Fund (TFF)

NABARD has set up a Technology Facilitation Fund (TFF) with a corpus of ₹50 crore. The fund is focused on providing support to tech up-start, working in agriculture and rural development sector. The fund provides a range of flexible support mechanisms including grants, loans, equity and convertible grants designed around the needs of each up-start.

7.4 State Government

The State has allocated 6.8% of its total expenditure towards agriculture for FY 2024-25, which is higher than the average expenditure on agriculture by all States (5.9%). Overall, budget estimate (Consolidated Fund) for 2024-25 is ₹ 3, 71,383 crore and allocation for agriculture and allied activities is ₹ 23,357 crore, which is 15% higher from previous year's budget allocation.

- i. Implementation of 'Karnataka Raitha Samruddhi Yojane' to encourage integrated farming by consolidating various pro-farmer schemes.
- ii. Formation of Agriculture Development Authority under the Chairmanship of Hon'ble Chief Minister to facilitate effective implementation of policies related to agriculture and allied activities coming under various departments.
- iii. Commencement of new programme called "Namma Millet" to provide processed millets and value-added millet preparations at affordable prices.
- iv. Introduction of e-SAP software developed by University of Agriculture Sciences, Raichur to advise farmers on soil, pests, diseases and nutrient management.
- v. Formation of separate Food Processing Commissionerate under Agriculture Department for effective performance of food processing industry.
- vi. ₹ 80 crore is provided under PMFME Programme to promote the export of agricultural and horticultural produce and strengthen the Karnataka State Agricultural Products Processing and Export Corporation (KAPPEC).
- vii. Establishment of Food parks at Airports in Sogane of Shivamogga, Ittangihala of Vijayapura and Pujenahalli of Bengaluru Rural district.
- viii. Development of database to forecast crop productivity using modern technologies in Agriculture
- ix. During 2024-25, the Government has fixed ₹ 27,000 crore as the target for

providing crop loan through the cooperative banks to more than ₹36 lakh farmers.

- x. Release of pending dues of ₹132 crore under crop loan waiver scheme to the DCC banks.
- xi. ₹450 crore of financial assistance to DCC/PCARDB banks for waiving off interest on medium and long-term overdue loans.
- xii. Interest subsidy of 6% to TAPCMS for construction of godowns.
- xiii. Amendment to the Acts to bring reservation in governing body of secondary, federal and apex co-operative societies.
- xiv. To supplement the efforts of co-operation sector in providing market linkages and value addition, the following measures will be taken by the Agricultural Marketing Department:
 - a. Construction of 7 cold storages at a total cost of ₹130 crore.
 - b. Setting up of dry chilli market in Raichur and Ranebennur.
 - c. Establishment of modern agricultural complex at Mangaluru, at a cost of ₹35 crore.
 - d. Digitisation of all activities of all APMCs at a cost of ₹10 crore.
 - e. Setting up of weigh bridges with the support of APMCs near all the sugar factories to protect the sugarcane growers against any fraud at the time of weighment.
- xv. Various lift irrigations schemes, at an estimated cost of ₹7280 crore will be implemented to create irrigation facility of 97,698 hectares by Karnataka Neeravari Nigam.
 - a. Under Krishna Bhagya Jala Nigam, Lift irrigation projects to be implemented with ₹3,779 crore and irrigation potential of 1,09,350 hectares.
 - b. 115 water conservation works will be taken up at an estimated cost of ₹200 crore.
 - c. The 455 crore K.C. Valley -2 project filling 272 tanks will be completed.
 - d. 9,450 km long rural roads to be developed with an estimated cost of ₹5,200 crore under Pragati Patha.
 - e. 1,150 km rural roads to be developed at an estimated cost of ₹1,000 crore under Kalyana Patha programme.
 - f. 16 crore person days will be created under MGNREGA during 2024-25.
- xvi. The functioning of rural local bodies to be reformed with the measures such as transfer of panchayath staff through counselling, Gram Panchayth Asset Monetisation policy to be launched, e-office in all Gram Panchayaths, making all sevasindhu services available in Bapuji Seva Kendras, Automatic renewal of Trade licenses, etc.
- xvii. Solar street lights to be installed in 50 panchayaths and systematic metering to be done in 200 Panchayaths to reduce electricity charges.
- xviii. Circular economy to be encouraged for sustainable solid waste management in rural areas.

Success Stories

Success Story 1: JIVA - A story of Transformational Natural Farming



1	Scheme	Watershed
2	Project Implementing Agency	Bhoomi
3	Duration of the project	1 year
4	No. of beneficiaries	30
5	Community	Farmers
6	District	Chikkamagaluru
7	Block	Kadur
8	Village	Bukkasagara

1.1 Support provided

Grant assistance of ₹30 lakh for training, supply of inputs and setting up of activities infrastructure.

Training and Exposure visits for the Implementing Agency.

1.2 Pre-implementation status

The beneficiaries were undertaking monocropping. Even with farmers with arecanut gardens did not undertake any mixed farming.

1.3 Challenges faced

The farmers were initially doubtful about the income earning ability through the project. Technical know-how for the allied activities proved to be a challenge. The agency involved the local KVK and University resident experts for further guidance.

1.4 Impact

The project aided in the establishment of Bio Resource Centre, a Custom Hiring centre, Millet processing unit.

Farmers earned an additional income of ₹15000 to ₹50000 depending on the crop and activity.

The yield in the major crop also increased by 10 to 20% due to the use of biofertilizers and better practices.

Success Story 2: Construction of Rural Haat



1	Scheme	Rural Haat under GVN
2	Project Implementing Agency	Sarvodaya Integrated Rural Development Society and M/s Syngenta India Pvt Ltd
3	Duration of the project	12 months
4	No. of beneficiaries	350
5	Community	Farmers and Rural Women
6	District	Haveri
7	Block	Hirekeruru
8	Village	Hirekeruru

2.1 Support provided

- Grant of ₹1500000/-
- Coordinated the activities among all stakeholders

2.2 Pre-implementation status

- Lack of infrastructure including thatched roof for conducting sales in the market.
- Business hours were limited due to weather limiting the revenue.

2.3 Challenges faced

- Availing the land for the construction, which would disrupt the business temporarily
- Project cost exceeding ₹2.5 crore
- Coordinating with the Zilla panchayat Gram Panchayat & M/S Syngenta India Pvt Ltd.

2.4 Impact

- The project on completion created an area of 85000 sq.ft with 12 platforms, 68000 sq.ft covered roof, 7 sheds, 16 solar powered lamps, 21 roof ventilators, 130 information boards with safety messages and 2 arches with a TFO of ₹2.70 crore.
- Vendors from diverse backgrounds including farmers, fish / meat vendors, clothes, artisans, NTFPs among others can be seen utilizing the Haat for marketing their produce.
- It's the largest infrastructure in the taluk for marketing the produce and the covered roof has ensured longer business hours resulting in better revenue realization for all vendors across all weathers.
- rubble filled checks sunken pond) Village Watershed Committee members/farmers etc. landless development activities. level in the block is in semi-critical zone

Success Story 3 : Skill Development Training on Basic Electrician for Prison Inmates



1	Scheme	SDP
2	Project Implementing Agency	ODP
3	Duration of the project	2 years
4	No. of beneficiaries	50
5	Community	Prison Inmates
6	District	Kodagu
7	Block	Madikeri
8	Village	Madikeri

3.1 Support provided

- Total grant sanctioned by NABARD ₹2.65 lakh during 2023.
- Year of completion: 2023
- Beneficiaries: Inmates of Central Prison, Madikeri, Kodagu District

3.2 Pre-implementation status

- The inmates were without a vision or focus about their future, with the SDP training provided by NABARD, now the inmates, who are released are earning a decent income of ₹10000/- to ₹12000/- per month, boosting confidence within them and better social acceptance

3.3 Challenges faced

- Question of social acceptance post release from Prison, strained relationships or limited support from family and friends. Without a strong support network, they may find it difficult to maintain stability and focus on job searching.
- After imprisonment, beneficiaries struggle with low self-esteem, depression, anxiety etc. These issues make it harder to pursue job opportunities with confidence or adjust to the workplace environment, further pushing them into anti-social activities.
- Stigma and Discrimination - Many employers are hesitant to hire someone with a criminal record, fearing liability, lack of trustworthiness, or public perception. Background checks often reveal prior convictions, which can lead to immediate disqualification from the hiring process.

3.4 Impact

- Number of members trained: 25-50% of the beneficiaries are either working under civil contractors for building construction and 10% of the beneficiaries, who are yet to be released are rendering their services under Electrician and Plumbing within the Jail Premises in Kodagu district. "
- Reduced crime rate due to inmates coming into mainstream social welfare activities

instead of anti-social tasks.

- Better livelihood for the beneficiaries due to the demand for Electrician and Plumbing.
- Better mental stability and State of mind "
- Credit linkage: 20% of our beneficiaries are trying for credit linkages from the Banks available in their vicinity. Beneficiaries who have released from the jail have tied up with local contractors and earning their livelihood. Also, they do part time job.
- No. of units set up: To gain experience in the beginning, they started their career working with the contractors and doing part time work. Once they gain the experience and confidence, they are expected to set up the units.
- Income enhancement: Beneficiaries were in the jail and there was no income for them. Through the skill and EDP training, currently they are earning around ₹10,000 – ₹12000/- per month.

Success Story 4: Installation of 264 Micro ATMs at PACS affiliated to Bagalkote DCCB



1	Scheme	Financial Inclusion Fund
2	Project Implementing Agency	Bagalkote District Central Cooperative Bank Ltd
3	Duration of the project	1 years
4	No. of beneficiaries	264 PACS
5	Community	PACS members
6	District	Bagalkote
7	Block	09 Blocks

4.1 Support provided:

264 Micro ATMs were sanctioned with amount of ₹59.40 lakhs and disbursed during 2023-24.

4.2 Pre-implementation status:

There are 619 villages in Bagalkote district. With respect to penetration of banking services, 343 banks branches are operational. Of which around 135 are in rural areas. Further, there are 301 ATMs operational in the district. Of the 301 ATMs, 46 ATMs are owned/operated by RFIs i.e., Karnataka Gramin Vikas Bank and Bagalkote DCCB. Number of ATMs present in rural areas of the district is only 18.

4.3 Challenges faced:

As most of the beneficiaries under various Centre and State Govt programmes like MGNREGA, PM-Kisan SAMMAN Nidhi, etc., receive financial assistance through DBT, it is difficult for the people of rural areas to withdraw cash from their account due to lack of Banks/ ATMs in their villages. People had to travel about 15-20km (two way) in order to withdraw cash, which is required to meet their daily means. Also, for drawing cash from their KCC, farmers had to travel to their branches for meeting their farm expenditures.

4.4 Impact:

There are 264 operational PACS the district, which are present in rural areas and mainly catering the credit needs of the farmer members. Having Micro ATM facilities in these 264 PACS is big leap in financial inclusion and penetration of banking services for the district covering nearly 43% of the villages.

Success Story 5: Sweet Success: Mandya Jaggerys Journey from Farm to Brand



1	Scheme	Farmer Producer Organisation
2	Project Implementing Agency	Vikanana IRUD and Mandya Jaggery FPO
3	Duration of the project	1 year
4	No. of beneficiaries	960
5	Community	Farmers and SHG members
6	District	Mandya
7	Block	Mandya
8	Village	Karasavadi, Mangala, Haluvadi, Jeegundipattna, Thimmanahosuru, Marasinganahalli and Panakanahalli

5.1 Support provided

Mandya Jaggery FPO was formed under the Central sector scheme for 10,000 FPOs. The FPO was sanctioned ₹18.00 lakh as FPO management cost for 3 years.

5.2 Pre-implementation status

- Jaggery producers and FPO struggled to market their jaggery effectively due to inadequate packaging and branding. Traditional methods failed to attract modern consumers resulting in diminished visibility and lower sales.
- The FPO recognized that appealing visuals and informative labeling could enhance product desirability. However, financial constraints and limited design expertise hindered their ability to create effective packaging.
- To improve market presence, the FPO initiated efforts to establish a strong brand identity. They chose "Keere Madi" as their trade name reflecting their products heritage.
- The FPO which had turnover of ₹9.85 lakh in the FY 2021-22 increased the turnover to ₹24 lakh in FY 2022-23 and to ₹55.78 lakh in FY 2023-24 with sole efforts of marketing Jaggery.

5.3 Challenges faced

- Without effective marketing strategies, FPOs product struggled to stand out. Competing against well-branded alternatives made it challenging to capture consumer interest leading to stagnant sales and difficulty in stabilizing their business operations.

- A significant challenge was the lack of branding and packaging for their jaggery. Without a recognizable brand identity potential customers found it difficult to differentiate their product.
- This absence of appealing packaging further hindered their ability to convey the quality and uniqueness of their jaggery affecting overall sales.
- The FPO members lacked expertise in modern marketing techniques. This gap hindered their ability to effectively promote product especially in a digital landscape.
- Without knowledge of social media, e-commerce or branding strategies they struggled to reach a broader audience limiting their turnover and growth potential.
- Financial limitations posed a significant barrier to implementing effective marketing strategies. This lack of resources stifled their ability to enhance product visibility and reach new markets, ultimately affecting their turnover and the sustainability of the business.

5.4 Impact

- During the FY 2023-24, FPO established a packing unit of 1.5 tonnes per day and introduced brand named "keere madi".
- The sales since branding and packing has increased multiple folds. FPO has engaged with local startups for broadening the market base and has seen a significant increase in sales.
- FPO availed loan from SBI Mandya worth ₹65 lakh. Further under PMFME scheme subsidy of ₹26.25 lakh was granted and ₹15 lakh seed capital was granted by KAPPEC for promoting the packaging unit establishment by the FPO.
- The marketing of jaggery products by the FPO is also strengthened by sponsoring stalls by NABARD in various melas / state level exhibitions.

Success Story 6: Empowering Rural Women to take up Value Addition Activities



1	Scheme	My District My Project – Gramya Vikas Nidhi
2	Project Implementing Agency	Nelasiri Farmers Producer Company Limited
3	Duration of the project	02 Years
4	No. of beneficiaries	80
5	Community	All communities were involved in executing the project
6	District	Uttara Kannada
7	Block	Siddapur & Sirsi
8	Village	Shamemane, Mavinkoppa

6.1 Support Provided by NABARD

₹22.95 lakh

6.2 Pre-implementation status

- There was lot of wastage of the fruits - Banana and Jackfruit
- Jackfruit were not even harvested; left to rot on the tree itself due to lack of processing avenues
- Lack of income generating activities for women SHGs
- Lack of processing know-how
- Entrepreneurship was lacking

6.3 Impact

- Women groups have collectively processed worth ₹27 lakh showcasing success & economic impact of the initiative
- The PIA in collaboration with Kadamba Marketing and UKCOOFED successfully presented the products at international trade fairs including events in Germany, Dubai, Mumbai and New Delhi.
- The project success has spurred motivation in nearby villages leading to the replication
- Empowerment of women through comprehensive training covering product know-how to market linkages
- Economic Upliftment of the beneficiaries
- Reduced post-harvest losses through value addition interventions

Success Story 7: PACS AS MSC – Storage Godown



1	Title	PACS as MSC – Storage Godown
2	Scheme	PACS as MSC
3	Project Implementing Agency	Raichur DCCB Bank Ltd., Raichur
4	Duration of the project	1 Year
5	No. of beneficiaries	1500
6	Community	all community
7	State	Karnataka
8	District	Raichur
9	Block	Sindhanur
10	Village	Hanchinal Camp

7.1 Support provided

Total cost of the project was ₹1,08,00,000/- out which margin was ₹33,00,000/- and loan sanctioned was ₹75,00,000/- with concessional refinance from NABARD. The unit availed subsidy under AMI and AIF schemes.

7.2 Pre-implementation status

There were no godowns for storage of paddy cultivated by farmers in surrounding villages of the PACS, leading to distress sale immediately after harvest.

7.3 Impact

The godown constructed under PACS as MSC scheme of NABARD has a capacity of 1600 MT. The PACS is covering 8 villages and serving around 1500 farmers. There is an increase in farmers' income due to savings on transportation. Farmers have to travel a shorter distance to PACS to store their produce safely at very affordable rates. Other private godowns are charging ₹4/- per bag whereas PACS is charging only ₹3/- resulting in saving of 25% cost. The scheme made an impact on farmers' income as earlier farmers were struggling to store their goods in good condition, but now they can store their goods in a standard scientific godown without any hurdles with highest safety. Chances of getting wastage of food grains is very less after the construction of godown compared to pre implementation stage of the godown.

PACS is also benefitted as it is earning profit of ₹ 5 lakh per annum and is functioning well. Because of godown facility, more farmers are willing to become its members thus increasing the strength of PACS. The financial viability of PACS is getting improved as the rental income which they are earning is being invested in lending business thus earning interest from loan disbursed to its customers. Now total 1500 farmers are using the godown facility.

Appendix I

Climate Action and Sustainability

1. Climate Change Scenario and its Impact

India with diverse geographical regions, long coastline, biodiversity, and high dependence on natural resources is one of the most vulnerable countries to climate change risks worldwide. Further, more than half of India's population lives in rural areas and depends on agriculture & allied activities, which are highly sensitive to climate change. There is emerging evidence that the productivity of crops, livestock and fish is likely to be affected with implications to food security, livelihoods, and sustainability in agriculture. In India, several studies have projected declining crop yields, in the absence of adaptation to climate change. As per the district level risk and vulnerability assessment of Indian agriculture to climate change undertaken by ICAR-CRIDA, 109 districts out of 573 rural districts (19% of total districts) are 'very high-risk' districts, while 201 districts are high-risk districts.

1.1 Climate Finance and Challenges

- Climate finance requirement of India is enormous. While the preliminary financial estimates for meeting India's climate change actions as per NDC was USD 2.5 trillion between 2015 and 2030, estimated financial requirement of India to become net-zero by 2070 as per IFC is USD 10.1 trillion. To fully meet our NDCs in a timely manner, India requires enhanced new and additional financial, technological and capacity building support. However, financial and technological commitments by developed countries under the Paris Agreement are yet to be fully transpired.

1.2 Initiatives of Govt. of India

- India initiated the National Action Plan on Climate Change (NAPCC) in 2008, which introduced eight National Missions encompassing various efforts. In August 2022, the Government of India submitted its revised Nationally Determined Contribution (NDC) to the UNFCCC. Through Mission LiFE (Lifestyle for the Environment), India advocated for a global shift in mindset and behaviour, moving away from thoughtless and harmful consumption towards purposeful and conscious utilization.
- Ambitious renewable energy targets, promotion of sustainable energy sources and clean cooking fuels, afforestation efforts, climate-resilient agriculture practices, etc. are a few among the initiatives of GoI to combat climate change.

1.3 Initiatives of RBI

- Climate change is a rapidly emerging area of policy interest in RBI. RBI has laid out guidance for voluntary initiatives by regulated entities (REs) on green finance, setting up of green branches and green data centres, encouraging greater use of electronic means of communication instead of paper, and renewable energy sources. In early 2023, RBI issued sovereign green bonds to mobilise resources for the Government for green infrastructural investments. RBI has also released the framework for mobilising green deposits by REs. In February 2024, the RBI has issued draft guidelines on "Disclosure framework on climate-related financial risks, 2024". The framework mandates disclosure by REs on four key areas of governance, strategy, risk management, and metric and targets, which is a step towards bringing the climate risk assessment, measurement and reporting requirements under mainstream compliance framework for financial sector entities in India.

1.4 Initiatives of NABARD

- The whole fulcrum of NABARD's functions and initiatives focus on the attainment of sustainable development. NABARD's initiatives in the Agriculture, Natural Resources, and Rural Development (ANR) sector have integral components of climate action - both mitigation and adaptation, for vulnerable sectors and communities.
- NABARD has been playing a key role in channelizing climate finance to the nation as Direct Access Entity (DAE) and National Implementing Entity (NIE) for major climate funds such as the Green Climate Fund (GCF), Adaptation Fund (AF), and National Adaptation Fund for Climate Change (NAFCC). This role enables NABARD to access and deploy climate finance effectively, driving impactful initiatives that address the pressing challenges of climate change in the agricultural sector.
- In a significant stride towards sustainable development, NABARD recently unveiled its Climate Strategy 2030. The strategy is structured around four key pillars: (i) Accelerating Green Lending across sectors, (ii) Playing a broader Market Making Role, (iii) Internal Green Transformation of NABARD, and (iv) Strategic Resource Mobilization. This strategic initiative not only reinforces NABARD's commitment to environmental stewardship but also positions it as a pivotal player in India's transition towards a resilient and sustainable economy.

2. Climate Change Scenario - At the State Level

The Government of India (GoI) released National Action Plan on Climate Change (NAPCC) in June 2008, emphasising on appropriate long-term mitigation strategies for promoting sustainable development and growth with climate "co-benefits". The NAPCC has a clear set of actions in each of the key sectors of governance concerning natural resources (land, water, forests, biodiversity, etc.) energy, agriculture infrastructure development and industry. The NAPCC through its sectoral missions provided a detailed road map for achieving the desired objectives. The NAPCC was to be implemented by each of the States through State Action Plan on Climate Change (SAPCC) approved and facilitated by the Government of India.

State Action Plan for Climate Change, Climate Strategy, State Green Budget

The Environmental Management and Policy Research Institute (EMPRI), Bengaluru an autonomous body of the Department of Forest Ecology and Environment Government of Karnataka prepared SAPCC for Karnataka. 31 priority areas were identified by SAPCC V.1 for the different sectors, out of which major areas are enumerated below:

1. Agriculture: Restructuring of agricultural power tariff creation of a policy body to prescribe shift in cropping pattern, promoting dry land farming, creating a market for indigenous agricultural crops, etc.
2. Animal Husbandry: Formulation of livestock insurance policy, expansion of breeding of indigenous cattle breeds and increasing fodder production.
3. Water Resources: Enforce Karnataka Groundwater Act create policy body for restricting groundwater use, introduce groundwater cess, devise capital subsidy for rainwater harvesting structures, integrate water resource management in public buildings and revise pricing policy for irrigation water.
4. Forest and Biodiversity: Estimate the carrying capacity of the Western Ghats, respond to invasion of alien species and clear forest encroachments, promote effluent treatment plants mangrove replanting, etc. for coastal zones.

5. Energy: Stabilizing the grid supply voltage strategizing energy audits, notifying the Energy Conservation Building Code, implementing NAPCC's Market Transformation for Energy Efficiency, scaling-up contributions from renewable energy sources, review

of barriers in wind energy deployment large-scale biofuel substitution in the transport sector, achieving greater deployment, of improved chulhas, etc.

6. Other interventions proposed included conduct of regional research on climate change, documentation of adaptation practices and introduction of SAPCC updation process.

2.1 Any specific Climate Change initiative in the State by Govt. of India

Taxonomy for climate finance was announced in the union budget (FY 24-25): A taxonomy for climate finance is to be developed for enhancing the availability of capital for climate adaptation and mitigation. This will support achievement of the country's climate commitments and green transition.

2.2 Any specific Climate Change initiative in the State-by-State Government

To reduce carbon footprint, Environmental Management and Policy Research Institute (EMPRI) will undertake assessment of all major schemes of Government and ensure environmental balance. The Green Index initiative, a tool kit and manual which helps to analyze, evaluate and rank environmental protection initiatives in government infrastructure projects and programs was launched.

2.3 Any specific Climate Change initiative in the State by NABARD

1. NABARD is playing a key role in channelizing climate finance needs of the nation. NABARD has unique distinction of getting accredited as National Implementing Entity (NIE) of Adaptation Fund (AF of UNFCCC) in July 2012 (re-accredited in December 2017) Green Climate Fund (GCF of UNFCCC) in July 2015 and National Adaptation Fund for Climate Change (NAFCC) instituted by the Ministry of Environment Forest and Climate Change (MoEF&CC) Govt. of India. NABARD as NIE/DAE supports States in identification of project ideas/ concepts, project formulation, appraisal of project, disbursement of fund, monitoring & evaluation besides the capacity building of stakeholders. So far 40 projects on climate change have been sanctioned with a total financial programme of ₹1853 crore under various funding mechanisms and the projects are under various stages of implementation by the identified project executing entities (EEs).

2. NAFCC project in Karnataka "Conservation and management of indigenous varieties of livestock (Cattle and Sheep)" has been envisaged with the objective to sustain the income of small and marginal farmers, dairymen and sheep rearers through adopting climate resilient pathway by conserving and revitalizing indigenous livestock (cattle and sheep) varieties of the State. The project was implemented by Karnataka Livestock Development Agency (KLDA) as nodal agency with a financial allocation of ₹18.10 crore and the project period was from August 2016 to Dec 2023

3. Climate Change Fund (CCF): NABARD had created a Climate Change Fund during 2016-17 with a corpus of ₹5 crore, which has been enhanced to ₹20 crore for promoting and supporting activities aimed at addressing climate change impacts, adaptation and mitigation measures, awareness generation, knowledge sharing and for facilitating sustainable development.

4. Initiative under climate change fund by Karnataka RO: During the FY 23-24 awareness workshops were conducted in 4 districts of Karnataka- Bidar, Tumkur Chamarajanagar and Uttara Kannada. A National conference on Climate Resilience and sustainable development was also organized in collaboration with Karnataka Science and Technology Academy Department of Science and Technology GoK.

5. Carbon Credit Framework: In the FY 24-25, MoU was signed between NABCONS and Department of Horticulture, Karnataka for supporting and implementing carbon credit framework in Karnataka. The mission is to support and compensate millions of smallholder farmers globally in transition to sustainable agroforestry practices. The carbon credits will be sold to organizations with strong emission reduction commitments.

Appendix II

Potential of Geographical Indications in the State

1. GI scenario at national level and benefits of GI

- Geographical Indications (GI) are products which are linked to a place of origin and possess certain qualities, characteristics or reputation that are due to that place. GI are governed globally under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) at the World Trade Organization (WTO). In India, the GI framework is established through the enactment of the Geographical Indications of Goods (Registration and Protection) Act, 1999.
- GI is a form of Intellectual Property Right that identifies goods originating from a specific geographical location and having distinct nature, quality and characteristics linked to that location. GI provides legal rights to its Authorised Users, to prevent its use by a third party whose product does not conform to the applicable standards. GI products can be broadly categorized as (i) Handicrafts, including handloom textiles; (ii) Food items, including sweets and ethnic cuisines; (iii) Wine and Drinks; (iv) Manufactured Products and (v) Agricultural Products.

1.1 Broad Framework to identify Potential GI products:

- The product should have emanated from a particular geographical area;
- The products should possess certain features, characteristics, that link it with the particular geographical area. In case of agricultural products, the linkage should be direct i.e. in terms of climate, topography, soil condition, etc., whereas in case of non-agricultural products, the linkage can be direct or indirect;
- The product should have a history of production in that area;
- The product should have reputation in that area;
- The product should possess special quality or uniqueness and
- The product/ manufacturers of that product belong to a particular community or are concentrated in that geographical region.

India is bestowed with rich heritage of culture and traditions, that are flourishing here for past several centuries. In addition to this it has enormous biodiversity and has diverse agroclimatic conditions, which lead to many geographic specific IPR products in agriculture and other sectors. The GI registration has high significance in the country like India as it has been proven in the case of Basmati rice, where foreign exports earning is about ₹38,443 crore. As on 31.10.2024, there were 651 registered GI products in India, highlighting the rich culture and heritage of the country.

Benefits of GI registration are narrated as under:

- a. **Economic Benefits:** A GI tag can help in improving the marketability of products and opens opportunities for international trade. They can boost local economies by adding value to traditional products and attracting premium prices in both domestic and global markets.
- b. **Cultural Preservation:** By protecting traditional products, India can ensure the survival of its unique skills and knowledge.
- c. **Preventing Misuse and Counterfeiting:** GI registration helps prevent unauthorized producers from exploiting the reputation and goodwill associated with a particular region or product.
- d. **Rural Development:** The increased demand for GI registered products can create new employment and/ or enhanced livelihood opportunities, leading to rural development and poverty alleviation in the region.
- e. **Assured Quality:** GI registration guarantees that the product is of a certain standard, quality and is authentic.

1.2 Initiatives of GoI, NABARD and any other agency in promoting GI

1.2.1 Initiatives of Government of India to promote GI:

- Geographical Indications of Goods (Registration and Protection) Act, 1999: The Act provides a legal framework for the registration, protection, and enforcement of GIs in India. It prevents the use of GI tags by non-Authorized Users and ensures that the benefits are shared by the actual producers by preventing infringement.
- Establishment of Geographical Indications Registry: The GI Registry has been set up under DPIIT, Ministry of Commerce & Industry for ensuring adherence to quality standards and regulations for GI products.
- One District One Product Initiative: This scheme was introduced by the Government of India to foster balanced regional development across all districts of the country by selecting, branding, and promoting at least One Product from each district of the country. 1102 products from 761 districts across India have been identified, many (around 400+) of them being GI products (Source: KPMG & IBEF).
- National IPR policy, 2016 provides strong emphasis on promotion of GIs across the country.
- Creating awareness about significance of GIs, promoting registered Indian GIs, identify potential GIs and encourage stakeholders towards registration.
- Buyer-Seller Meets (BSMs) and Creating Market Linkages.

1.2.2 Initiatives of NABARD in promotion of GI:

- NABARD introduced a comprehensive scheme in 2019 to provide end to- end support to facilitate registration of GI for Agri as well as non-Agri products along with pre- registration and post registration activities to enhance quality, improve market access, create awareness and strengthen producers' capacity.
- NABARD's interventions in the GI domain are as under:
- Mobilisation of artisans/producers & awareness creation.
- Support for registration of products as GI and renewal of existing GI products.
- Registration of producers/manufacturers as Authorized Users.
- Marketing Initiatives for GI Products such as Buyer-Seller Meets, Sponsoring stalls, GI exhibitions/Melas.
- Awareness creation through social media campaigns, e-portals, websites, documentation through brochures and catalogues.
- Capacity building of artisans through workshops, conferences, seminars, training programmes, etc. and reviving/ keeping alive 'dying arts'. As of date, NABARD has supported 283 products for GI registration of which 130 products have already been granted GI certification. Further, various exhibitions/melas and dedicated outlets for marketing of GI products are also being supported.

2. GI scenario at State level

Karnataka is home to several unique products that have received Geographical Indication (GI) status, which helps protect and promote traditional products that are associated with specific regions. As on 31.12.2024, there were 48 registered GI products in Karnataka highlighting the rich culture and heritage of the State. These Geographical Indications (GI) help preserve the cultural and agricultural heritage of Karnataka, while also providing a mark of authenticity and quality assurance to consumers. The GI status encourages local artisans and farmers to maintain traditional production methods.

2.1 Initiatives of State Government, NABARD and any other agency in promoting GI in the State

Government of Karnataka announced the Geographical Indications (GI) Policy, which aim to protect the traditional legacies of the State and assist and support infrastructure development required to strengthen the GI clusters in the State. Karnataka is home to a total of 48 Registered GIs as on date. Further, through the Authorised User drive undertaken by VTPC, the Authorised User base across GI products in Karnataka currently stands at 2372. GI artisans are being provided impetus and a platform through Trade Fairs and Exhibitions with a spotlight to GI tagged products at IITF, IGIF etc. VTPC on behalf of the State has filed three new GI tagged products – one in the agriculture segment namely Kagga Rice from Uttara Kannada district and two under the Handicrafts Classification - Hase Chittara from Shivamogga and Uttara Kannada districts Shivarapattana Sculptures and Stone Crafted Products from Malur Kolar district which are under the pre-examination process. Specific GI products have also been identified and mapped for promotion as part of the Atma Nirbhar vision of Govt. of India like the ODOP District as Export Hubs, etc.

2.2 Successful NABARD's intervention in Geographical Indications in the State

NABARD has sanctioned ₹12.72 lakh under GI projects, to create website for GI tagged Udipi sarees, for registration of Kari Ishad Mango from Uttara Kannada district and Tiptur coconut from Tumkur district, Exposure visits for artisans of GI products and registration of Authorised Users for GI tagged Ilkal and Guledguddkhana sarees. The registration process of Kari Ishad Mango, website launch of Udipi Sarees and Exposure visits have been completed. GI registration of Tiptur coconut is under process. Under Registration of 5000 Authorised Users (AU) under GI tagged Ilkal Saree and Guledgudd Khana, 1287 GI AU certificates are issued and 230 applications for AU registration are sent to the Visvesvaraya Trade Promotion Centre (VTPC) in Bengaluru. Another 1750 applications will be sent to VTPC shortly.

GI registration will result in enhancing quality of products, improve market access, create awareness, and strengthen producer's capacity to enforce their rights, subsidize cost of registration & enforcement and marketing.

Annexure I

Credit Potential for Agriculture

A. Farm credit

Sr. No.	District	Crop Production, Maintenance and Marketing	Water Resources	Farm Mechanization	Plantation & Horticulture		Forestry & Waste Land Development	Farm Credit- Others
					Term Loan	Working Capital		
1	Kalaburagi	490664.08	32796.80	30432.32	18407.81	0.00	1125.85	1108.00
2	Udupi	179722.52	12891.59	6857.12	32850.22	0.00	799.52	1934.40
3	Chikkaballapura	233393.23	4800.47	17611.60	60277.16	45.00	744.00	1773.60
4	Chikkamagaluru	431879.26	17198.04	6573.20	145062.94	24.00	1836.08	904.00
5	Belagavi	1247409.41	18116.46	14475.36	80138.56	0.00	924.26	13365.95
6	Chamarajanagara	243959.95	4129.27	2991.04	31686.13	132.50	228.12	5298.00
7	Koppal	294214.26	7595.02	3287.80	19634.01	0.00	2237.48	3177.00
8	Tumakuru	486765.87	24276.79	12409.60	57307.45	50.00	9132.22	9140.00
9	Uttara Kannada	210000.07	8469.16	9300.00	9000.00	0.00	220.00	7580.40
10	Bidar	230044.95	17032.28	6154.00	15290.81	0.00	651.68	2169.60
11	Haveri	324849.63	1520.56	16574.80	95260.49	1500.00	6967.24	2663.60
12	Raichur	420655.41	10015.04	29600.00	4388.10	0.00	802.56	5320.00
13	Ramanagara	203521.05	7629.18	16224.40	48637.41	0.00	113.11	2194.21
14	Vijayanagar	256117.47	7110.52	16598.80	17087.74	28.50	2063.84	4285.26
15	Ballari	273143.93	5749.93	17712.56	16548.52	26.50	2405.00	8527.99

16	Gadag	307741.58	3480.80	1657.80	8767.47	0.00	586.36	2657.20
17	Mysuru	629586.83	49106.71	31842.16	26252.23	0.00	7464.23	8101.20
18	Vijayapura	844781.15	20813.60	19515.92	14700.15	3.00	327.92	842.40
19	Chitradurga	335000.29	8572.68	14598.00	44574.66	0.00	6708.48	3062.00
20	Davangere	469680.04	5957.99	29790.76	33343.97	0.00	599.47	3577.12
21	Hassan	628437.92	38611.24	38303.60	177496.53	0.00	393.42	7789.80
22	Kodagu	336083.66	11914.23	29152.20	62652.50	815.00	631.70	1000.68
23	Shivamogga	432907.65	15276.41	32200.00	118213.06	135.00	1154.16	13828.67
24	Bagalkote	668028.01	11049.48	22110.08	30180.06	107.50	1285.92	3607.90
25	Bengaluru Urban	80753.49	24231.69	148090.84	57895.84	0.00	2452.48	15028.85
26	Kolar	293095.01	1361.09	7854.52	24244.93	0.00	278.18	855.50
27	Mandya	434305.31	47570.77	23512.00	38921.11	0.00	833.52	2912.59
28	Yadgir	180765.99	13155.95	8380.80	5189.34	0.00	178.94	595.20
29	Bengaluru Rural	97526.09	7072.63	16434.80	45275.09	0.00	228.88	5465.76
30	Dakshina Kannada	538229.26	36896.15	27008.40	65787.71	0.00	759.31	3076.00
31	Dharwad	362066.13	12246.24	25760.80	10699.51	0.00	452.53	9486.00
	Total	12165329.50	486648.77	683015.28	1415771.51	2867.00	54586.46	151328.88

Sr. No.	District	AH - Dairy		AH - Poultry		AH - Sheep, Goat, Piggery		Fisheries		Subtotal (A)
		Term Loan	Working Capital	Term Loan	Working Capital	Term Loan	Working Capital	Term Loan	Working Capital	
1	Kalaburagi	21486.96	2908.35	5182.70	150.65	4169.17	277.31	1946.61	38.00	610694.61
2	Udupi	5526.10	30420.72	7683.17	1672.09	1544.90	431.77	4505.21	46271.20	333110.53
3	Chikkaballapura	13676.18	256.00	6648.72	640.44	878.58	675.24	972.68	425.00	342817.90
4	Chikkamagaluru	18553.50	1411.05	6002.36	1690.50	1729.88	387.67	807.70	280.00	634340.18

5	Belagavi	45789.46	2984.65	9114.58	223.10	3844.80	2580.94	376.77	186.00	1439530.30
6	Chamarajanagara	21751.32	1245.46	1131.83	52.33	8778.40	610.89	69.46	32.60	322097.30
7	Koppal	16156.92	1851.50	8343.09	2012.50	9267.16	557.55	591.92	12.00	368938.21
8	Tumakuru	151911.30	7289.68	18055.92	10.54	17628.12	2246.01	186.70	80.00	796490.20
9	Uttara Kannada	29977.91	1957.07	4318.60	413.88	470.22	29.74	7566.99	933.00	290237.04
10	Bidar	15457.46	1751.22	3944.75	0.00	1206.67	172.25	465.04	219.00	294559.71
11	Haveri	44736.64	2405.80	5360.64	7066.75	3590.41	2845.44	1558.84	900.00	517800.84
12	Raichur	32832.80	1207.50	2013.76	40.25	15589.52	120.61	1045.09	70.00	523700.64
13	Ramanagara	25832.44	4905.20	4677.04	1094.40	5878.72	1094.82	208.38	180.00	322190.36
14	Vijayanagar	13514.56	5494.20	9146.45	5980.00	11503.44	2252.66	689.33	551.64	352424.41
15	Ballari	10901.02	8933.55	11924.22	3071.08	14185.98	2971.60	1563.62	405.00	378070.50
16	Gadag	4812.92	6279.00	2175.04	2817.50	3849.16	3456.31	309.05	210.00	348800.19
17	Mysuru	34483.95	30098.25	3091.40	3545.45	4286.82	5492.81	933.82	519.60	834805.46
18	Vijayapura	41746.64	537.86	1974.24	93.15	44364.10	2648.95	651.52	203.73	993204.33
19	Chitradurga	25090.32	9177.00	13899.04	94.30	6392.40	1014.00	1042.23	420.00	469645.40
20	Davangere	21954.34	12064.39	9167.14	3256.51	16033.70	5749.83	883.04	223.00	612281.30
21	Hassan	41059.56	12445.87	8584.58	459.99	7017.32	2916.10	250.14	285.00	964051.07
22	Kodagu	9854.52	3337.07	1655.46	609.57	2524.48	1013.61	3893.89	1151.40	466289.97
23	Shivamogga	20941.20	3645.53	8716.30	120.75	5804.00	168.14	1695.68	490.00	655296.55
24	Bagalkote	15325.98	7141.50	2316.52	491.05	9008.27	511.48	2431.68	420.00	774015.43
25	Bengaluru Urban	107494.90	789.91	11468.67	35.65	4352.16	37.39	4576.83	60.00	457268.70
26	Kolar	15755.12	629.28	14056.64	2323.00	2548.80	1621.50	1101.11	166.00	365890.68
27	Mandya	49466.44	10205.10	19635.29	8251.25	14136.44	3677.24	720.74	283.00	654430.80
28	Yadgir	5496.26	310.50	324.78	96.03	998.68	145.93	643.03	162.00	216443.43
29	Bengaluru Rural	49150.16	1057.77	16629.44	1116.48	4683.66	914.35	372.71	61.00	245988.82



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30	Dakshina Kannada	55793.31	37753.90	3824.78	2684.88	3512.85	1074.07	43680.83	7794.20	827875.65
31	Dharwad	44821.76	13110.00	13532.48	2403.50	5536.29	267.42	113.68	16.00	500512.34
	Total	1011351.95	223604.88	234599.63	52517.57	235315.10	47963.63	85854.32	63048.37	16913802.85

B. Agriculture Infrastructure

Sr. No.	District	Construction of storage facilities	Land development, Soil conservation, Wasteland development	Agriculture Infrastructure - Others	Subtotal (B)
1	Kalaburagi	26500.00	10193.70	2086.00	38779.70
2	Udupi	9140.00	22163.21	16077.14	47380.35
3	Chikkaballapura	2020.00	7590.32	3404.00	13014.32
4	Chikkamagaluru	4424.00	27392.95	380.00	32196.95
5	Belagavi	21544.00	23368.04	19384.00	64296.04
6	Chamarajanagara	1804.80	954.76	23.94	2783.50
7	Koppal	16027.00	6225.17	2536.80	24788.97
8	Tumakuru	5180.00	416.74	8629.00	14225.74
9	Uttara Kannada	1226.00	11730.54	500.00	13456.54
10	Bidar	5215.00	1535.56	519.23	7269.79
11	Haveri	4872.00	4078.53	1379.68	10330.21
12	Raichur	5684.00	1462.28	662.60	7808.88
13	Ramanagara	2135.60	6865.18	2558.40	11559.18
14	Vijayanagar	2991.20	3376.88	314.48	6682.56
15	Ballari	2627.20	4126.16	992.41	7745.77
16	Gadag	9921.00	2406.94	4376.00	16703.94

17	Mysuru	2368.00	34612.33	1796.80	38777.13
18	Vijayapura	24509.20	11059.12	1548.80	37117.12
19	Chitradurga	642.00	5464.92	403.20	6510.12
20	Davangere	17680.00	12977.96	1756.64	32414.60
21	Hassan	7291.60	24032.23	1031.40	32355.23
22	Kodagu	10269.20	7985.00	627.84	18882.04
23	Shivamogga	4450.75	6913.20	1524.00	12887.95
24	Bagalkote	9273.20	797.28	3430.80	13501.28
25	Bengaluru Urban	11068.00	5888.00	13410.40	30366.40
26	Kolar	3240.00	1630.27	65307.04	70177.31
27	Mandya	5000.00	7669.43	2048.00	14717.43
28	Yadgir	4984.00	5584.00	482.00	11050.00
29	Bengaluru Rural	14160.00	9415.67	2703.80	26279.47
30	Dakshina Kannada	31447.20	46333.15	1323.75	79104.10
31	Dharwad	10008.00	8451.90	7272.80	25732.70
	Total	277702.95	322701.42	168490.95	768895.32

C. Ancillary activities

Sr. No.	District	Food & Agro. Processing	Ancillary activities - Others	Subtotal (C)	Total Agriculture = (A + B + C)
1	Kalaburagi	5809.80	2079.20	7889.00	657363.31
2	Udupi	133328.83	56408.00	189736.83	570227.71
3	Chikkaballapura	10620.00	6764.80	17384.80	373217.02
4	Chikkamagaluru	3288.00	15136.00	18424.00	684961.13

5	Belagavi	16011.36	71106.40	87117.76	1590944.10
6	Chamarajanagara	951.20	56784.00	57735.20	382616.00
7	Koppal	14464.00	5763.20	20227.20	413954.38
8	Tumakuru	17645.60	72800.00	90445.60	901161.54
9	Uttara Kannada	7695.18	47480.32	55175.50	358869.08
10	Bidar	3827.20	14581.44	18408.64	320238.14
11	Haveri	10415.60	23600.00	34015.60	562146.65
12	Raichur	89960.00	72312.00	162272.00	693781.52
13	Ramanagara	4172.07	34096.00	38268.07	372017.61
14	Vijayanagar	7369.60	15783.36	23152.96	382259.93
15	Ballari	12782.40	63555.84	76338.24	462154.51
16	Gadag	11189.20	7920.00	19109.20	384613.33
17	Mysuru	42577.20	294368.00	336945.20	1210527.79
18	Vijayapura	10721.60	4936.00	15657.60	1045979.05
19	Chitradurga	1865.20	48312.00	50177.20	526332.72
20	Davangere	42029.60	22272.96	64302.56	708998.46
21	Hassan	11230.80	22078.40	33309.20	1029715.50
22	Kodagu	7626.40	6502.08	14128.48	499300.49
23	Shivamogga	32612.80	37900.00	70512.80	738697.30
24	Bagalkote	23203.80	7320.00	30523.80	818040.51
25	Bengaluru Urban	535096.80	122882.56	657979.36	1145614.46
26	Kolar	2455.60	1920.00	4375.60	440443.59
27	Mandya	27230.26	60288.00	87518.26	756666.49
28	Yadgir	5064.72	5704.00	10768.72	238262.15
29	Bengaluru Rural	10811.20	5136.00	15947.20	288215.49

30	Dakshina Kannada	119345.60	161912.32	281257.92	1188237.67
31	Dharwad	15006.20	77088.00	92094.20	618339.24
	Total	1236407.82	1444790.88	2681198.70	20363896.87

Other Sector (II to V)

Sr. No.	District	Micro, Small and Medium Enterprises	Export Credit	Education	Housing
		II	III	IV	V
1	Kalaburagi	226650.00	660.00	27090.00	27544.50
2	Udupi	393056.40	31200.00	14872.50	91800.00
3	Chikkaballapura	84300.00	200.00	7020.00	12901.50
4	Chikkamagaluru	170108.10	5960.00	13500.00	17415.00
5	Belagavi	547762.50	9800.00	12114.00	44055.00
6	Chamarajanagara	55996.50	320.00	1440.00	9000.00
7	Koppal	122220.00	3360.00	15300.00	32625.00
8	Tumakuru	244150.00	11040.00	9054.00	113400.00
9	Uttara Kannada	335000.60	900.00	16686.00	15501.60
10	Bidar	130400.00	4000.00	5850.00	23233.50
11	Haveri	192687.50	600.00	7177.50	24975.00
12	Raichur	300184.00	240.00	4095.00	10192.50
13	Ramanagara	159325.00	2400.00	9036.00	33480.00
14	Vijayanagar	177742.80	2160.00	2376.00	11704.50
15	Ballari	348661.20	2600.00	5728.50	12082.50
16	Gadag	103075.00	2400.00	16380.00	24750.00
17	Mysuru	822478.75	54720.00	26856.00	50355.00

18	Vijayapura	245850.00	520.00	2830.50	13275.00
19	Chitradurga	119190.00	300.00	2970.00	19710.00
20	Davangere	240284.00	30880.00	20340.00	49747.50
21	Hassan	309500.00	1440.00	8640.00	28386.00
22	Kodagu	126221.25	43100.00	14368.50	70892.10
23	Shivamogga	414035.80	13720.00	39919.50	109724.40
24	Bagalkote	175812.50	1040.00	4140.00	18405.00
25	Bengaluru Urban	10548115.00	152560.00	179100.00	1615792.50
26	Kolar	180568.75	4560.00	5130.00	63112.50
27	Mandya	153600.00	1680.00	19467.00	28403.10
28	Yadgir	81935.00	700.00	10800.00	15012.00
29	Bengaluru Rural	242250.00	11280.00	19188.00	21420.00
30	Dakshina Kannada	803562.40	105840.00	20196.00	131625.00
31	Dharwad	716908.50	54000.00	16650.00	68512.50
	Total	18771631.55	554180.00	558315.00	2809033.20

Other Sector (VI to VIII)

Sr. No.	District	Social Infrastructure	Renewable energy	Others	Total Priority Sector
		VI	VII	VIII	
1	Kalaburagi	9520.00	1788.12	20000.00	970615.93
2	Udupi	9040.00	3822.17	68000.00	1182018.78
3	Chikkaballapura	1360.00	1379.34	7280.00	487657.86
4	Chikkamagaluru	5472.00	3150.27	15030.00	915596.50
5	Belagavi	18820.00	315.31	32210.00	2256020.91

6	Chamarajanagara	4584.00	34.99	19500.00	473491.49
7	Koppal	7500.00	450.06	25675.00	621084.44
8	Tumakuru	2960.00	4290.30	94718.00	1380773.84
9	Uttara Kannada	940.00	129.06	15300.00	743326.34
10	Bidar	7800.04	1000.20	60070.00	552591.88
11	Haveri	3984.00	4482.09	34660.00	830712.74
12	Raichur	365.60	474.93	56800.00	1066133.55
13	Ramanagara	3604.00	623.26	43100.00	623585.87
14	Vijayanagar	2900.00	1402.92	9292.90	589839.05
15	Ballari	1380.00	325.35	9666.00	842598.06
16	Gadag	13936.00	1509.09	37030.00	583693.42
17	Mysuru	3996.08	1512.09	111172.40	2281618.11
18	Vijayapura	4300.48	1696.13	4462.50	1318913.66
19	Chitradurga	1604.00	3199.50	36000.00	709306.22
20	Davangere	9992.16	23394.08	18770.00	1102406.20
21	Hassan	1934.16	1625.45	38120.00	1419361.11
22	Kodagu	3688.28	1003.71	13137.10	771711.43
23	Shivamogga	5892.00	3285.44	32530.10	1357804.54
24	Bagalkote	15270.00	338.20	15560.00	1048606.21
25	Bengaluru Urban	14524.48	24579.11	129400.00	13809685.55
26	Kolar	920.00	853.79	16070.00	711658.63
27	Mandya	1772.00	3153.41	122360.00	1087102.00
28	Yadgir	4080.00	1136.25	6300.00	358225.40
29	Bengaluru Rural	5280.00	1810.88	38690.00	628134.37



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30	Dakshina Kannada	11200.00	15197.31	130090.00	2405948.38
31	Dharwad	8068.96	8520.80	69000.00	1560000.00
	Total	186688.24	116483.61	1329994.00	44690222.47

Annexure II

Overview of Ground Level Credit Flow - Agency-wise and Sector-wise for years 2021-22, 2022-23 and 2023-24 & Target for current year 2024-25

(₹ crore)

Table 1: Crop Loan

Particulars	2021-22		2022-23		2023-24		2024-25
	Target	Ach.	Target	Ach.	Target	Ach.	Target
CBs	43736.05	27950.33	53160.85	39711.42	62378.97	66949.03	68713.21
RCBs	14575.88	18296.62	12863.13	20683.58	18724.17	22188.83	21761.66
SCARDB	363.62	0.00	246.45	0.00	224.19	0.00	0.00
RRBs	13135.46	15061.47	15548.81	18726.13	18773.76	21916.68	24139.17
Others	112.30	1.45	77.00	7.61	140.42	9.19	10.53
Sub total (A)	71923.31	61309.87	81896.24	79128.74	100241.51	111063.73	114624.57

Table 2: Term Loan (MT+LT)

Particulars	2021-22		2022-23		2023-24		2024-25
	Target	Ach.	Target	Ach.	Target	Ach.	Target
CBs	42927.42	53944.96	48651.73	74983.19	60202.01	66189.54	71228.26
RCBs	3277.67	855.57	2727.27	1114.27	5022.42	991.78	790.70
SCARDB	878.07	443.20	1243.68	295.60	901.28	337.31	391.54
RRBs	6887.12	1156.91	6169.83	1196.34	6422.86	1410.17	1478.47
Others	98.58	1076.61	185.86	2887.52	956.69	3872.45	3687.40
Sub total (B)	54068.86	57477.25	58978.37	80476.92	73505.26	72801.25	77576.37

Table 3: Total Agri. Credit

Particulars	2021-22		2022-23		2023-24		2024-25
	Target	Ach.	Target	Ach.	Target	Ach.	Target
CBs	86663.47	81895.29	101812.58	114694.61	122580.98	133138.57	139941.47
RCBs	17853.55	19152.19	15590.40	21797.85	23746.59	23180.61	22552.36
SCARDB	1241.69	443.20	1490.13	295.60	1125.47	337.31	391.54
RRBs	20022.58	16218.38	21718.64	19922.47	25196.62	23326.85	25617.64
Others	210.88	1078.06	262.86	2895.13	1097.11	3881.64	3697.93
Sub total (C)	125992.17	118787.12	140874.61	159605.66	173746.77	183864.98	192200.94

Table 4: MSME

Particulars	2021-22		2022-23		2023-24		2024-25
	Target	Ach.	Target	Ach.	Target	Ach.	Target
CBs	104131.18	75139.06	122313.41	112154.12	130242.20	146342.39	167954.27
RCBs	2291.92	1927.12	1350.43	2163.35	1441.43	1652.82	1497.32
SCARDB	220.17	0.00	59.40	0.00	57.76	0.00	0.00
RRBs	3762.01	1759.93	3888.66	1470.01	3773.23	1767.51	1826.60
Others	1423.65	1227.94	1993.94	1981.27	2146.35	3119.27	2963.75
Sub total (D)	111828.93	80054.05	129605.84	117768.75	137660.97	152881.99	174241.94

Table 5: Other Priority Sector

Particulars	2021-22		2022-23		2023-24		2024-25
	Target	Ach.	Target	Ach.	Target	Ach.	Target
CBs	47734.96	13420.38	54030.62	10023.28	47697.95	13278.70	15295.86
RCBs	2049.89	3201.79	1002.20	5066.76	2353.86	3080.23	3456.76

SCARDB	77.57	0.00	83.29	0.00	79.63	0.00	0.00
RRBs	4450.55	484.98	4153.21	528.84	3247.26	559.34	601.88
Others	261.21	1491.21	476.96	2067.86	1360.14	2238.16	2578.37
Sub total (E)	54574.18	18598.36	59746.28	17686.74	54738.84	19156.43	21932.87

Table 6: Grand Total (C+D+E)

Particulars	2021-22		2022-23		2023-24		2024-25
	Target	Ach.	Target	Ach.	Target	Ach.	Target
CBs	238529.61	170454.73	278156.61	236872.01	300521.13	292759.66	323191.60
RCBs	22195.36	24281.10	17943.03	29027.96	27541.88	27913.66	27506.44
SCARDB	1539.43	443.20	1632.82	295.60	1262.86	337.31	391.54
RRBs	28235.14	18463.29	29760.51	21921.32	32217.11	25653.70	28046.12
Others	1895.74	3797.21	2733.76	6944.26	4603.60	9239.07	9240.05
Grand Total	292395.28	217439.53	330226.73	295061.15	366146.58	355903.40	388375.75
Note : *OPS includes Export Credit, Education, Housing, Social Infrastructure and Renewable Energy							
Note : # RCBs include StCBs, DCCBs and PACS (if any)							

**Sub sector-wise and Agency-wise credit flow under Agriculture and Allied Activities for years 2021-22,
2022-23 and 2023-24 and Target for current year 2024-25**

(₹ crore)

Table 1: Crop Loan

Particulars	2021-22						2022-23					
	CBs	RCBs	SCARD B	RRBs	Others	Total	CBs	RCBs	SCARD B	RRBs	Others	Total
C L	27950.33	18296.62	0.00	15061.47	1.45	61309.87	39711.42	20683.58	0.00	18726.13	7.61	79128.74

Table 1: Crop Loan

Particulars	2023-24						2024-25					
	CBs	RCBs	SCARD B	RRBs	Others	Total	CBs	RCBs	SCARD B	RRBs	Others	Total
C L	66949.03	22188.83	0.00	21916.68	9.19	111063.73	68713.21	21761.66	0.00	24139.17	10.53	114624.57

Table 2: Term Loan

Particulars	2021-22						2022-23					
	CBs	RCBs	SCARD B	RRBs	Others	Total	CBs	RCBs	SCARD B	RRBs	Others	Total
W S	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
L D	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
F M	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
P & H	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
AH -D	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
AH -P	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
AH - S G P	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
F D	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

F & W	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
S G & M F	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
A & F	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
OTH	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Sub total	53944.96	855.57	443.20	1156.91	1076.61	57477.25	74983.19	1114.27	295.60	1196.34	2887.52	80476.92
Grand Total (I +II)	81895.29	19152.19	443.20	16218.38	1078.06	118787.12	114694.61	21797.85	295.60	19922.47	2895.13	159605.66

Table 2: Term Loan

Particulars	2023-24						2024-25					
	CBs	RCBs	SCARD B	RRBs	Others	Total	CBs	RCBs	SCARD B	RRBs	Others	Total
W S	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
L D	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
F M	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
P & H	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
AH -D	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
AH -P	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
AH - S G P	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
F D	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
F & W	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
S G & M F	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
A & F	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
OTH	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Sub total	66189.54	991.78	337.31	1410.17	3872.45	72801.25	NA	NA	NA	NA	NA	NA
Grand Total (I +II)	133138.57	23180.61	337.31	23326.85	3881.64	183864.98		NA	NA	NA	NA	
# RCBs include StCBs, DCCBs and PACS (if any)												

NA – Not available

Abbreviations	Particulars
C L	Crop Loan
W R	Water Resources
L D	Land Development
F M	Farm Mechanization
P & H	Plantation & Horticulture including Sericulture
AH - D	AH -Dairy Development
AH - P	AH -Poultry Development

Abbreviations	Particulars
AH - S G P	AH - Sheep / Goat / Piggery Devt.
F D	Fisheries Development
F & W	Forestry & Wasteland Dev.
S G & M F	Storage Godown & Marketing Facilities
A & F	Agro and Food Processing
OTH	Others

Annexure III

Critical Infrastructure Support to be provided

Sr. No.	District	Sector	Activity/ Description	Total Financial Outlay (TFO) (₹ Lakh)	Likely impact/ Outcome
1	Bagalkote	Water Resources	Mareguddi Lift Irrigation Scheme	21600.00	Additional area of about 2000 ha under irrigation
		Storage	5000 MT Cold storage in Bagalkote APMC for fruits and vegetables	1000.00	To benefit horticulture farmers and reduce post harvest lossess.
2	Belagavi	Animal Husbandry - Dairy	Construction of Veterinary Polyclinic in Mudalgi taluka	250.00	Health related services for 26 lakh poultry and 15 lakh sheep & goat population.
		Storage	Construction of Cold storages for Raisins 9000 MT capacity & Processing Centre	1000.00	Creation of 9000 MT additional scientific storage capacity.
		Fisheries	Hatchery for fingerlings supply at Arabhavi	90.00	Fish hatchery will help in increasing Inland Fisheries production in the district

3	Bengaluru Urban	Plantation and Horticulture	Strengthening of flower auction centre	1000	The International Flower Auction Bangalore (IFAB) currently handles 1 million flower stems daily. With growing demand in domestic and international markets, the capacity can be doubled upto 2 million flower stems per day.
4	Dakshina Kannada	Social Infrastructure	Connectivity - To Interior habitations in the hilly terrain of Charmady Village, Belthangady Taluk	350.00	Easier access to their agricultural produce, milk produce, etc. Also to improve access to health, education, banking facilities thus improving their living standards
		Animal Husbandry - Dairy	Providing facilities at Government Gaushala in Puttur for infrastructure towards conversion of animal waste to manure and biogas	60.00	Improved productivity and production of fodder. Availability of clean fuel viz. biogas
5	Kalaburagi	Water Resources	Micro irrigation to 2000 ha in Afzalpur - Sprinkler & Drip	2000.00	Irrigation potential will increase and ground water exploitation will reduce
		Storage	Construction of Cold storages of 20000 MT capacity	1000.00	Reduce post-harvest losses of fruits and vegetables and other perishable items.
5	Kalaburagi	Fisheries	Fish seed hatchery at Kalaburagi	30.00	Augment Inland Fisheries production in the district
6	Kodagu	Agriculture Infrastructure	Coffee Museum	100.00	It will improve tourism, employment generation and also increase the revenue to the tourism department.

		Storage	Construction of Warehouse at Sampaje to primarily store the coffee before export	200.00	Increase the farmers income
		Social Infrastructure	Siddapura to Maldare elevated road at Elephant corridor	100.00	Reduce the travel time to Periyapatna for farmers by 45 min as also to reduce the human animal conflict.
		Social Infrastructure	Upgradation of Primary Health Centre at Thithimati	100.00	The upgraded health centre shall serve the tribals in the vicinity
7	Mandya	Agriculture Infrastructure	Community threshing yards at Village level in 1477 villages	7385.00	Clean/hygienic threshing of major crops such as Paddy, Ragi, Horsegram etc. and increase in the market price of the produce and quality of the produce.
7	Mandya	Food and Agro. Processing	Millet processing units in all 7 taluks	140.00	Ragi and minor millets are grown extensively in the district. However, the produce is being marketed at unremunerable prices due to lack of processing. Processing units offering the service at concessional price will benefit the farmers to realise higher returns on investment in millet crops.

		AH, Sheep, Goat, Piggery	Construction of Sheep rearing sheds in Government Sheep Breeding Farm Dhanaguru	500.00	Construction of additional rearing sheds would benefit the farmers to avail more of native climate resilient breeds at the concessional rate and reduce distress on livestock due to climatic anomalies.
8	Mysuru	Animal Husbandry	Piggery breeding farm in Periyapattana (1000 piglets per year)	100	Would support pig rearing activity in the district.
8	Mysuru	Animal Husbandry	Poultry breeding farm (10000 breeding stock per year)	100	Would support poultry farming activity in the district.
		Storage	Cold Storage unit in Nanjangudu	1425.00	Would help in reducing post harvest losses and increase income of farmers.
9	Raichur	Social Infrastructure	Road Maintenance in all over the district - Good asphalted roads connecting taluka main roads and talukas to villages	1000.00	Hassle free commuting saving on time, fuel and reduced pollution and marketing connectivity.
10	Ramanagara	Agriculture	Strengthening of 6 RSKs	240	Better extension services to farmers as RSK is the first point of approach for farmers at Hobli level.
		Irrigation	Rejuvenation of existing MI tanks	300	Increase in water retention capacity.

		Agriculture	HOPCOMS in all 18 Hoblis	90	As horticulture is one of the main occupations of farmers in the district marketing of the produce by Government Institution would ensure better returns and reduce distress sale of the crop.
11	Shivamogga	Fisheries	Upgradation of Anjanapura fish farm	253.00	Ensuring sufficient seeds supply in Shikaripur and Sorba blocks.
11	Shivamogga	Fisheries	Upgradation of Manasnalli fish farm	170.00	Ensuring sufficient seeds supply in adjoining blocks and increasing fish yield.
12	Tumakuru	Water Resources	Catchment area treatment for Hagalvadi Tank Gubbi	1200.00	Improve ground water level in 5 villages
		Water Resources	Catchment area treatment in Shimsha river sub-basin in Turuvekere Taluk	1300.00	Improve ground water level in 10 villages
		Water Resources	Catchment area treatment to Halkurike tank	1200.00	Improve ground water level in 6 villages
		Water Resources	Recycling of storm water flowing into Tiptur Amanikere and providing facilities to beneficiaries	1800.00	Improve ground water level in 8 villages
13	Udupi	Water Resources	Prevention of Sea Water Intrusion and Coastal Erosion in Mattu Village, Kapu Taluk, Udupi	600.00	Increase in production and productivity of GI tagged 'Mattu Gulla'.

		Social Infrastructure	Promotion of environment friendly Tourist village centered around Udupi Saree, Weaving Activity with common facilities viz.looms, natural dyeing, IFS	500.00	Development of Tourist Potential and Creation of Rural Livelihoods.
14	Uttara Kannada	Water Resources	Construction of Bandharas	1200.00	Water harvesting to collect and store rainwater and enhance groundwater recharge.
14	Uttara Kannada	Fisheries	Strengthening of Jetty Infrastructure	5000.00	Reduced wastage, better trade and market access, streamlined logistics.
		Storage	Warehouses and Cold Storages	6000.00	Lesser post-harvest losses, better sale proceeds, increased farmer income.
		Land Development	Antisea-erosion structures	1000.00	Reduce sand erosion, prevent salinity ingress in fields.
		Social Infrastructure	Schools Hospitals - New + Upgradations, Rural Drinking Water Supply Projects ,Roads and Bridges, Sanitation Projects	10000.00	Enhanced market access, better education and health infrastructure that will improve quality of life
15	Vijayapura	Water Resources	Improvements to Madikeshwara MI tank in Muddebihal taluk	250.00	Increase in Irrigation Potential
		Water Resources	Construction of check dam (Site 2) near Gonala village in Muddebihal taluk	250.00	Increase in Irrigation Potential

		Water Resources	Construction of serial Check Dams on nala from Jalapooru to Donkamadu village in Muddebihal taluk	863.10	Increase in Irrigation Potential
		Water Resources	Micro irrigation to 1000 acres in Vijayapura-Sprinkler & Drip	3000.00	Irrigation potential will be increased by 250 ha
		Fisheries	Construction of 10 fish markets in district	400.00	Hygienic fish markets at biggest inland fisheries market
15	Vijayapura	Fisheries	Fisheries Hatchery for fish seed supply	60.00	Increase fish production in the area.
		Storage	Construction of Cold storages for Raisins 30000 MT capacity & Processing Centre	3000.00	Additional scientific Storage capacity will reduce post harvest losses and provide higher income to farmers.
		Food and Agro. Processing	Pulses & Food grain Seed Processing & CFC	500	Increase income to farmers.
		Agri.Ancillary Activities	Vijayapura Haat for Arts & Handicrafts	80.00	Only Arts & Handicrafts centre for Banjara handicrafts, wooden crafts, Broom clusters etc. will be established.
		Social Infrastructure	Construction of Bridge cum Barrage across Lingadalli- Handrala road in Muddebihal taluk	200.00	Rural connectivity will be ensured throughout the year

		Social Infrastructure	Construction of Bridge cum Barrage across nala which flows from Neginala to Bommanahalli village in Basavana Bagewaditaluk	500.00	Rural connectivity will be ensured throughout the year
		Social Infrastructure	Construction of Bridge cum Barrage across nala near Hunashyala PC in Basavana Bagewaditaluk	400	Rural connectivity will be ensured throughout the year
		Plantation and Horticulture	Hitech Tissue culture Nursery for Grapes Pomegranate & Lime	150	Supply of quality saplings for highly demanded horticulture sector

16	Yadgir	Fisheries	Construction of wholesale & Retail Fish market	200.00	Creation of market for inland fisheries in the district
		Water Resources	Micro irrigation to 3000 ha in Yadgir and Gurmitkal blocks - Sprinkler & Drip	3000.00	Irrigation potential will increase, and ground water exploitation will reduce
		Storage	Construction of cold storages of 10000 MT capacity	500.00	Reduce post harvest losses of farm produce.

Annexure IV

Critical Interventions Required for Creating a Definitive Impact

1. Farm Credit

Sr. No.	District	Critical Interventions Required
1	Bagalkote	Setting up of soil-testing laboratories in each of the taluks
2	Ballari Ballari	Setting up of Chilli processing unit at Ballari and Siruguppa blocks. Organize awareness camps to popularize the unified e- market system by disseminating the advantages of the e-market platform to the farmers.
3	Bengaluru Urban	There is need to have additional agricultural marketing centres in the district to ensure remunerative prices to the farmers.
4	Chamarajanagara	Karnataka State Seeds Corporation does not have a seed processing unit in the district. There is no seed certifying agency in the district.
5	Chikkaballapura	Crop assessment using AI and ML technology can reduce the number of days for settling claims for crop loss significantly. This assessment can also be made use of by banks for extending loan for marketing of crops by verifying the yields. Alternative modes of lending towards crop loan like Joint Liability Groups (JLG), Self Help Groups need to be promoted to reach out to cultivators, not having land records in their name.
6	Gadag	Seed processing unit and seed certifying agency in the district.
7	Hassan	Taluk level soil and water testing labs to be established. Agri graduates could be motivated by banks to set up Soil & Water Testing labs under AC&ABC scheme.
8	Raichur	Construction of onion godowns especially in Bagewadi and Sindagi blocks, Grape processing in Tikota, Bableshwar and Indi blocks.
9	Raichur	The KSWC warehouses to be registered with WDRA to avail credit facility at concessional rates against pledge of NWR.
10	Vijayanagar	Setting up of Maize and Groundnut processing units in HB Halli and Kudligi, respectively.

2. Water Resources

Sr. No.	District	Critical Interventions Required
1	Bagalkote	Comprehensive program to harvest the rainwater through existing building/rooftops and check dams surface tanks and bunds.
2	Ballari	Desiltation of Tungabadra Dam and Canal system.
3	Bengaluru Urban	Agricultural Extension Services may be strengthened to provide cost effective & location specific designs to farmers for micro-irrigation & rainwater harvesting/ recharge structures and awareness on conservation of water through good agricultural practices and water efficient cropping systems.
4	Chamarajanagara	Modernisation of irrigation infrastructure, installation of telemetry equipment for hydrological measurements within the sub-basin and implementation of civil works for canal modernisation
5	Davangere	Water Security Plan for over exploited taluks under Atal Bhujal Yojana
6	Dharwad	Installation of solar IP sets to be promoted for meeting assured energy supply for running pump sets and promoting renewable energy sources. Awareness may be created among farmers through field demonstrations for promoting solar IP sets for irrigation.
7	Kalaburagi	Rejuvenation of existing MI tanks by de-silting to enhance their storage and percolation capacities. Committee may be set up at Village Level to supervise the use of water by the farmers.
8	Kodagu	All the structures planned should be geo-tagged and marked on map.
9	Uttara Kannada	Augmenting the dikes and repair of sluice gates / drainage systems for controlling the water during high tides and floods in the Gajni lands in Kumta taluk

3. Farm Mechanisation

Sr. No.	District	Critical Interventions Required
1	Bagalkote	The implements/machineries required in production/ post-production activities of sugarcane and horticulture crops is major area, which can be financed. The implements/ machineries like combined harvesters, sprayer, drones etc. can be considered for extending credit.
2	Ballari	More number of servicing units of farm machinery may be encouraged by the District Industries Centre so that repair or maintenance of tractors and power tillers is possible at hobli/village levels.
3	Bengaluru Rural	Training may be provided to agri entrepreneurs on repair and maintenance of farm machinery.
4	Bengaluru Urban	The inadequacy in custom hiring centers could be managed by promoting FPOs and availing funds under AIF, PACS as MSCs, etc.
5	Belagavi	Purchase of Combined Harvesters by PKPS through DCC Bank for providing to farmers on custom hiring basis
6	Chitradurga	High cost of Drones and lack of skill to use is preventing its penetration. Skilling youth on Drone usage repairs and maintenance.

Sr. No.	District	Critical Interventions Required
7	Davangere	Use of improved agricultural implements for sowing, weeding, harvesting activities such as seed-cum-fertiliser drill. Use of advanced spraying equipment for pesticides, plant nutrients eg. Battery operated sprayers. Use of improved farm machinery for post-harvest activities such as threshing, straw bailing machines, etc.
8	Ramanagara	Identification of FPOs with maximum Ragi growers and support from department of agriculture and Bank to procure combine harvesters is the need of the hour.
9	Shivamogga	Implements/machineries required in production/ post-production activities of horticulture crops can be financed by banks. The implements/ machineries like arecanut dehuskers, coconut dehusker,s sprayers (power rocking tycoon, etc) weeders, etc. can be considered for extending credit.

4. Plantation and Horticulture

Sr. No.	District	Critical Interventions Required
1	Bagalkote	Establishment of horticulture processing clusters
		Promotion of apiculture as honey bees are the best pollinating agents and promoting apiculture may help in increasing the yield of crops.
		Post-harvest facilities for cleaning, sorting, grading, packing units have to be promoted in vegetables, spices and horticulture crops.
2	Ballari	Drying figs may be taken up by private entrepreneurs / FPOs in Kurugodu and Ballari taluks as income realization for dried figs is around 40 times of fresh figs.
3	Dakshina Kannada	Promotion of commercial nurseries for supply of quality planting material needs to be undertaken by the Horticulture Department with bank finance.
4	Davangere	Extension of single window based SILKS (Sericulture Information Linked Knowledge System) portal to cover more districts for Sericulture expansion.
		Upgradation of Reeling Technology and promotion of indigenously developed ARM & Improved Vanya reeling devices under Make in India Programme may be explored.
5	Dharwad	Establishment of wholesale fruit and vegetable market and promotion of contract farming would help in overcoming the lack of organized marketing facilities in the district. Marketing of horticulture produce through FPOs/Federation of Commodity groups may be promoted.
6	Kodagu	Establishment of an Industrial area for Coffee & Pepper processing close to Madikeri which can be exported through Mangalore airport.
7	Mandya	Centre of excellence on Coconut may be established
8	Mysuru	Upgrading Cocoon market in Bandipalya APMC from current capacity of 1.5-2 tonnes per day to 5-6 tonnes per day.
9	Yadgir	Sericulture Department may link district markets with established markets in Ramanagara district and such other districts

5. Forestry/ Waste Land Development

Sr. No.	District	Critical Interventions Required
1	Bagalkote	Forest Department needs to focus on promoting commercial forestry through demonstrations on farmers' lands by growing appropriate species that will augment farmers' incomes.
2	Ballari	Agroforestry could be strengthened by promoting high value forest species like Raktachandana, Sandal wood, Teak, Rose wood etc. along with agricultural crops on farmlands
3	Chikkaballapura	Need to promote nurseries for clonal propagation, promotion of bio-diesel plants.
4	Chikkamagaluru	Private nurseries for raising forest plant species may be financed by the Banks.
5	Chitradurga	Unchecked growth of Prosopis juliflora (Ballari jali), which is making land uncultivable is a big threat to food security necessitating a program to clear the same and replacing it with protected vegetation
6	Dakshina Kannada	As per Karnataka Forest (Amendment) Act 2001 every occupant or holder of land shall be legally entitled to the sandal tree in his land except where such sandal tree is declared to be the property of the State Government in any grant, lease, contract or other instrument. Accordingly, farmers need to be motivated to cultivate sandal trees in their land.
7	Davangere	Forest Dept can also promote intensive bund side plantations over large areas by planting species like Casuarina, silver oak, teak etc. that can fetch substantial supplementary income.
8	Kalaburagi	Bankers to finance for centrally sponsored schemes such as National Bamboo Mission, Biofuel etc. which aim at covering more area under green vegetation.
9	Tumakuru	Private Sector companies may also be encouraged to take up bio-diesel cultivation by farmers in wasteland through contract farming.

6. Animal Husbandry - Dairy

Sr. No.	District	Critical Interventions Required
1	Bagalkote	Agriculture Department and ATMA officials may sensitise the farmers about azolla cultivation in small patch of land, which is nutritious fodder for the farm animals.
2	Ballari	Fodder banks may be set up at taluk level for green / dry fodder supply to dairy farmers.
3	Bengaluru Rural	Disease Diagnostic labs, community fodder plots may be established.
4	Bengaluru Urban	Revival of defunct Dairy Cooperative Societies. KMF-Bamul may initiate specific action plan to rejuvenate the defunct dairy co-operative societies to help the dairy farmers in the area
5	Belagavi	Strengthening of infrastructure of veterinary institutions for providing breeding disease management and health services to farmers at their doorstep by Government of Karnataka.
6	Belagavi	Establishment of milk marketing infrastructure viz. BMCs Insulated/Refrigerated milk tankers, etc. by KMF
7	Bidar	Deoni breeds semen to be conserved and breeding tract may be ensured. Setting up of milk processing plant within the Bidar district and encouragement of milk parlors by the Animal Husbandry Deptt / KMF.
8	Chamarajanagar	Installation of Bulk Milk Coolers at more places
9	Chikkamagaluru	The Hassan Milk Union has only one Milk Chilling unit in Chikmagalur district located at Birur with a capacity of 20 TLPD. Steps may be taken to set up 02 Milk Chilling Units with 02 TLPD capacity in the district.
10	Mysuru	Establishment of veterinary disease diagnostic centres for diagnosis of animal diseases and to prevent zoonotic diseases like TB, Brucella, Salmonella and Rabies, etc. One such centre should be there in every taluk.
11	Raichur	Breeding farm for indigenous breeds of cattle and buffalo viz. Malnadgidda Krishna valley Deoni, Amrith Mahal and Pandarpuri.

7. Animal Husbandry – Poultry

Sr. No.	District	Critical Interventions Required
1	Bagalkote	SHGs may be encouraged to rear brooding units / mother of commercial Giriraja chicks. Backyard poultry birds like Cauvery Chabro may also be encouraged.
2	Ballari	As maize is the major ingredients of poultry feed, contract farming for the same needs to be encouraged to enable the supply of these feed ingredients at affordable price. Also maize FPOs can be formed in the area, for taking up marketing of maize and also poultry feed production.
3	Belagavi	Need to set up a new disease diagnostic laboratory at taluks level by AH Dept.
4	Chikkamagaluru	To ensure effective biosecurity use of incinerators may be encouraged and infrastructure for common incinerator facilities may be established at major poultry production centres.
5	Dakshin Kannada	SHGs may be encouraged to rear low technology inputs birds / poultry activity based JLGs may be promoted.
6	Hassan	Establishment of fodder nurseries, silage-making units, animal feed manufacturing units and processing units
7	Udupi	FPOs of poultry growers may be encouraged to enable value addition and better price realisation.

8. Animal Husbandry – Sheep, Goat, Piggery

Sr. No.	District	Critical Interventions Required
1	Bagalkote	Revival of Sheep and Wool Producers Co-operative Societies, which have become defunct to assist farmers in production and marketing of produce.
2	Bengaluru Rural	Improved market linkages for live animals as well as meat may be provided to ensure fair and remunerative prices especially to SF/MF.
3	Bengaluru Urban	Goat milk production and processing along with meat processing can be explored for enhancing income flow to farmers
4	Bidar	Establishment of modern abattoirs and slaughterhouses cum meat processing centers by State Govt. / private entrepreneurs with bank credit.
5	Chamarajanagar	Regularised market for live animals monitored by Sheep and Wool Producers Cooperative Societies and construction of registered slaughterhouse, establishment of infrastructure for meat processing and value additions
6	Chikkamagaluru	Nari Suvarna Rams may be supplied for breeding in the district. These rams have Fec B gene which

Sr. No.	District	Critical Interventions Required
		enables twinning in sheep from F2 generation onwards thereby increasing the productivity of sheep Support may be provided for training cum breeding to piggery farm located at Kalasa in the district. In case of Rabbit rearing State support is required for extension services. There are no breeding centres for goat in the district.
7	Dakshin Kannada	Improvement in market linkages for live animals to ensure fair and remunerative prices to small farmers / shepherds.
8	Davangere	Sheds should be modernised with air/water quality control including feeding system. Due to the increasing demand for sheep and goat meat, registered slaughter houses in the State should be modernized on a priority basis for hygienic meat production, better utilization of by products and better returns from meat production.
9	Haveri	Awareness campaign by department regarding AHIDF schemes in the district and facilitating beneficiaries to avail the financial support under the scheme.
10	Kalaburgi	There are 2 registered slaughterhouses in the district. Establishment of modern abattoirs and slaughterhouses cum meat processing centres by private entrepreneurs with bank credit may be encouraged.
11	Kodagu	Establishing pig breeding farm other than one at Kushalnagar
12	Raichur	Osmanabadi & Daccani Breeding Farm may be established.
13	Tumkuru	Breeding-cum-fattening or fattening units for lambs kids, piglets and rabbits and may encourage rural meat processing centres, wool processing and carpet weaving units.
14	Raichur	Silage & animal feed manufacturing plant establishment.

9. Fisheries

Sr. No.	District	Critical Interventions Required
1	Bagalkote	There is a need to increase fish production in the reservoirs through scientific and sustainable stocking with improved varieties of fish. Banks may encourage fishery activities especially fish culture in ponds/tanks by financing SHGs / JLGs. Awareness creation among the fishermen community on extension of working capital along with terms loans and issuance of KCC and also formation of JLGs / FPOs by Fisheries Department / Banks / NGOs The infrastructures like cold storages and marketing complexes are required to be promoted under PPP model to ensure hygienic sale of fishes.
2	Ballari	Efforts to be made by the department for construction of cold storage infrastructure. Fish Market constructed at Siruguppa under RIDF assistance needs to be operationalised.
3	Bengaluru Urban	Popularization of bio floc fisheries and RAS of fish culture to increase fish production.
4	Belagavi	Modernisation of fish seed farm at Saundatti & Hidkal needs to be taken up by the Fisheries

Sr. No.	District	Critical Interventions Required
		Department for augmenting seed production.
5	Chikkaballapura	Establishment of “Aqua Park”, Ornamental fisheries need to be promoted in a big way as adequate potential exists in the district due to geographical advantage and is an activity which can be taken up by women / SHGs.
6	Chikkamagaluru	Cluster financing approach may be adopted by bank branches located nearby water surface area (WSA) in Malnad blocks and waterlogged areas of Hemavathi River.
7	Dakshin Kannada	Development of fisheries sector through providing HACCP compliant conditions, cold chains, promotion of cage culture, establishment of fish seed hatcheries, etc.
8	Davangere	Production of quality fish seed using good quality brood stock and development of fish seed rearing facilities (fry to fingerling) and stocking of fingerlings in the pond/tank are required. High tech fish production units like RAS (Re- circulatory Aqua System) is expected to contribute high production in small area and with low water usage.
9	Kalaburgi	Construction of District Fish Market with facilities such as ice plant, cold storage, may be considered. Small fish markets at Taluk place and hobli level may also be considered.
10	Mysuru	Establishing 2 cold storage units of 10MT capacity each and 2 ice plants of 10MT each in Mysuru
11	Uttar Kannada	Construction of a Barge and Vessel Landing Facility at Honnavar Extension of fishing jetty in Karwar Taluk. Wharfs / Ramps for riverine fish landing centres at Nandangadda, Aghanashini and Venkatapur Ice plants at Karwar Ankola Kumta Honnavara and Bhatkala of 30 tonnes per day capacity
12	Yadgir	There are no fish seed farms in the district. Seeds are procured from Narayanapura dam and Munirabad dam. Fisheries department may establish fish seed farms in the district.

10. Construction of Storage and Marketing Infrastructure

Sr. No.	District	Critical Interventions Required
1	Bagalkote	Awareness on Schemes of Agriculture Infrastructure Fund (AIF), AMI among all eligible beneficiaries like PACS, Marketing Cooperative Societies, FPOs, SHGs,, JLGs, Multipurpose Cooperative Societies, agri entrepreneurs and startups Department of Agricultural Marketing, GoK needs to promote ‘Ag-mark’ grading of agricultural produce and introduce e-tendering system in all APMCs. Banks in the district may extend pledge loans to farmers against Negotiable Warehouse Receipts (NWRs).
2	Bidar	Creation of storage infrastructure and ReMS facility at all APMCs / CWC / SWC level
3	Chamarajanagar	Construction of drying yards for post-harvest management

Sr. No.	District	Critical Interventions Required
		Increase in procurement and post-harvest storage facilities, creation of pack houses, develop cold chains/ cold chambers, etc
4	Chikkamagaluru	There is a need for construction of godowns for preservation/storage of food grains /onion near the production sites.
5	Chitradurga	Requirement of an approach road for Akshaya Food Park. Development of roads in main market yard (APMC), Chitradurga.
6	Kalaburgi	Producer Organizations Co-operative societies and voluntary agencies can play a vital role in aggregation of farmers produce for safe storage and transport with the intention of reducing the costs. The agencies can also facilitate primary processing of commodities for increasing the shelf life. Some of the emerging activities are development of cold chains, refrigerator vans, private wholesale markets, low energy cold chambers for on-farm storage, onion godowns, silos etc.
7	Koppal	Increase in procurement and post-harvest storage facilities, creation of pack houses, develop cold chains/ cold chambers, etc
8	Mandya	Banks have to provide pledge loans to farmers against eNWR. None of the godowns in Mandya are accredited under WDRA. Threshing yards are very much needed in the district as farmers are using roads for the same which is unhygienic and also results in losses.
9	Raichur	Creation of new agri. markets, certification/ standardization centres and other post-harvest facilities near the major production centres.

11. Land Development, Soil Conservation and Watershed Development

Sr. No.	District	Critical Interventions Required
1	Bagalkote	Set up soil testing laboratories in each taluk, encourage PACS/Agri graduates to set up soil testing laboratories and help them avail of incentives under the AC&ABC scheme of GoI.
2	Dakshin Kannada	Area based measures like terraces bunding, growing vegetative cover, etc. could be taken up by farmers on community basis. The district has cultivable wasteland to the tune of 10% of the total geographical area. Efforts to be made to cover this area under cultivation by suitable land development and soil & water conservation methods.
3	Davangere	Establishment of more soil testing labs and increase the current coverage of soil health cards at Hobli level. Promotion of organic farming as a means of soil health improvement incentivising green manure practices, enriched compost vermicomposting, bio-fertilisers, bio-control agents
4	Kodagu	Climate Smart Technologies suitable adaptation measures as envisaged in State Action Plan on Climate Change may be taken up through regular funding or National/International Climate Funding options.

12. Agriculture Infrastructure: Others

Sr. No.	District	Critical Interventions Required
1	Bagalkote	There is a need to encourage activities like seed production, production of bio-pesticides fertilizers and vermicomposting.,
2	Chikkamagaluru	As farmers have started moving towards less-chemical cum organic farming methods the activities like production of bio-fertilizers, bio-pesticides and vermi compost may need to be given more thrust and attention.
3	Dakshina Kannada/Udupi	Common covered drying yards for cashew growing clusters and arecanut growers
4	Udupi	Common covered drying yards for cashew growing clusters and arecanut growers
5	Mysuru	Farmers need yearly around 3 crore tissue culture plants of Banana (Source: KVK). However, there is only one certified tissue culture lab and production unit(Mysuru Organics) which is not able to meet the demand. Setting up of additional tissue culture units for banana is required.
6	Mysuru	Currently seed demand in the district is 3500 Tonnes and supply is 1800 tonnes (Source: Dept. of Agriculture). Hence, 5 more plants are needed with 400-500 tonnes capacity per year. As there is growing demand for organic seeds, ORFS can setup organic seed production unit.

13. Food and Agro. Processing

Sr. No.	District	Critical Interventions Required
1	Bagalkote	Hassle free and timely issue of various permissions / factory trade licenses to entrepreneurs on a single window mode need to be ensured for development of the sector.
		There is a need to organize the sectors into activity specific cluster
		Encourage setting up of pre-processing centres and pre-cooling facilities and quality measurement / control infrastructure near farm gate and mandis.
2	Ballari	Small sized processing units for vegetables, fruits, mea,t flour mills, dal mills may be set up at hobli / block level.
3	Belagavi	Banks are insisting on conversion of land for establishment of food processing units. Government and SLBC may explore possibility of finance without DC conversion.
		There is a need to establish a Food Park to provide infrastructure facilities like power and water. Cold chain needs to be developed in the district.
		Shortage in procurement and post-harvest storage facilities have led to inferior quality of processed fruits and vegetables. Horticulture department to set up processing units and cold storages in all taluks.
4	Chamarajanagar	Profile of agro/ food-based units in the district is dominated by tiny/ household units. PMFME scheme to be propagated so as to reach the true workers.
		Most of the processing units belong to the unorganised sector, where application of food-based laws for hygiene are not followed strictly. Training of micro, small and medium enterprises in the

Sr. No.	District	Critical Interventions Required
		unorganised sector on food safety and quality standards is required.
5	Chikkaballapura	SHGs may be assisted in making traditional foods as per standardized norms with proper training and financial assistance. Technologies developed by CFTRI & DFRL Mysuru can be transferred to these groups / women entrepreneurs for production of quality products.
6	Chitradurga	To ensure better marketing of products made by mini food processing units, the district requires one food testing lab.
7	Dakshin Kannada	Training of micro, small and medium enterprises in the unorganised sector on food safety and quality standards.
		Fostering strong linkages between industries, developers of new technologies academic institutions, R & D agencies, banks, etc. can help in enabling access to best practices technology, capital and marketing opportunities by entrepreneurs in food processing sector and needs to be encouraged.
8	Davangere	Ensuring hassle free and timely issue of various permissions, trade licenses to entrepreneurs on a single window mode.
9	Dharwad	A food park in Dharwad district will hugely boost the sector.
10	Haveri	Encouraging setting up of pre-processing centres and pre-cooling facilities and quality measurement / control infrastructure near farm gate and mandis.
11	Mandya	There is an urgent need to accelerate setting-up of units in remaining area of the food park at K R Pete.

14. Agri. Ancillary Activities: Others

Sr. No.	District	Critical Interventions Required
1	Bagalkote	Banks may finance AC&ABCs, units and Cooperative Marketing Societies so as to ensure technical support and better forward and backward linkages for agriculture and allied activities in the district
2	Chikkamagaluru	The LAMPS in Koppa Taluk and Mudigere Taluk have to increase their sourcing of honey, provide value addition to the forest produce like shikakai, vatehuli, cinnamon and cloves for which they have to put up a plant for extraction of oils from spices, which requires capital support.
3	Chitradurga	Good rated GP Level SHG Federations may be strengthened to offer more need based loan to SHG women to meet their farm and non-farm requirements.
4	Davangere	Bankers should increase financing through various modes and provide consumption loan/small loans to small/petty business.
5	Dharwad	With a large number of Farmers Producers Companies being formed with support from NABARD and Horticulture Department/ SFAC in the district, banks may actively engage to meet their credit requirements.
6	Yadgir	SHGs may be assisted in making traditional foods as per standardized norms with proper training and financial assistance. Technologies developed by CFTRI & DFRL, Mysore can be transferred to these groups / women entrepreneurs for production of quality products.

		Encouraging setting up of pre-processing centres and pre-cooling facilities and quality measurement / control infrastructure near farm gate and mandis.
		SHG financing is based on the concept that poor are economically active. Bankers need to promote more intervention to upscale income generating activities to increase the credit flow to SHGs and consider providing higher quantum of loans to matured SHGs

15. Micro, Small and Medium Enterprises (MSME)

Sr. No.	District	Critical Interventions Required
1	Bagalkote	Bank may provide adequate and timely working capital for micro enterprises. The working capital requirements may be met by issuing SCC.
2	Ballari	There is a need to set up Chilli Agro processing clusters Currently almost all of the industrial areas are located in and around Ballari. DIC has to devise a policy for encouraging the setting up of industrial parks in different blocks. There is no single portal for all necessary clearances causing difficulty/inconvenience to entrepreneurs. DIC may think of establishing Single Window Clearance portal, which can enhance ease of doing business.
3	Bengaluru Rural	A structured marketing arrangement may be put in place for retail sale of goods produced by SHGs and other craftsmen.
4	Belagavi	Development of Handloom Sector through effective linkages, extension of credit and training needs to be addressed (Handloom Dept.)
5	Bidar	Create awareness among the beneficiaries on PMEGP by DIC and bankers should fast-track clearing the proposals under this scheme
6	Chikkamagaluru	Industrial scenario of Chikmagalur district is dominated by micro units. Most of these units do not approach the banks for investment / capital needs. There is a need to bring such units under banking fold.
7	Dakshin Kannada	Assistance for organized marketing of products of SHGs, JLGs More centres for providing incubation support to entrepreneurs may be set up in technical and management institutions.
8	Kodagu	An industrial area in Somwarpet may be set up, which is gateway to other districts like Chikmagalur and Hassan
9	Koppal	Improve institutional structures at field level and to evolve better coordination among the various organisations, expand outreach of existing schemes/ programmes, facilitate startups and evolve a time bound exit mechanism
10	Mandya	Sachetizations of loans is a boon for MSMEs, however the concept is yet to be popularised in the district.
11	Mysuru	Currently, almost all of the industrial areas are located in Mysuru and Nanjangudu. More focus should be given to setup industrial areas in other talukas, especially Hunsur and Periyapattana as

Sr. No.	District	Critical Interventions Required
		they are on Mysuru-Kodagu Road, where new ring road is expected. There is no single portal for all necessary clearances causing difficulty /inconvenience to the entrepreneurs. DIC may think of establishing a Single Window Clearance portal.
12	Tumkuru	Banks can take advantage of financing clusters in the district viz. weavers cluster in Y N Hoskote of Pavagada taluk and Gubbi Carpentry cluster in Turvekere town, Bamboo cluster in Kythsandra of Tumakuru taluk beside coir and wool clusters in Gubbi and C N Halli taluks, etc.
13	Vijayanagar	Vijayanagara has a significant area under Maize and groundnuts. However, the majority of the produce has been sold to the local agents. There is a need to set up Agro processing clusters for the crops. Almost all of the industrial areas are located in and around Hosapete. DIC has to devise a policy for encouraging the setting up of industrial parks in different blocks.

16. Export Credit

Sr. No.	District	Critical Interventions Required
1	Bagalkote	Focused attention on strengthening of export infrastructure like establishment/ enhancement/ modernization of inland container depots, container freight stations, hassle-free clearance, product specific cold storages, warehouses, etc.
2	Ballari	GoI has identified Ballari to be promoted as Export hub for Granite, Jeans, Pant, Apparels, Jute products, Engineering product,s Electrical Machinery and Transport Equipment Engineering/ Iron-ore based value added products Pomegranate, Chilies. DIC may create requisite infrastructure for making Ballari as export hub.
3	Bidar	Exports of agriculture produce like pulses / soyabean / oil seeds /fruits, etc and handicrafts – Bidriware to be encouraged by Agri Dept /Horticulture Dept /DIC
4	Chikkamagaluru	Cold chain to nearest port/airport may be established to facilitate export of perishable export products.
5	Chitradurga	To encourage farmers to raise millets. Promotion of millet based infant formula food through SHGs. Aggregation through FPOs and tie up with APEDA for exports. A targeted scheme from sowing to marketing in this regard is required.
6	Dakshin Kannada	Exporters may be encouraged to avail the export credit insurance facilities of ECGC.
7	Kalaburgi	Evolve suitable export-oriented strategies, focusing on specific products/sectors with inputs from the Export Associations/ Exporters. This will include taking part in international trade fairs/ exhibitions providing inputs on technology upgradation, packaging, quality, etc.
8	Kodagu	Convergence of promotional schemes of Government of Karnataka, Ministry of MSME, Government of India and SIDBI will lead to greater access to credit.
9	Raichur	Export House & branch in the district for pre-shipment credit within the stipulated time after the

Sr. No.	District	Critical Interventions Required
		dispatch of goods or converting them into post- shipment credit.
10	Ramnagara	Credit facility extended remains low. Sericulture sector and toys of Channapatna can be concentrated for increasing the credit flow.

17. Education

Sr. No.	District	Critical Interventions Required
1	Bagalkote	Banks to conduct sensitization programme at the start of the academic session to enable students to avail of the loan facility. Camps may also be organised at regular intervals. The students should be made aware of the facilities available in terms of education loans, subsidies, scholarships, etc. The services of FLCs can be utilised for the same.
2	Bengaluru Urban	A specific loan fair for the graduating students should be held on annual basis to promote the education loans for the needy. Lack of information on available schemes and knowledge on banking among the students hinders the credit flow in the sector.
3	Chikkamagaluru	There is a need to spread awareness among students/parents on the Central Sector Interest Subsidy scheme.

18. Housing

Sr. No.	District	Critical Interventions Required
1	Bengaluru Urban	In addition to sanctioning housing loans, banks need to develop a Housing Loan Guarantee Fund by leveraging and linking the loan a/c with insurance
2	Dakshin Kannada	There is a need to create awareness on various government schemes under which subsidies are available to eligible beneficiaries. The district administration should take necessary steps to create such awareness.
3	Haveri	Need for awareness creation among people by banks and district authorities by organizing awareness camps, housing loan mela, participating in property fairs, etc. Also sensitize borrowers on documentation required for housing loan & swift follow-up thereof to avoid delay in sanction of loan.
4	Mandya	Housing loans under PMAY-R/U requires additional funds, which can be explored in coordination with implementing department by the bankers
5	Raichur	Promote affordable housing for needy people through PMAY-Devraj Urs Housing Scheme, Dr. B.R. Ambedkar Nivasa Yojane, Rural Ashraya/Basava Vasathi Yojane.

19. Social Infrastructure

Sr. No.	District	Critical Interventions Required
1	Bagalkote	Tie-up with corporates for using CSR funds for improving infrastructure in schools/ colleges and

Sr. No.	District	Critical Interventions Required
		health Centres as well as creating sanitary facilities.
2	Bagalkote	Primary Health Centres should tie-up with quality hospitals in urban Centres/metros for getting advice on treatment over tele-medicine infrastructure.
3	Bengaluru Urban	FHTC in all the households with pucca house and RCC roof can be explored with bank credit
4	Chikkamagaluru	Primary Health Centers should tie-up with quality hospitals in urban centers/metros for getting advice on treatment over tele-medicine infrastructure. This would resolve the issue of non-availability of quality doctors in local health centers.
5	Chitradurga	Building underground drainage system in the residential areas of Bandravi & other villages of Santhegudda GP area Molakalmur taluk. NABL certified laboratory for testing water and wastewater at district level.
6	Mysuru	Power Infrastructure - Chamundeshwari Electricity Supply Corporation (CESC) needs to improve provision of infrastructure facility through setting up of grids at all hoblis and ensure adequate power for irrigation and agro processing/ small scale sector units with unrestricted supply.
7	Uttar Kannada	Extension of Heble Venkatapur Fisheries Link Road in Bhatkal Taluk

20. Renewable Energy

Sr. No.	District	Critical Interventions Required
1	Bagalkote	Conduct exclusive training of rural youth on maintenance and servicing of solar transmission and creating more awareness about solar lighting, solar pump sets, solar cookers, wind pumps etc.
2	Ballari	As the district has a sizeable number of industries, incentives may be given to industries to adopt renewable sources of energy.
3	Bengaluru Urban and Ramanagara	Extension support by the implementing departments, imparting training to farmers and rural youth on skills for installation and maintenance of bio-gas plants are needed to revive the bio-gas programme. Involvement of NGOs, SHGs and FPOs to disseminate the knowledge about the use of plants and also benefits derived to the rural people are needed to popularize the scheme
4	Belagavi	The State Government/Karnataka Renewable Energy Development Ltd. may undertake policy initiatives to bring awareness amongst the farmers and the rural communities as well as bankers about the benefits of solar energy and other renewable sources of energy through setting up an office at Belagavi district and also on setting up of units on waste being collected in Belagavi district especially in cities and towns.
5	Chikkamagaluru	Banks need to finance individuals for setting up Biogas units.
6	Dakshin Kannada	Deep sea fishing vessels may be encouraged to install solar panels to take care of energy needs for cooking and lighting during their deep-sea fishing trips. This will reduce dependence on fossil fuels.
7	Raichur	Establishment of solar grid, one in each taluk as planned under CDAP.

21. Informal Credit Delivery System

Sr. No.	District	Critical Interventions Required
1	Bengaluru Rural	The focus may be placed on identification/ re-activation of dormant/ inactive groups by providing various capacity building initiatives both to bankers and SHG members. Further, issues pertaining to multiple membership and multiple financing need to be addressed.
2	Bengaluru Rural	Thrust may be given on sustenance of existing groups with focus on quality of SHGs. Banks may introduce regular grading of SHGs. The SHGs need to be provided refresher trainings reiterating the basic tenets group dynamics and proper book keeping.
3	Belagavi	Banks should increase JLG loans under priority sector lending.
4	Chamarajanagara	Identification of potential SHG members including NRLM groups for graduation to micro enterprises and enabling benefits of Government schemes like PMFME, AIF etc.
5	Chitradurga	Banks can also explore funding/refinancing GP Level SHG Federations as the system adopted by them for identification of borrowers, disbursement and recovery of loans is quite good with a loan recovery rate of 98%.
6	Haveri	Simplify the loan application process for SHGs and JLGs, ensuring that it is easy to navigate and understand. Additionally, create more flexible repayment schedules for distressed sections to prevent loan defaults and improve credit uptake.
7	Tumkuru	SHG-BLP needs to address issues such as dormancy / disintegration of SHGs convergence of SHG-BLP with the developmental programmes of Government / development agencies, reduction of NPA levels, etc.

Abbreviations

Abbreviation	Expansion
ACABC	Agri-Clinics and Agri-Business Centre
ACP	Annual Credit Plan
AEZ	Agri Export Zone
AHIDF	Animal Husbandry Infrastructure Development Fund
AMIS	Agriculture Marketing Infrastructure Scheme
APEDA	Agriculture and Processed Food Products Export Development Authority
APMC	Agricultural Produce Market Committee
APY	Atal Pension Yojana
ATMA	Agricultural technology Management Agency
BC	Banking Correspondent
CBS	Core Banking Solution
CWC	Central Warehousing Corporation
DBT	Direct Benefit Transfer
DCC	District Consultative Committee
DCCB	District Central Cooperative Bank
DCP	District Credit Plan
DIC	District Industries Centre
DLRC	District Level Review Committee
ECGC	Export Credit Guarantee Corporation
eNAM	Electronic National Agriculture Market
FI	Financial Inclusion
FIF	Financial Inclusion Fund
FLC	Financial Literacy Centre
FPO	Farmer Producer Organisation
FSS	Farmers Service Society
GLC	Ground Level Credit
GoI	Government of India

Abbreviation	Expansion
ICAR	Indian Council for Agriculture Research
ICT	Information and Communication Technology
IoT	Internet of Things
JLG	Joint Liability Group
KCC	Kisan Credit Card
KVK	Krishi Vigyan Kendra
LAC	Livestock Aid Centre
MEDP	Micro Enterprises Development Programme
MF	Marginal Farmer
MI	Micro Irrigation
MIDH	Mission for Integrated Development of Horticulture
MNREGS	Mahatma Gandhi National Rural Employment Guarantee Scheme
MoFPI	Ministry of Food Processing Industries
MPCS	Milk Producers Co-operative Society
MUDRA	Micro Units Development & Refinance Agency Ltd.
NABARD	National Bank for Agriculture and Rural Development
NBFC	Non-Banking Financial Company
NFSM	National Food Security Mission
NGO	Non-Governmental Organization
NHM	National Horticulture Mission
NLM	National Livestock Mission
NMFP	National Mission on Food Processing
NRLM	National Rural Livelihood Mission
PACS	Primary Agricultural Cooperative Society
PHC	Primary Health Centre
PLP	Potential Linked Credit Plan
PMEGP	Prime Minister's Employment Generation Programme
PMFBY	Pradhan Mantri Fasal Bima Yojana
PMJDY	Pradhan Mantri Jan Dhan Yojana
PMJJBY	Pradhan Mantri Jeevan Jyoti Bima Yojana

Abbreviation

Expansion

PMKSY	Pradhan Mantri Krishi Sinchayee Yojana
PMSBY	Pradhan Mantri Suraksha Bima Yojana
RBI	Reserve Bank of India
RIDF	Rural Infrastructure Development Fund
RKVY	Rashtriya Krishi Vikash Yojana
RNFS	Rural Non-Farm Sector
RRB	Regional Rural Bank
RSETI	Rural Self Employment Training Institute
SAO	Seasonal Agricultural Operations
SAP	Service Area Plan
SBM	Swachha Bharat Mission
SHG	Self Help Group
SHPI	Self Help Promoting Institution
SLBC	State Level Bankers' Committee
STCCS	Short Term Co-operative Credit Structure
TFO	Total Financial Outlay
WDF	Watershed Development Fund
WDRA	Warehousing Development and Regulatory Authority
WSHG	Women Self Help Group

List of the District Development Managers of Karnataka

Sr. No.	District	Designation	Name of the DDM	Mobile Number	E-Mail Address
1	Belagavi	DDM, NABARD	Abhinav Kumar Yadav	9074563026	belgaum@nabard.org
2	Bengaluru (Urban)	DDM(R), NABARD	Amala S Maheswari	8022076564	bangalore.urban@nabard.org
3	Bengaluru (Rural)	DDM(R), NABARD	Ghausia Khan	7982970235	bangalore.rural@nabard.org
4	Mandya	DDM, NABARD	Harshitha B V	6363059791	mandya@nabard.org
5	Ramanagara	DDM, NABARD	Harshitha B V	6363059791	mandya@nabard.org
6	Chamarajanagara	DDM, NABARD	Hitha G. Suvarna	7715977773	chamarajnagar@nabard.org
7	Raichur	DDM, NABARD	Kalavathi.N	9632358662	raichur@nabard.org
8	Chitradurga	DDM, NABARD	Rashmi Rekha M S	9448385762	chitradurga@nabard.org
9	Tumakuru	DDM, NABARD	Keerthi Prabha N.	9845718270	tumkur@nabard.org
10	Chikkaballapura	DDM(R), NABARD	K Mohan Sai Ganesh	8792537745	chikkaballapur@nabard.org
11	Kalaburagi	DDM, NABARD	Lohith P	9686933823	gulbarga@nabard.org
12	Yadgir	DDM, NABARD	Lohith P	9686933823	gulbarga@nabard.org
13	Gadag	DDM, NABARD	M Mahadev Kirthi	8756299875	gadag@nabard.org
14	Koppal	DDM, NABARD	M Mahadev Kirthi	8756299875	gadag@nabard.org
15	Hassan	DDM, NABARD	Malini Suvarna	8867655761	hassan@nabard.org
16	Bagalkote	DDM, NABARD	Manjunath Reddy S	9148007222	bagalkot@nabard.org
17	Dharwad	DDM, NABARD	Mayur Kamble	9449410519	dharwad@nabard.org
18	Kodagu	DDM, NABARD	Ramesh Babu V	9321131677	kodagu@nabard.org
19	Haveri	DDM, NABARD	Ranganath S	6363877282	haveri@nabard.org
20	Davangere	DDM, NABARD	Rashmi Rekha M S	9987713016	davangere@nabard.org
21	Chikkamagaluru	DDM, NABARD	Rejis Emmanuel KS	8277015816	chikmagalur@nabard.org
22	Dakshina Kannada	DDM, NABARD	Sangeetha S Kartha	8547702196	dakshinakannada@nabard.org



Karnataka, SFP 2025-26

23	Udupi	DDM, NABARD	Sangeetha S Kartha	8547702196	dakshinakannada@nabard.org
24	Mysuru	DDM NABARD	Shantveer	7019581380	mysore@nabard.org
25	Kolar	DDM(R) NABARD	Sharada D Ghetla	7900047888	kolar@nabard.org
26	Shivamogga	DDM, NABARD	Sharath Gowda P	9731327777	shimoga@nabard.org
27	Uttara Kannada	DDM NABARD	Sushil Laxman Naik	9987081509	northkanara@nabard.org
28	Vijayapura	DDM, NABARD	Vikas Rathod	8055441073	bijapur@nabard.org
29	Bidar	DDM, NABARD	Vishnuvardhan Rampur	7411297343	bidar@nabard.org
30	Vijayanagar	DDM, NABARD	Yuvarajkumar R S	9738913706	bellary@nabard.org
31	Ballari	DDM, NABARD	Yuvarajkumar R S	9738913706	bellary@nabard.org

NABARD Subsidiaries



NABSAMRUDDHI FINANCE LIMITED

A Subsidiary of NABARD

<ul style="list-style-type: none"> Predominantly a B2B finance NBFC subsidiary of NABARD, catering to the non-agriculture sector with an ESG focus. Focus Segments: <ul style="list-style-type: none"> ➤ Green Finance & Wellness (WASH Renewable Energy, Green Mobility Healthcare) ➤ Fabrics & Textiles ➤ Handicrafts Value Chain 	NSFL in WASH Emerged as an Eco-system builder and champion of WASH funding, being the <ul style="list-style-type: none"> largest wholesale debt providing NBFC for SDG6 largest wholesale debt funder for last mile WASH pioneer in climate ready WASH funding, and only NBFC covering all sectors and risk spectra under WASH.
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Corporate Office

NABARD, Gr. Floor, 'D Wing', Plot No. C-24, G Block, BKC, Bandra(East), Mumbai-400051

☎: 022-2653-9693

✉: nabsamruddhi@nabard.org

Registered Office

NABARD Regional Office, 1-1-61, RTC 'X' Road P.B. No. 1863, Hyderabad- 500020

☎: 040-23241155/56

🌐: www.nabsamruddhi.in



NABKISAN FINANCE LIMITED

A Subsidiary of NABARD

<ul style="list-style-type: none"> Largest lender in FPO space Present in 21 States and 3 UTs including North East 3000+ FPOs credit linked Collateral free lending at affordable rates Soft loan for Agri Startups 	<ul style="list-style-type: none"> Financing FPOs through <ul style="list-style-type: none"> ➤ Working Capital ➤ Term Loan ➤ Pledge Financing (eNWR) Term lending for Corporates/ NBSCs/ MFIs
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Corporate Office

C/o NABARD, Head Office, Mumbai

☎: 022-26539620/9514

✉: corporate@nabard.org

Registered Office

C/o NABARD, Tamil Nadu RO, Chennai

☎: 044-28270138/28304658

✉: finance@nabkisan.org, 🌐: www.nabkisan.in



NABFINS LIMITED

A Subsidiary of NABARD

<ul style="list-style-type: none"> A Non deposit taking systemically important NBSC-MFI-Middle Layer advancing hassle free services to the low-income households with the vision to become model MFI in the country Operating with 401 Branches in 238 districts across 18 states and 1 UT with active client base of appx. 12 lakh active borrowers. Financial product offered: Direct Lending to micro finance loans, Traders and Institutional loans 	<ul style="list-style-type: none"> Timely and adequate credit without collateral Affordable interest rate in the sector Insurance facility to borrowers and co-obligants Doorstep delivery of financial services
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Registered Office: 3072,14th Cross, K.R. Road, Banasjankari 2nd Stage, Bengaluru- 560 070, Karnataka, India ☎: 080-26970500 ✉: ho@nabfins.org 🌐: www.nabfins.org



NABARD Consultancy Services Private Limited (NABCONS) A wholly owned Subsidiary of NABARD

- Project Management Consultancy
- IT Based Natural Resources Information System
- Feasibility, Socio-economic & Impact Evaluation Studies
- Third Party Monitoring

- Climate Change & Sustainability
- Value Chain Development
- Skill & Livelihood Development
- Preparation Detailed Project Reports (DPRs)
- Transaction Advisory Services

OFFERS CONSULTANCY AND ADVISORY SERVICES

Pan India Presence
with offices in 31
State/UTs

Registered Office: NABARD, 3rd Floor, C Wing, Plot No. C-24, G-Block, BKC, Bandra (E), Mumbai – 400051 ☎: 022-26539419 ✉ : headoffice@nabcons.in
Corporate Office: NABCONS, 7th Floor, NABARD Tower, 24 Rajendra Place, New Delhi – 110125
☎: 011-41538678/25745103 🌐 : www.nabcons.com



NABSanrakshan Trustee Private Limited Building Trust for Rural Prosperity

- NABSanrakadhan, a wholly owned subsidiary of NABARD, offers Credit Guarantee against the credit offered by the Eligible Lending Institutions (ELIs), through the Trusts (Funds) under its Trusteeship.
- Two sovereign Credit Guarantee Schemes offered are:
 - Credit Guarantee Scheme for FPO Financing (CGSFPO) – provides credit guarantee for collateral free credit facility upto Rs. 2 crore to FPOs (including loans to FPOs under AIF)
 - Credit Guarantee Scheme for Animal Husbandry and Dairying (CGSAHD)- provides credit guarantee to MSMEs and Dairy Cooperatives
- More than 1500 FPOs provided credit guarantee till 31st March 2024, covering nearly 13.67 lakh farmers across 23 States
- Operations carried through Credit Guarantee Portal

Registered Office C- 24, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051
☎: 022- 2653-9243/ 9241 ✉ : ho@nabsanrakshan.org 🌐 : www.nabsanrakshan.org



NABVENTURES LIMITED

A wholly owned Subsidiary of NABARD

- NABVENTURES Ltd. is incorporated as a public company registered under the Companies Act, 2013 in April 2018 to manage Alternative Investment funds(AIF), with a paid-up capital of INR 25 crore.
- NABVENTURES, Fund I scheme I is the maiden flagship venture equity fund of NABVENTURES Ltd with a corpus of INR 598 crore.
- As of 31 March 2024, NABVENTURES Fund I has invested in 14 startups related to the Agriculture, Rural, Food, and Finance sectors.
- NABVENTURES Ltd is also acting as an Investment Manager to AgriSURE Fund- 'Agri Fund for Start-Ups and Rural Enterprises', a SEBI-registered Cat-II AIF.
- Agri SURE Fund is set up to support innovative, technology-driven, high-risk, high-impact activities in agriculture and rural Start-ups ecosystem.
- The total corpus of AgriSURE Fund is ₹750 crore.

Registered Office: NABARD, 8th Floor, C Wing, Plot No. C-24, G Block, BKC, Bandra (East), Mumbai-400051 ☎: 022-26539149 ✉: nabventure@nabard.org 🌐 : www.nabventure.in



NAB FOUNDATION

Leveraging the power of convergence

NABFOUNDATION is a wholly owned, not for profit, subsidiary of NABARD, established under Sec 8 of Companies Act, 2013. The organization draws its strength and experience from the thousands of development projects grounded by its parent body, NABARD, in multiple domains over nearly last four decades.

WHAT DOES NABFOUNDATION WANT FROM YOU?

IF YOU ARE AN INDIVIDUAL

Reach out to us with your ideas about development projects which you believe need to be implemented. We really look forward to your fresh ideas.

IF YOU ARE A CSR UNIT

Of a corporate and believe that there is a scope for collaborating with us to have access to the vast network of resources of NABARD in a structured manner, just give us a call.

IF YOU ARE A CIVIL SOCIETY ORGANIZATION/NGO

With an idea whose time you think has come and have not been able to find willing partners, reach out to us.

IF YOU ARE WITH THE GOVERNMENT

And believe that there is a need for reimagining implementation of your Central or State government projects, allow us to be a part of your vision.

Registered Office: NABARD, 4th Floor, E Wing, Plot No. C-24, G Block, BKC, Bandra (East), Mumbai-400051

☎: 022-26539404/9054

✉: nabfoundation@nabard.org

🌐 : www.nabfoundation.in

