

# Impact Assessment of APCNF

(Andhra Pradesh Community Managed Natural Farming)

## Kharif-2019-20 Report



**Institute for Development Studies, AP**  
**Engineering College Campus**  
**Andhra University, Visakhapatnam 530003**  
**Phone: +91-9949219613, 08912543366;**  
**August, 2020**

# Impact Assessment of APCNF (Andhra Pradesh Community Managed Natural Farming): Kharif-2019-20 Report

## PROJECT TEAM

*Prof. S. Galab, Project Director*

*Dr. G. Bhaskara Rao*

*Dr. P. Prudhvikar Reddy*

*Prof. C. Ravi*

*Dr. D. S. R. Raju*

*Dr. A. Rajani*



**Institute for Development Studies, AP**

**Engineering College Campus**

**Andhra University, Visakhapatnam 530003**

**Phone: +91-9949219613, 08912543366;**

**August, 2020**

## **ACKNOWLEDGMENTS**

In completion of the Impact Assessment of Zero Budget Natural Farming in Andhra Pradesh, a large number of persons and agencies have helped us. First and foremost, we are grateful to our Chairman Prof. R. Radhakrishna for his encouragement to take up this study and for his insightful comments at every stage of the work.

Special thanks are due to Shri. T. Vijay Kumar, IAS (Retired), Executive Vice Chairman, Rythu Sadhikara Samasta (RySS), Government of Andhra Pradesh for entrusting the project and reposing faith in us. We owe gratitude to Dr.D V Raidu, IAS (Retired), Sri. G. Muralidhar, Dr. C.P. Nagi Reddy, RySS for their active participation, suggestions and continuous support in completion of this project. Our thanks are also due to Dr. (Smt.) Poonam Malakondiah, IAS, Principal Secretary, Department of Agriculture and Cooperation, Government of Andhra Pradesh and Sri. H. Arun Kumar IAS., Special Commissioner, Department of Agriculture and Chief Executive Officer (CEO), RySS, Government of Andhra Pradesh for their support to the study. We thank the other members of the ZBNF team at headquarters.

A number of RySS officials at field level have extended their help in facilitating our fieldwork. District Project Managers in all the thirteen districts in the state and their staff gave all the support we needed to complete the fieldwork. We thank to Community Resource Persons (CRPs), Internal Community Resource Persons (ICRPs), and other staff in all the districts for their help and sharing their insights with us while conducting field survey, especially CCEs.

We profusely thank Prof.Vepa Swarna, Prof.A.Narayanamoorthy, Prof.Kareemulla, Prof.A Venkteswarulu and Prof. J.Ramu Naidu for their support in editing and offering suggestions and comments on the earlier version of the Report.

We acknowledge the services render by Prof. E. Nagabhusana Rao, Sri. C M Reddy, Sri. P. Sam Sanjeev and their colleagues from NSSO and SriNSP Rao, V. BapiRaju, B. Anjaneyulu and V. Nagabhushanam for their staunch support in their respective areas.

All the field supervisory personnel and field investigators have actively participated in the field work with all devotion, commitment and sincerity. CESS supervisory staff also helped the team in data cleaning with at most sincerity. Our special thanks to Mr. K T Shyamsundar, Data

Manager who has effectively monitored and maintained the log of data from different districts besides overseeing the data entry. We also thank Mr.MallikarjunaNaik of AP SC/ST cell located in CESS for creating suitable App for CCEs and his support in continuous monitoring of CCEs with district teams.

We also thank Mrs.Panchakshari, Mrs. Rama Devi, Mrs.Bhushana, and Mrs. Lakshmi for helping us in the completion of the data entry in time and other support activities. Our thanks are also due to Mr. P. Raja Narendra Reddy for his secretarial help.

**Authors**

# *Contents*

List of Tables	vii
List of Figures	vii
Acronyms	ix
<b>Executive Summary</b>	
The study	x
Profile of sample farmers	xi
Impact of biological inputs on farming conditions	xi
Wellbeing and environmental outcomes	xiii
Realized and potential macro benefits	xiv
Challenges and Policy Implications	x
iv	
Policy Implications	xv
<b>Chapter 1: Context, Objectives and Methodology</b>	
1.1. Context	1
1.2. The Conceptual Framework of APCNF	1
1.3. Rythu Sadhikara Samstha (RySS)	4
1.4. The Study	4
1.4.1. Objectives of the study	4
1.4.2. Methodology	5
1.4.3. Data Collection and the Management Process	7
1.4.4. Limitations of the data	7
1.5. Structure of the Report	8
<b>Chapter 2: Adaptation of APCNF by Farmers: some Correlates</b>	
2.1. Introduction	9
2.2. Social Composition	9
2.3. Literacy levels of the sample farmers	11
2.4. Age and primary occupations of sample farmers	12
2.5. Gender distribution of sample	13
2.6. Land ownership and cultivation	14
2.7. Experience in APCNF	17
2.8. Crop wise samples	18
2.9. Crop cutting experiments	19
2.10. Conclusions	22
<b>Chapter 3: Impact of APCNF on Crop Production Conditions</b>	
3.1. Introduction	23

3.2.	Plant Nutrients and Protection Inputs	23
3.3.	Total paid out cost of cultivation and the composition	25
3.4.	Crop Yields	28
3.5.	Gross returns	38
3.6.	Net returns	40
3.7.	Model crops	44
3.8.	Conclusions	45
<b>Chapter 4: Environmental, Health and Well-being Benefits</b>		
4.1.	Introduction	46
4.2.	Improvements in soil quality	47
4.3.	Health outcomes	50
4.4.	Farmers' wellbeing	51
4.5.	Conclusios	54
<b>Chapter 5: Realized and Potential Macro Benefits of APCNF</b>		
5.1.	Introduction	56
5.2.	Project level benefits	56
5.3.	State level potential benefits	59
5.4.	Potential yields under APCNF	62
5.5.	New marketing channels and prices	63
5.6.	Additional employment generation	66
5.7.	Conclusions	69
<b>Chapter 6: Issues, Challenges and Policy Options</b>		
6.1.	Introduction	70
6.2.	Challenges	70
6.3.	Policy Implications	72

## List of Tables

Table 0.1: Rates of changes in important farming indicators, due to APCNF.....	xii
Table 0.2: District-wise No. of APCNF farmers reported environmental, health and economic Benefits .....	xiii
Table 0.3: District-wise number of APCNF farmers reported various issues and challenges .....	xv
Table 1.1: Sample framework of the study .....	6
Table 2.1: District-wise Social composition of APCNF & Non-APCNF sample households.....	10
Table 2.2: District-wise and education-level-wise distribution of APCNF & Non-APCNF sample farmers .....	11
Table 2.3: District-wise distribution of gender category of APCNF and Non-APCNF sample farmers .....	14
Table 2.4: District-wise farmers' categories-wise distribution of APCNF and Non-APCNF sample farmers .....	15
Table 2.5: Farmer category-wise total and average area owned, cultivated and area put under APCNF by APCNF farmers .....	16
Table 2.6: District-wise average area owned, cultivated and put under APCNF by APCNF farmers..	17
Table 2.7: District-wise APCNF start year-wise distribution of APCNF sample farmers.....	18
Table 2.8: Crop-wise and farmer category-wise distribution of APCNF and Non-APCNF sample data .....	19
Table 3.1: Crop wise expenditure on PNPIs under APCNF and Non-APCNF & differences .....	24
Table 3.2: Crop-wise total paid-out costs under APCNF and Non-APCNF and changes .....	27
Table 3.3: Differences in expenditure on major purchased agriculture inputs under APCNF and Non-APCNF.....	28
Table 3.4: Differences between the estimated yields under APCNF and Non-APCNF during Kharif 2019-20 .....	29
Table 3.5: Crop-wise changes in gross returns due to APCNF.....	38
Table 3.6: District-wise changes in gross returns from Paddy crop, due to APCNF.....	40
Table 3.7: Variations in crop-wise net returns under APCNF and Non-APCNF .....	41
Table 3.8: Changes in crop-wise net returns, due to APCNF, under irrigated and rainfed conditions .	42
Table 3.9: District-wise changes in net returns from Paddy crop due to APCNF .....	44
Table 3.10: Average per head benefits from model crops under APCNF (₹).....	45
Table 5.1: Total estimated area under sample crops at APCNF project level .....	57
Table 5.2: Total savings in inputs and costs and increases in output and returns at the project level, due to APCNF.....	59
Table 5.3: State-level potential savings in agri-chemicals and paid out costs and increase in crop output and gross and net returns, due to APCNF.....	61
Table 5.4: Differences between APCNF potential yields and state level yields in the sample crops ...	63
Table 5.5: Percentage of sample crops' output sold through different market channels by APCNF and Non-APCNF farmers .....	64
Table 5.6: Crop-wise total number of labour days used under APCNF & Non-APCNF .....	68

## List of Figures

Figure 1.1: Conceptual Framework for Assessing the Impact of Zero Budget Natural Farming on Farming and Farming community.....	3
Figure 2.1: Age-wise distribution of APCNF & Non-APCNF sample farmers.....	12
Figure 2.2: Distribution of the primary occupations of APCNF & Non-APCNF sample farmers .....	13
Figure 2.3: District-wise number of APCNF and Non-APCNF CCEs conducted.....	20

Figure 2.4: Crop-wise number of APCNF and Non-APCNF CCEs conducted.....	21
Figure 2.5: Irrigation source-wise number APCNF and Non-APCNF CCEs conducted .....	22
Figure 3.1: Crop-wise changes in expenditure on PNPIs under irrigation and rainfed conditions due to APCNF.....	25
Figure 3.2: District-wise changes in the expenditure on PNPIs in Paddy due to APCNF .....	27
Figure 3.3: Crop-wise changes in total cost of cultivation under irrigation and rainfed conditions due to APCNF.....	31
Figure 3.4: District-wise changes in total cost of cultivation of Paddy, due to APCNF.....	31
Figure 3.5: Yields of select crops under APCNF and Non-APCNFduring 2018-19 & 2019-20.....	33
Figure 3.6: Changes in Paddy yields due to APCNF under different irrigation modes.....	33
Figure 3.7: Variations in Cotton yields, due to APCNF, under rainfed and all conditions.....	34
Figure 3.8: Variations in Red gram yields, due to APCNF, under rainfed and all conditions.....	35
Figure 3.9: Variations in Groundnut yields, due to APCNF, under different irrigation conditions.....	36
Figure 3.10: Variations in APCNF and Non--APCNFSugarcane yields under different irrigation conditions.....	37
Figure 3.11: Variations in Paddy yields, due to APCNF, across the select districts.....	37
Figure 3.12: Variations in Cotton yields due to APCNF across select districts.....	43
Figure 4.1: District-wise number of APCNF farmers reported the improvement in soil quality.....	47
Figure 4.2: Perceptions of APCNF farmers about improvement of soil quality .....	48
Figure 4.3: District-wise number of APCNF farmers reported qualitative improvements in their crops .....	49
Figure 4.4: District-wise Proportion of APCNF farmers reported improved health of the family members.....	50
Figure 4.5: District-wise number of APCNF farmers experienced a reduction in expenditure on health .....	51
Figure 4.6: District-wise percentage of sample farmers consuming APCNF food.....	52
Figure 4.7: District-wise APCNF farmers reported APCNF food is tasty.....	52
Figure 4.8: District-wise percentage of farmers liking the farming due to APCNF .....	53
Figure 4.9: District-wise percentage of APCNF sample farmers reported the improved financial position.....	54
Figure 4.10: District-wise number of APCNF farmers reported an increase in their family happiness.....	54
Figure 5.1: Area under sample and other crops in AP: average of 2014-15 to 2018-19.....	60
Figure 5.2: Weighted average prices of APCNF and Non-APCNF crops' outputs .....	66
Figure 5.3: Crop-wise own labour used under APCNF and Non-APCNF & variations .....	67



## Acronyms

AHH	:	Agriculture Household
AP	:	Andhra Pradesh
APCNF	:	Andhra Pradesh Community Managed Natural Farming
ATMA	:	Agriculture Technology Management Agency
AWC	:	Anganwadi Centre
CA	:	Cluster Assistant
CCE	:	Crop Cutting Experiment
CESS	:	Centre for Economic and Social Studies
CRP	:	Community Resource Person
CS	:	Case Study
CSPro	:	Census and Survey Processing System
DES	:	Directorate of Economics and Statistics
DPM	:	District Project Manager
DWAMA	:	District Water Management Authority
FDG	:	Focussed Group Discussion
FPO	:	Farmer Producers Organization
GCA	:	Gross Cropped Area
GCC	:	Girijan Co-operative Corporation
HH	:	Household
IASRI	:	Indian Agricultural Statistical Research Institute
ICRP	:	Internal Community Resource Person
ICT	:	Information and Communication Technology
MGNREGS	:	Mahatma Gandhi National Rural Employment Guarantee Scheme
NAPCNF	:	Non-Andhra Pradesh Community Managed Natural Farming
NGO	:	Non-Government Organization
NPN	:	Non-Pesticide Management
NSSO	:	National Sample Survey Organization
PDS	:	Public Distribution System
PNPIs	:	Plant Nutrients and Protection Inputs
RySS	:	Rythu SadhikaraSamasta
S2S	:	Seed to Seed
SDES	:	State Directorate of Economics and Statistics

SHG	:	Self Help Group
SI	:	Strategic Interview

## Executive Summary

### The study

The objectives of the study are:

1. To observe and measure the changes in expenditure on plant nutrients and protection inputs (PNP), and the total cost of cultivation and net returns from crop cultivation, due to Andhra Pradesh community natural farming (APCNF) projects;
2. To assess the impact of these changes on farm families and the production at the state level
3. To estimate scientifically the changes in the crop yields due to APCNF.
4. To capture the perceptions of the realized and potential benefits of the APCNF in enhancing the crop yields, farm incomes, employment creation at the project level and at the state level.
5. To assess the impact of the APCNF on soil quality and crop output quality
6. To understand the farmers' perceptions about APCNF, in terms of environmental and wellbeing, and
7. To provide insights for mid-course corrections/ improvement and recommendations for policy changes.

The evaluation methodology adopted was what is known as “**with and without**” approach; Wherein the outcomes of a random sample of APCNF farmers cultivating a set of selected crops are compared with the outcomes of a random sample of farmers cultivating the same set of crops using chemical inputs.

The study has been conducted in the late Kharif and early Rabi season of 2019-20. The study has focussed on 13 major crops cultivated across the state, in that period. Household data was collected from 1,422 APCNF farmers, covering 105 villages and 73 mandals from all 13 districts. Similarly, data was collected from 628 non-APCNF farmers, covering 63 villages of 54 mandals from all 13 districts in the state. Qualitative data was collected through focus group discussions (FGDs), strategic interviews (SIs) with the district project managers (DPMs) and case studies (CSs).

Crop cutting experiments (CCEs) were conducted scientifically to get independent and accurate estimates of crop yields under APCNF and Non-APCNF; and the difference between them. A total of 1,762 CCEs were conducted, including 1,231 plots of APCNF crops and 531 plots of control crops.

As the data collection started late, the study has collected data and conducted CCEs for late Kharif sown crops and early Rabi sown crops also. Hence the yield rates are not strictly comparable to typical Kharif yields for some crops. However, these changes do not affect the main objective of the study; i.e., comparison of crop yields, cost of cultivation and returns under APCNF and non-APCNF conditions, at any point of time. The sample size for some crops was small. The result at state level and crop level are most reliable. The estimates at sub-state level (e.g. district level) and sub-crop level (e.g. irrigation and unirrigated) are less reliable for some crops due to small sample size.

## **Profile of sample farmers**

The profile of the sample farmers clearly indicates that RySS has been focusing on the poor and vulnerable sections. The inclusion of SC, ST, women farmers and landless/ leased-in farmers has been higher among APCNF sample vis-à-vis the control sample. Higher incidence of literates and educated farmers, youth and professionals were present among the project-APCNF sample, indicating that APCNF is gaining popularity among the educated or informed farmers, youth and professionals. Contrary to the popular perceptions and deliberately propagated assertions that natural farming is a hobby of the rich, the presence of small and marginal farmers, including leased-in farmers and the allocation of larger proportion of their holdings to APCNF vis-à-vis medium and large farmers, indicates the pro-poor nature of the project. The southern districts, especially Rayalaseema districts, have allocated larger portion of their operational holdings to APCNF. APCNF is gaining acceptance in the southern parts of the state as a low-cost cultivation model, where farmers usually adopt risk averse or low investment agriculture strategies.

## **Impact of biological inputs on farming conditions**

The biological inputs under APCNF and chemical inputs under non-APCNF are, together, referred in this report as plant nutrients and protection inputs (PNPIs). The impact of the biological inputs on major farming conditions, are summarised in Table 0.1. In absolute terms,

by adopting to the biological inputs, the farmers have saved ₹986 per ha in Jowar to ₹83,359 in Chillies in PNPIs due to APCNF. the cost of biological inputs is less than that of chemical inputs by 12.59 percent in Groundnut to 89.87 percent in Chillies. Out of total 13 crops, the expenditure on PNPIs has reduced in 12 crops. It is interesting to know that even though the expenditure on PNPIs is higher, under APCNF, Ragi has recorded highest reduction in total paid out costs. Among all 13 crops, the paid-out costs are less under APCNF, in 12 crops. Only in Sugarcane, the total cost of cultivation is higher under APCNF by 12.72 percent, due to inclusion of the Jaggery preparation and marketing costs, by some APCNF farmers. Out of 13 crops covered in the season, 10 crops have higher yields under APCNF. Out of three crops, viz. Cotton, Maize and Sugarcane, whose yields were low, under APCNF, Sugarcane has recorded higher gross and net returns. The obvious reason is better price realization, due to Jaggery making and marketing. Cotton too has recorded higher net returns under APCNF. Only Maize recorded lower yields, lower gross and net returns. A comparison of the yields of Maize during last two years indicate that the fluctuations under APCNF have been quite low, by about 15 times.

**Table 0.1: Rates of changes in important farming indicators, due to APCNF**

*In percentages*

<b>Crop</b>	<b>PNPIs</b>	<b>Paid out costs</b>	<b>Crop yields</b>	<b>Gross returns</b>	<b>Net returns</b>
Paddy	-64.86	-19.22	5.85	13.14	65.73
Groundnut	-12.59	-9.08	0.94	5.53	23.81
Cotton	-74.63	-35.97	-2.92	-3.11	165.65
Bengal gram	-62.39	-33.45	1.7	13.73	181.9
Black gram	-48.08	-20.51	23.24	25.21	67.08
Maize	-56.72	-18.47	-11.34	-10.97	-5.26
Red gram	-58.83	-33.3	6.24	19.64	361.43
Chillies	-89.87	-25.77	8.98	11.77	39.58
Jowar	-14.08	-1.89	10.41	11.28	23.51
Sugarcane	-43.26	-3.32	-1.12	8.33	18.81
Ragi	18.8	-41.93	23.28	18.08	49.36
Onion	-74.4	-39.07	9.35	24.67	43.06
Turmeric	-67.72	-31.27	9.7	10.26	26.2
<b>Max of above</b>	<b>18.8</b>	<b>12.72</b>	<b>23.28</b>	<b>25.21</b>	<b>361.43</b>
<b>Min of above</b>	<b>-89.87</b>	<b>-41.93</b>	<b>-11.34</b>	<b>-10.97</b>	<b>-5.26</b>

Source: IDS Field Survey, 2019-20

The analysis of variations due to APCNF, under irrigation and rainfed conditions, broadly indicates that APCNF is more effective in reducing the cost of production under irrigation conditions; and increasing the yields, gross and net returns under rainfed conditions. The

plausible reason could be that farmers usually invest more under irrigation conditions and the scope for reduction in cost of cultivation is higher. As the farmers invest less and get low yields under rainfed conditions, the scope for increase in the yields and returns is very high under those conditions. Ragi is one good example. The district wise analysis of Paddy crop indicates that the poorer and interior districts too have reaped handsome gains due to APCNF.

More than 440 sample APCNF farmers have reported their experience in the model crops. The average benefits from model crops is ₹5,422 per farmer. As these interventions were initiated recently, many trees are too young to yield the expected benefits. In the coming years, the economic and environmental benefits from some of these models will increase manifolds.

## Wellbeing and environmental outcomes

Overwhelming percentages of farmers have reported several economic, health and environmental benefits due to APCNF; such as increase in soil quality, increase in crop resilience to weather anomalies, perceptions about farming, reduction in family health expenditure, improvement in family financial condition, etc. (Table 0.2).

**Table 0.2: District wise No. of farmers reported environmental, health and economic benefits**

District	<i>In percentages</i>					
	Soil quality improved	Like to continue farming	APCNF produce is tastier	Crop resilience increased	Financial condition improved	Reduction in health expenditure
Anantapuramu	100	100	96	49	66	93
Chittoor	100	100	98	34	70	100
East Godavari	99	100	93	43	97	100
Guntur	87	100	87	12	78	88
YSR Kadapa	93	99	58	41	51	74
Krishna	92	100	90	26	79	86
Kurnool	97	100	93	54	83	89
PSR Nellore	67	100	80	80	40	80
Prakasam	77	100	85	52	42	74
Srikakulam	98	99	81	84	34	94
Visakhapatnam	96	100	82	8	15	84
Vizianagaram	96	98	95	4	92	98
West Godavari	100	100	83	39	55	99
Andhra Pradesh	94	100	86		63	89

Source: IDS Field Survey, 2019-20

## **Realized and potential macro benefits**

During the Kharif 2019-20, APCNF, at the project level, has prevented the use of ₹475.49 cr worth fertilisers and ₹244.85 cr worth pesticides. These savings have resulted in the larger environmental and health benefits. The project has enabled the APCNF farmers to save ₹577.40 cr in total paid out costs and realize ₹1,152.21 cr additional net returns; i.e., ₹19,866 per APCNF farmer. Had the entire crop area in the state put under APCNF, the GDP from the crop sub-sector would have increased by about 10 percent. When compared with normal yields achieved in the state during last five years, APCNF yields are higher by substantial margins in 12 out of 13 sample crops. The average yields of top 10 performers of APCNF indicate a huge potential to increase the crop yields. Some of the APCNF farmers, on their own, sold their produce in new market channels and realized higher prices.

In total, APCNF project has generated 54,50,364 days of additional employment for the own labour, but resulted in the net loss of 2,34,752 days of employment for the hired labour. The major reason is the nature of the preparation of biological inputs, which involves smaller tasks such as collection and gathering of inputs spreading over the entire crop cycle. All these tasks require personal care, as this agriculture is subjected to natural biological processes. The tasks involve collection of cow dung, cow urine, leaves. Further, cleaning, grading, storing of raw materials/ inputs; soaking; drying; grinding; mixing; fermenting; etc., are scattered over several days. All these works have to be performed by the family members only. Thus, availability of the family labour may be a potential constraint in the expansion of APCNF in the coming years. RySS may ponder on this issue rather seriously. However, the positive feature of APCNF is that it is resulting in improved financial, health and environmental outcomes. The question to ask is “Will these improvements halt and reverse the youth migration from agriculture in the state?”

## **Challenges and Policy Implications**

There are certain issues and challenges, which need attention of the RySS. They include fluctuations in yields of certain crops, shortage of labour and especially, family labour, marketing, preparation and use of biological inputs, etc. District wise number of farmers, who reported various issues and challenges are shown in Table 0.3. They have pointed three major issues, viz., challenges in preparation/ procuring and application of the biological inputs, output marketing and shortage of labour, including own labour. Though the project has resulted in a marginal decline in the demand for the hired labour, the total labour absorption went up, with worker productivity gains. In any case, there is an overall shortage of labour in agriculture. There are marked variations across the district in the percentage of farmers reporting various

issues and challenges. There is less variation in the responses to those challenges, across farm categories.

**Table 0.3: District wise number of farmers reporting various issues and challenges**

*In percentages*

District	Scarcity of labour	Scarcity of family labour	Marketing	Scarcity of Desi cow	knowledge gap	Procurement of inputs	Others
Anantapuramu	24.00	8.00	23.00	26.00	3.00	12.00	4.00
Chittoor	-	-	-	100.00	-	-	-
East Godavari	4.72	12.26	37.74	17.92	6.60	17.92	2.83
Guntur	17.62	11.89	33.20	18.85	6.97	8.61	2.87
Krishna	14.64	12.86	25.36	25.00	11.43	7.86	2.86
Kurnool	7.61	3.80	15.76	40.22	5.98	22.83	3.80
Prakasam	14.29	10.60	21.66	20.28	8.76	14.75	9.68
PSR Nellore	16.58	10.88	21.76	20.73	4.66	7.77	17.62
Srikakulam	2.34	12.87	69.59	9.94	0.58	1.75	2.92
Visakhapatnam	4.08	4.08	61.22	4.08	-	26.53	-
Vizianagaram	37.50	25.00	12.50	-	-	12.50	12.50
West Godavari	3.08	2.31	47.69	45.38	0.77	-	0.77
YSR Kadapa	20.11	13.23	29.10	15.34	4.76	12.70	4.76
Andhra Pradesh	12.48	9.89	31.07	25.17	5.64	10.56	5.18

Sources:IDS Field Survey, 2019-20

## Policy Implications

1. Promotion of the PMDS is one of the best strategies to improve the soil quality and crop yields. However, it is a bit challenging under labour, particularly family labour, scarcity conditions.
2. Tree based farming is one of the best options to enhance soil quality, micro environment, and crop yields, especially in the completely degraded soils and harsh environment like Anantapuramu. Hence, allow and facilitate the farmers to grow forest species- trees, shrubs, herbs and creepers, which give timber, high value wood, poles, medicinal products, cosmetics, spices, wild fruits, wild vegetable, etc. ***These species and operations need very little hired and family labour*** and give a steady flow of products, services and income perpetually. ***Introduction of forest species in the farmers' fields need the abolition of the Forest Department's monopoly on, and, need for permissions for, rising, harvesting and marketing of all the forest species. The Government may provide the carbon credits or cash payments for carbon sequestration services to the farmers who grow the trees on their fields.***

3. Introduce the SRI as one of the supplementary measures under canal irrigated areas and flood irrigation crops and conditions, to boost the crop yields.
4. Facilitation of the production and supply of biological inputs on commercial basis will reduce the need for family labour.
5. Another option is facilitating and encouraging the formation of farmers groups and share their labour, just like SHG groups share their savings.
6. The tree-based farming, if promoted, will improve soil quality and micro environment naturally and reduce the need for frequent application of the biological inputs.
7. RySS may facilitate the procurement of APCNF products for the Public Distribution System (PDS), School Mid-day Meals, Anganwadi centres, etc.
8. GCC may be involved in the marketing of APCNF produce.
9. Special arrangements/ agreements may be facilitated between APCNF farmers and big malls and online markets. This naturally requires organization of APCNF farmers into associations/ organizations. The SHG institutions may also be roped in for simple agri-products/ food processing such as cleaning, grading, grinding, deseeding, shelling, packing, etc.
10. As and when the medicinal plants and cosmetic related plants are introduced in the farming systems, simultaneously, their processing and marketing interventions have to be initiated.
11. There is a crucial need for a complete integration or a close coordination of all departments dealing with natural resources such as agriculture, rural developments, animal husbandry, forestry, civil supplies, etc. Such integration enables the RySS/ field staff to share their resources and responsibilities for the productive/ fruitful engagement with the farmers and for the rapid expansion of the program/ project.



# **Chapter 1: Context, Objectives and Methodology**

## **1.1. Context**

Agriculture in Andhra Pradesh, and also in whole of India, has been in crises. Farmers have been distressed, which has been manifested in the relentless suicides of the farmers. Over three lakh farmers have committed suicides in the country since mid-1990s. About 40,000 farmers have committed suicides in the combined Andhra Pradesh (AP) alone between 1995 and 2014. Further, about 1,000 farmers and agriculture labourers have committed suicides; since 2014 in the newly reorganized state of Andhra Pradesh. Understanding the significance of agriculture sector in the overall economic development, both the Government of Andhra Pradesh and Government of India have been providing enormous support for the development of the agriculture and welfare of the farmers since beginning of the planning process. The successive governments at the Centre and State have been investing heavily on the agriculture infrastructure and spending thousands of crores of rupees in the form of agriculture input subsidies, farm incentives and farmers' welfare schemes. The welfare schemes include free/subsidized power, irrigation subsidy, fertilizer subsidies, price support, and loan waivers. Further cash transfers such as Prime Minister Kisan Samman by the Government of India and Rythu Bharosa in AP farmers' support programs provide some relief to the agriculture sector and farming community. However, most of these schemes and programs are implemented without addressing the root cause of the fundamental problems faced by the farm sector.

In this context, the Andhra Pradesh Community Managed Natural Farming (officially abbreviated as APCNF), which was launched in 2016 in AP, is a paradigm shift in agricultural development in the state and also in the country. For the first time in the country, a (state) Government has acknowledged and admitted the pitfalls of seed-water-fertilizer models, namely – the 'Green Revolution' and proposed to replace it with community managed natural farming.

## **1.2. The Conceptual Framework of APCNF**

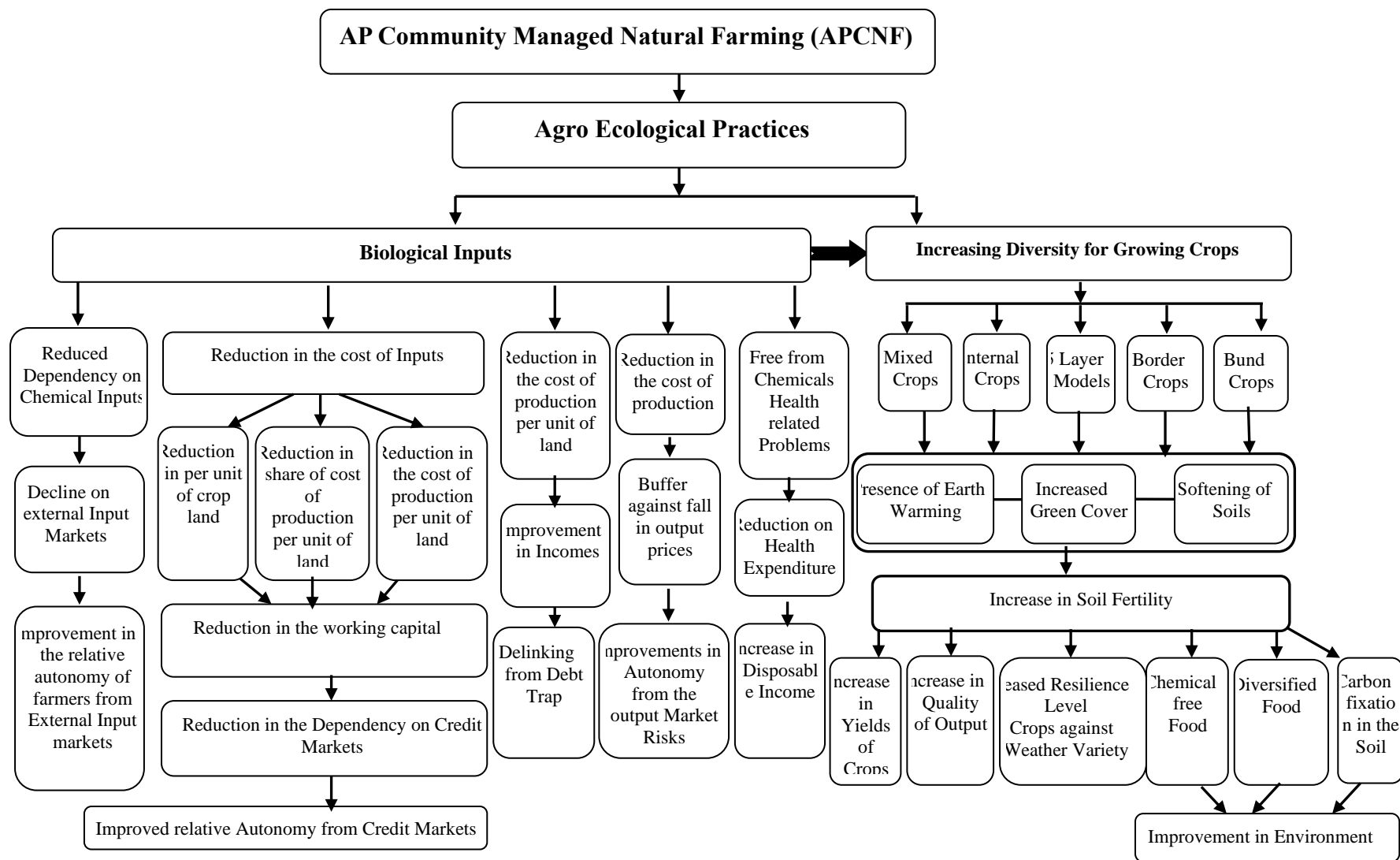
APCNF is an agri-ecological farming approach. APCNF believes that the soil already has all the nutrients necessary for plant growth. There is no need for adding any external inputs to supply nutrients. Instead, the existing nutrients have to be released and made available for the plants. APCNF facilitates this process. Beejamrutham (treating of seeds with microbial), Jeevamrutham (incorporation of microorganism into soils), Achadana (mulching), and

Waaphasa (aeration) are the four core APCNF farming practices. In order to protect crops from pests and insects, APCNF prescribes a number of natural fungicides and pesticides, known as Kashayams and Asthrams, made from locally available ingredients like neem leaves, chillies, garlic, tobacco, sour buttermilk, etc.

Diversification of cropping pattern is another key feature of APCNF. Under APCNF, different crops are intensively grown in a variety of ways. These include crop rotation, mixed cropping, internal cropping, border cropping and bund cropping, pre-monsoon dry sowing (PMDS) cropping, etc. One of the great innovations under this intervention is the introduction of multitier cropping models, known as 5-layer model and 7-layer model. Under these models, different varieties of fruit trees, vegetables and seasonal crops are grown on the same plot. These models have several advantages. They optimize the horizontal, vertical and temporal use of the land. Different layers of crops access the soil moisture and nutrients at different times and from different layers in the soil. The need for human labour is staggered; and it optimizes the family labour use. Farmers get higher and stable net incomes, throughout the year.

APCNF is expected to yield benefits, in two streams, viz., economic and ecological benefits. The economic benefits include reduction in cost of cultivation, increase in net returns from cultivation, reduction in input and credit market dependencies, and output fluctuations/ slumps. The environmental benefits include improvement in the soil quality, enhancement of environmental services. Food quality, improves as food is free from poisonous chemical residuals. The APCNF model, with different streams of benefit flows, is depicted in the Figure 1.1.

**Figure 1.1: Conceptual Framework for Assessing the Impact of Zero Budget Natural Farming on Farming and Farming community**



Source: Adapted from Galab, S, et al (2020)

### **1.3. Rythu Sadhikara Samasta (RySS)**

Rythu Sadhikara Samasta (RySS), Department of Agriculture of Government of Andhra Pradesh has been implementing the APCNF across the state. The programme is getting widespread acceptance from the farming community. The number of participant-farmers and area under APCNF has been growing. There are 17,491 APCNF farmers spread over 1,000 villages across all the 13 districts of the state as per the 2017-18 data of RySS. They are growing 72 different crops. During Kharif 2019-20, about 5.8 lakh farmers have registered with RySS to practice APCNF across the state. The RySS target is to cover all the farmers and entire cropped area in the state under APCNF.

To validate the impact of the APCNF on the farming and farming community in the state, through an independent agency, and to get policy inputs, RySS has assigned this study to Institute for Development Studies Andhra Pradesh (IDSAP).

### **1.4. The Study**

The main objective of the APCNF is to make agriculture economically viable, agrarian livelihoods profitable and climate-resilient. APCNF aims at reduction in cost of cultivation, enhance yields, increase incomes, reduce risks, and protect the farming and farmers from uncertainties of climate change by promoting the adoption of an agri-ecology framework. It is expected that APCNF would result in substantial reduction in the expenditure on plant nutrients and protection (PNP), due to replacement of the very expensive and harmful chemical inputs with the inexpensive and benevolent biological inputs. The reduction in PNP expenditure, in turn, is expected to reduce the total cost of cultivation; and result in the higher net returns from crop cultivation. APCNF is also expected to improve the quality of natural resources, especially the soil quality, and the quality of the environmental services. The mandate of the present study is to assess the impact, and to provide the insights for mid-course corrections, and to provide facts and figures for the advocacy.

#### **1.4.1. Objectives of the study**

1. To measure the changes in expenditure on PNP, total cost of cultivation and net returns from crop cultivation, due to APCNF; and impact of these changes.

2. To estimate scientifically the changes in the crop yields due to APCNF.
3. To learn the impact of the APCNF on soil quality
4. To know the qualitative changes in the crop output due to APCNF
5. To understand the farmer's perceptions about APCNF, in terms of environmental and health benefits, and
6. To provide insights for mid-course corrections/ improvement and recommendations for policy changes.

### **1.4.2.Methodology**

The evaluation methodology is based on what is known as “**with and without**” approach wherein the outcomes of a random sample of APCNF farmers cultivating a particular crop are compared with the outcomes of a random sample of farmers cultivating the same crop using chemical inputs.

The study has been conducted in the Kharif season of 2019-20, including late sown Kharif crops and early sown Rabi crops during the year. The field data was collected between 19<sup>th</sup> November 2019 and 29<sup>th</sup> February 2020. Over 70 crops are being cultivated under APCNF in the state. However, most of these crops are horticulture and floriculture crops, covering smaller areas. The study has focussed on 13 major crops cultivated across the state, during the study period. The crops include: (1) Paddy, (2) Maize, (3) Bengal gram, (4) Groundnut, (5) Cotton, (6) Jowar, (7) Chillies, (8) Black gram, (9) Ragi, (10) Red gram, (11) Sugarcane, (12) Onion and (13) Turmeric.

The study has planned to collect the quantitative as well as qualitative data to assess the impact of APCNF on farming community.

It is planned to select a sample of 10 villages per district, randomly from the identified universe of the villages. The universe of villages is all those project villages, and each village therein has at least 10 APCNF farmers, cultivating at least one of the identified sample crops. Total 130 project villages were selected. From these 130 sample project villages, it is proposed to cover 1,430 APCNF farmers; including 1,040 cross section sample, 260 panel sample and 130 best farmers. Further, 65 non-project/ control villages were selected, at the rate of five villages per district. These villages are close to sample project villages, but not affected by the APCNF interventions and practices in the neighbourhood. From these 65 control villages, total 650 control farmers were selected. A listing survey of all the households in the sample villages has been conducted to generate the universe of APCNF farmers and Non-APCNF farmers to draw the sample. It is planned to collect the data uniformly from all 13 district in state. But, as

per the advice of RySS, sample collection across the districts were adjusted, depending on the progress of the implementation of APCNF project across the state, so that the minimum representative sample from each of all agri-climatic zones is covered. Household data is collected from 1,422 APCNF farmers, covering 105 villages and 73 mandals from all 13 districts. Similarly, data is collected from 628 non-APCNF farmers, covering 63 villages of 54 mandals from all 13 districts in the state. All the data collected from the control sample farmers were used for cross section analyses. Similarly, all the APCNF data including the panel and best farmers' data has been used in this report.<sup>1</sup>

It was planned to collect the qualitative information through three methods, viz., focus group discussions (FGDs), strategic interviews (SIs) with the district project managers (DPMs) and case studies (CSs). In total, it was planned to conduct 104 FDGs, including 39 for the control sample groups, 130 CSs and 13 SIs. Due to late start of the survey and Covid 19 related lockdown and travel restrictions, lesser number of FDGs, SIs and CSs were completed. The sample frame is shown in Table 1.1.

**Table 1.1: Sample frame work of the study**

Type of sample	Sample Unit	KHARIF			
		APCNF		Non APCNF	
		No. of villages	Sample Size	No. of villages	Sample Size
Cross Section Sample	Per District	8	80	5	50
	State Total	<b>104</b>	<b>1,040</b>	<b>65</b>	<b>650</b>
Panel Study Sample	Per District	2	20	0	0
	State Total	<b>26</b>	<b>260</b>	<b>0</b>	<b>0</b>
Best Farmers Sample	Per District	0	10	0	0
	State Total	<b>0</b>	<b>130</b>	<b>0</b>	<b>0</b>
Quantitative Sample	Total		<b>1,430</b>		<b>650</b>
Qualitative Studies	Total case studies		<b>130</b>		0
	Total Strategic interviews		<b>13</b>		0
	Total FDGs in the State		<b>65</b>		<b>39</b>

*Sources:* DS, 2019: Project Inception Report

Crop cutting experiments were conducted scientifically to get independent and correct estimates of yields of crops under APCNF and Non-APCNF; and the difference between them. For each of the selected farmer, a plot of the land of farmer, where the farmer is growing the major crop, is identified. From this parcel of land, a plot of *size as required by the procedure* has been selected at random for estimating yield through crop cutting experiments (CCEs). It is to be noted that the study has adopted standard methodology of Indian Agricultural Statistical Research Institute (IASRI), which is followed by NSSO and Directorate of Economics and

<sup>1</sup> The panel and best farmers' data is also being used internally by RySS and other reports of IDS.

Statistics (DES) of Andhra Pradesh for conducting CCEs. It is planned to conduct at least one CCE with each sample farmer. However, due to late start of survey, CCEs could not be completed as per the plan. Total 1,762 CCEs were conducted; including 1,231 APCNF crops and 531 control crops. In the report, unless stated otherwise, the yields obtained through CCEs were used in all tables and calculations such as gross and net returns.

### **1.4.3.Data Collection and the Management Process**

Total seven research tools, viz: (1) Household listing schedules, (2) Village listing schedule (3) Questionnaire for APCNF HHs, (4) Questionnaire for Non-APCNF HHs, (5) Checklist for FDGs, (6) Checklist for Case Studies, and (7) Checklist for Strategic Interviews, were prepared. These instruments for all field-based evaluations have in-built checks with appropriate skip patterns over and above the supportive manual with instructions and clarification for all questionnaires. The research tools were finalized through a series of brainstorming consultations.

An intensive training and field testing were carried out, to train the field investigators and supervisors during November 11 to 15 at the Nagarjuna University, Guntur. The actual field survey had commenced on 19<sup>th</sup> November 2019 and continued up to the end of February 2020. Senior core team members visited the field regularly and supported the field team.

A separate mobile-based app was developed/ generated to enter the CCEs' information; and training was given to all the supervisors, after duly installing the app in their mobiles. Senior team members visited the field and cross-checked the information filled. The data entry programme was written in CSPro software and used for data entry and processing.

### **1.4.4.Limitations of the data**

As the data collection started late, the study collected data and conducted CCEs for late Kharif sown crops and early Rabi sown crops. Hence the yield rates are not strictly comparable to typical Kharif yields for some crops. However, such adjustment in the seasons' period does not affect the main objective of the study; i.e., comparison of crop yields, cost of cultivation and returns under APCNF and non-APCNF condition. The sample size for some crops is small. The results at state level and crop level are most reliable. The estimates at sub-state level (e.g.

district level) and sub-crop level (e.g. irrigation and unirrigated) are less reliable for some crops. Hence, analysis was limited to a few crops.

## **1.5. Structure of the Report**

The context, objectives and methodology of the study have been presented in Chapter 1. Chapter 2 describes the profile of sample households. The parameters used include social composition, literacy levels, gender, land ownership, operational area, year of enrolment in APCNF, etc. Chapter 3 consists of the analyses of the impact of biological input on the production conditions of farmers. It includes changes in expenditure on PNP, total paid out costs, crop yields, gross and net returns. The environmental and health benefits of the APCNF are presented in Chapter 4. The potential benefits APCNF, such as best farmers' yields, macro estimates, expected changes over time in yields and farm returns, employment generation, emerging marketing channels, etc. have been analyzed in chapter 5. Chapter 6 discusses the issues and challenges and gives policy suggestions.



# Chapter 2: Adaptation of APCNF by Farmers: some Correlates

## 2.1. Introduction

In this chapter the profile of sample project households and controlled households are discussed. The parameters considered in this chapter include – social categories, land ownership categories, operational holding size, literacy levels, gender categories, years of involvement in APCNF, extent of area put under APCNF, etc. District wise analysis is also carried in these parameters. The sample used in this report constitutes 1,422 project participants and 628 control participants. In total 1,712 APCNF and 865 non-APCNF samples of 15 crops, including a couple of Green Gram and Other Vegetables, were collected. In 1,701 APCNF and 853 non-APCNF crop data of 13 crops, viz. (1) Paddy, (2) Maize, (3) Red Gram, (4) Groundnut, (5) Cotton, (6) Jowar, (7) Bengal Gram, (8) Black Gram, (9) Ragi, (10) Sugarcane, (11) Chilies, (12) Onion, and (13) Turmeric, were used in this report.

The major objectives of this chapter are:

1. To know the spread of the APCNF among different categories of farmers.
2. To understand the effectiveness of APCNF strategy on the poor and vulnerable sections.

## 2.2. Social Composition

Out of total 1,422 APCNF sample farmers, 180 (12.66 percent) are Scheduled Castes (SC), 235 (16.53 percent) are Scheduled Tribes (ST), 636 (44.73 percent) are Backward Communities (BC) and 371 (26.09 percent) are Open/ Other Categories (OC). Out of total 628 non-APCNF sample, 50 (7.96 percent) are SC, 87 (13.85 percent) are ST, 310 (49.36 percent) are BC and 181 (28.82 percent) are OC (Table 2.1). *Higher proportion of SC and ST in APCNF sample vis-à-vis that of non-APCNF sample indicates the positive bias of the project towards the poor and vulnerable sections.* In the APCNF sample, SC farmers are concentrated in Krishna and Kurnool districts; ST farmers are concentrated in north coastal districts of Visakhapatnam, Vizianagaram and Srikakulam, and also East Godavari. On the other hand, a greater number of BCs are found in Kurnool, Srikakulam, Vizianagaram, Visakhapatnam, Anantapuramu, and

Krishna districts. The proportions of OCs are high in YSR Kadapa, Kurnool, Anantapuramu, East Godavari, West Godavari and Prakasam districts.

**Table 2.1: District wise Social composition of APCNF and Non-APCNF sample households (in number&percentages)**

District	APCNF					Non-APCNF				
	SC	ST	BC	OC	Total	SC	ST	BC	OC	Total
Anantapuramu	10	5	50	34	99	1	0	34	15	50
Chittoor	8	0	40	13	61	9	1	12	8	30
East Godavari	4	31	32	32	99	0	20	19	11	50
Guntur	18	10	44	28	100	14	3	17	16	50
YSR Kadapa	19	1	37	75	132	2	0	13	35	50
Krishna	42	0	49	27	118	14	0	23	13	50
Kurnool	37	8	105	59	209	8	0	67	23	98
PSR Nellore	17	5	16	8	46	1	2	7	10	20
Prakasam	14	0	14	33	61	1	1	10	18	30
Srikakulam	0	29	87	13	129	0	0	49	1	50
Visakhapatnam	0	74	57	10	141	0	20	28	2	50
Vizianagaram	3	40	84	1	128	0	20	30	0	50
West Godavari	8	32	21	38	99	0	20	1	29	50
Total	180	235	636	371	1,422	50	87	310	181	628
Percentages										
Anantapuramu	10.10	5.05	50.51	34.34	100	2.00	-	68.00	30.00	100
Chittoor	13.11	-	65.57	21.31	100	30.00	3.33	40.00	26.67	100
East Godavari	4.04	31.31	32.32	32.32	100	-	40.00	38.00	22.00	100
Guntur	18.00	10.00	44.00	28.00	100	28.00	6.00	34.00	32.00	100
YSR Kadapa	14.39	0.76	28.03	56.82	100	4.00	-	26.00	70.00	100
Krishna	35.59	-	41.53	22.88	100	28.00	-	46.00	26.00	100
Kurnool	17.70	3.83	50.24	28.23	100	8.16	-	68.37	23.47	100
PSR Nellore	36.96	10.87	34.78	17.39	100	5.00	10.00	35.00	50.00	100
Prakasam	22.95	-	22.95	54.10	100	3.33	3.33	33.33	60.00	100
Srikakulam	-	22.48	67.44	10.08	100	-	-	98.00	2.00	100
Visakhapatnam	-	52.48	40.43	7.09	100	-	40.00	56.00	4.00	100
Vizianagaram	2.34	31.25	65.63	0.78	100	-	40.00	60.00	-	100
West Godavari	8.08	32.32	21.21	38.38	100	-	40.00	2.00	58.00	100
Total	12.66	16.53	44.73	26.09	100	7.96	13.85	49.36	28.82	100

Sources:IDS Field Survey 2019-20

## 2.3. Literacy levels of the sample farmers

Out of total 1,422 APCNF sample farmers, 30.82 percent are illiterates, 23.41 percent have primary education, 11 percent have middle level education, 17.77 percent have secondary education, 8.18 percent have higher secondary, 1.34 percent have diploma and 7.48 percent have education level of graduate degree or above. District wise literacy levels of APCNF and Non-APCNF sample farmers are shown at Table 2.2. The table clearly shows *that relatively more educated farmers are attracted to APCNF, which is also considered as the knowledge intensive farming*. The proportion of illiterates is significantly less among APCNF farmers vis-a-vis control sample. Except in primary education, the proportions of educated farmers at all levels are higher among APCNF farmers. The proportion of graduates and above educated farmers is 7.48 percent in APCNF, compared to 4.94 percent among the non-APCNF sample. Among the APCNF farmers, more than 11 percent had education level of graduation and above in Vizianagaram, East Godavari, Guntur and Prakasam districts. The proportion of illiterates is very high in Srikakulam, Visakhapatnam and East Godavari; this may be due to higher presence of tribal farmers in those districts' sample.

**Table 2.2: District wise and education level wise distribution of APCNF and Non-APCNF sample farmers (in percentages)**

District	Illiterates	Primary	Middle	Secondary	Higher secondary	Diploma	Graduation & above	Total
APCNF Farmers								
Anantapuramu	22.22	11.11	20.20	30.30	6.06	2.02	8.08	100
Chittoor	15.00	56.67	16.67	5.00	3.33	-	3.33	100
East Godavari	46.46	22.22	6.06	6.06	6.06	1.01	12.12	100
Guntur	23.00	25.00	8.00	25.00	6.00	2.00	11.00	100
YSR Kadapa	21.97	25.00	6.06	22.73	12.12	3.03	9.09	100
Krishna	18.10	18.10	20.69	23.28	10.34	0.86	8.62	100
Kurnool	32.54	19.14	9.57	22.01	9.09	0.96	6.70	100
PSR Nellore	21.74	52.17	4.35	8.70	10.87	-	2.17	100
Prakasam	21.31	31.15	8.20	16.39	9.84	1.64	11.48	100
Srikakulam	54.69	17.97	4.69	11.72	6.25	-	4.69	100
Visakhapatnam	47.52	17.02	12.77	10.64	9.93	1.42	0.71	100
Vizianagaram	21.09	25.00	7.03	20.31	11.72	1.56	13.28	100
West Godavari	32.32	24.24	20.20	15.15	1.01	2.02	5.05	100
AP	30.82	23.41	11.00	17.77	8.18	1.34	7.48	100
Non-APCNF Farmers								
Anantapuramu	42.00	24.00	8.00	14.00	6.00	2.00	4.00	100
Chittoor	6.90	89.66	3.45	-	-	-	-	100

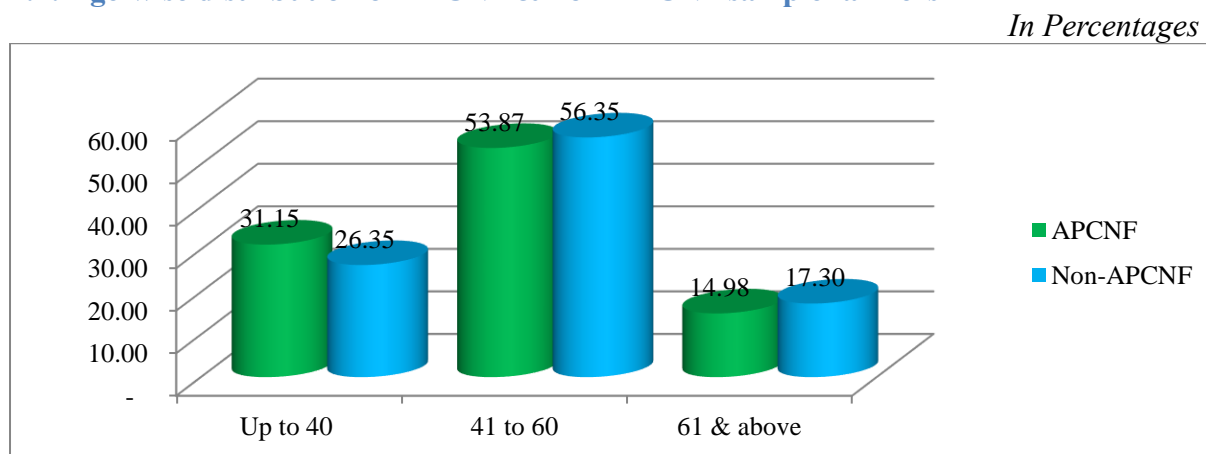
District	Illiterates	Primary	Middle	Secondary	Higher secondary	Diploma	Graduation & above	Total
East Godavari	66.00	10.00	8.00	8.00	2.00	2.00	4.00	100
Guntur	32.65	24.49	6.12	18.37	6.12	-	12.24	100
YSR Kadapa	44.00	22.00	8.00	10.00	8.00	2.00	6.00	100
Krishna	36.00	26.00	12.00	22.00	-	-	4.00	100
Kurnool	39.00	25.00	12.00	14.00	4.00	-	6.00	100
PSR Nellore	15.00	30.00	10.00	20.00	10.00	-	15.00	100
Prakasam	26.67	30.00	-	33.33	10.00	-	-	100
Srikakulam	62.00	14.00	2.00	12.00	2.00	-	8.00	100
Visakhapatnam	60.00	16.00	8.00	6.00	6.00	2.00	2.00	100
Vizianagaram	46.00	18.00	12.00	12.00	8.00	-	4.00	100
West Godavari	40.00	28.00	26.00	4.00	-	2.00	-	100
AP	42.36	25.00	9.55	12.90	4.46	0.80	4.94	100

Sources: IDS Field Survey, 2019-20

## 2.4 Age and primary occupations of sample farmers

It is a well-known fact that youth in India are averse towards agriculture due to low earning potentials in the sector. Even the parents are encouraging their children to move away from the agriculture. Such a trend is clearly visible in the sample. Among APCNF sample, 31.15 percent is below the age group of 40 years; 53.87 percent is in the age group of 41 to 60 years and 14.98 percent is in the 61 and above age group. The distribution is even more skewed in non-APCNF sample, in which only 26.35 percent is below the age of 40 years (Figure 2.1). One positive feature is that *the proportion of young farmers is high in APCNF farmers by about five percentage points.*

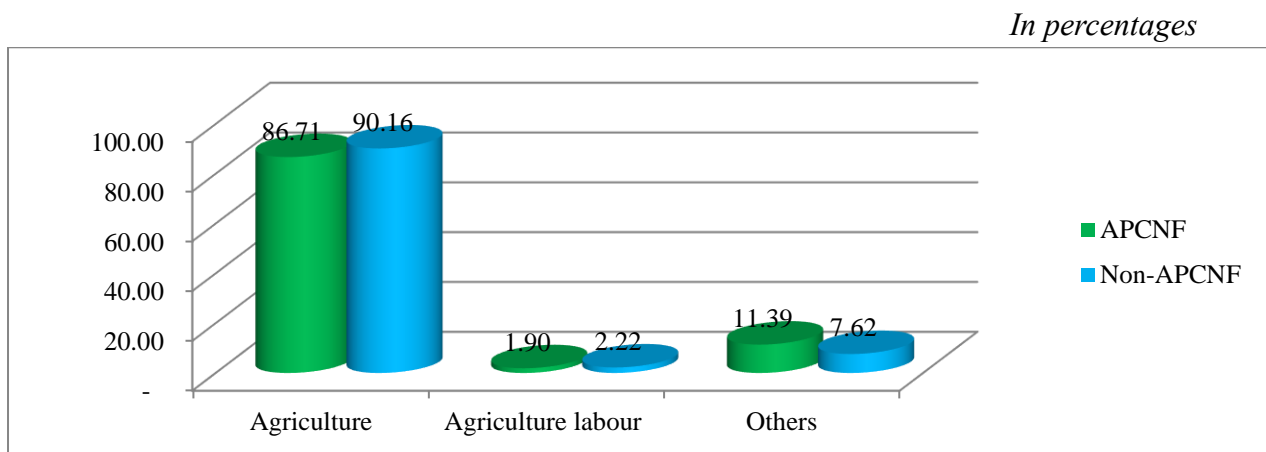
### 2.1: Age-wise distribution of APCNF & non-APCNF sample farmers



Sources: IDS Field Survey, 2019-20

As per latest farmers’ surveys by NSSO and NABARD, the farmers are deriving significant portions of their income from sources other than farming. To learn about this trend the sample farmers were asked about their primary occupation. Nearly 87 percent APCNF sample respondents stated that farming is their primary occupation; 1.9 percent said that agriculture labour is their primary occupation and 11.39 stated varieties of other occupations such as salary employment, housewife/ domestic work, own business, etc. Among non-APCNF sample, 90.16 percent are cultivators, 2.22 percent pursued agriculture labour and 7.62 percent had others (Figure 2.2). *It is interesting to note that relatively a greater number of others, that include salaried persons, professionals, self-employed, business persons, etc., are taking up agriculture under APCNF methods. Possible reasons could be an urge to get healthy food for own consumption and attraction to healthy chemical free farming.*

**Figure 2.2: Distribution of the primary occupations of APCNF & Non-APCNF sample farmers**



Sources:IDS Field Survey, 2019-20

## 2.5. Gender distribution of the sample

Out of total 1,422 APCNF sample farmers, nearly 10 percent are female farmers. The same is less than 6 percent among non-APCNF farmers. It once again establishes the RySS’s focus female participants who form part of the vulnerable sections. The district-wise, gender-wise distribution of the sample farmers is presented in Table 2.3. Among the APCNF sample farmers, female farmers’ proportion is the highest in PRS Nellore (30 percent), followed by Srikakulam (18.60 percent), Kurnool (13.88 percent), Prakasam (13.11 percent) and so on.

**Table 2.3: District wise distribution of gender category wise APCNF and Non-APCNF of sample (in percentage)**

District	APCNF			Non - APCNF		
	Male	Female	Total	Male	Female	Total
<b>0.0.1.</b>						
Anantapuramu	93.94	6.06	100	98.00	2.00	100
Chittoor	93.44	6.56	100	90.00	10.00	100
East Godavari	89.90	10.10	100	94.00	6.00	100
Guntur	94.00	6.00	100	98.00	2.00	100
YSR Kadapa	93.18	6.82	100	98.00	2.00	100
Krishna	95.76	4.24	100	100.00	-	100
Kurnool	86.12	13.88	100	94.90	5.10	100
PSR Nellore	69.57	30.43	100	95.00	5.00	100
Prakasam	86.89	13.11	100	83.33	16.67	100
Srikakulam	81.40	18.60	100	86.00	14.00	100
Visakhapatnam	95.04	4.96	100	96.00	4.00	100
Vizianagaram	92.19	7.81	100	88.00	12.00	100
West Godavari	93.94	6.06	100	96.00	4.00	100
AP	90.30	9.63	100	94.43	5.73	100

Sources: IDS Field Survey, 2019-20

## 2.6. Land ownership and cultivation

Out of total 1,422 sample APCNF farmers, 6.54 percent are landless/ pure tenants in farmers, 45.15 percent are marginal farmers, 33.05 percent are small farmers and 15.26 percent are other farmers, who own more than 2 ha (Table 2.4). The distribution of APCNF and non-APCNF is almost same. The landless, marginal, and small farmers together constitute about 85 percent in both sets of farmers. The major difference is that marginal farmers are less by 5 percentage points in APCNF sample compared to non-APCNF sample. It is vice versa in small farmers. One possible reason is that marginal farmers, who derive much less proportion of the family income from farming; may be devoting less attention to the farming. APCNF, which needs more attention and efforts from the family labour, may be less popular among the marginal-farmers vis-à-vis small farmers.

**Table 2.4: District-wise farmers 'categories-wise distribution of APCNF and non-APCNF sample farmers**

*In percentages*

District	APCNF					Non-APCNF				
	Landless	Marginal	Small	Others	Total	landless	Marginal	Small	Others	Total
Anantapuramu	3.03	19.19	48.48	29.29	100	-	12.00	62.00	26.00	100
Chittoor	-	72.13	26.23	1.64	100	-	76.67	23.33	-	100
East Godavari	19.19	29.29	26.26	25.25	100	12.00	50.00	20.00	18.00	100
Guntur	18.00	57.00	20.00	5.00	100	24.00	42.00	28.00	6.00	100
YSR Kadapa	5.30	31.82	43.94	18.94	100	6.00	32.00	44.00	18.00	100
Krishna	5.93	59.32	21.19	13.56	100	2.00	62.00	30.00	6.00	100
Kurnool	6.22	30.62	41.15	22.01	100	4.00	37.00	25.00	34.00	100
PSR Nellore	-	69.57	17.39	13.04	100	-	35.00	25.00	40.00	100
Prakasam	6.56	42.62	31.15	19.67	100	-	53.33	36.67	10.00	100
Srikakulam	3.10	52.71	35.66	8.53	100	4.00	74.00	16.00	6.00	100
Visakhapatnam	1.42	51.06	38.30	9.22	100	-	58.00	28.00	14.00	100
Vizianagaram	3.91	52.34	34.38	9.38	100	6.00	78.00	14.00	2.00	100
West Godavari	11.11	52.53	20.20	16.16	100	4.00	64.00	26.00	6.00	100
AP	6.54	45.15	33.05	15.26	100	5.24	50.63	28.89	15.24	100

Sources:IDS Field Survey, 2019-20

All the APCNF sample farmers together own 1,944.44 ha land and have cultivated 2,044.98 during the study season. Out of the total cultivated area, the APCNF farmers have devoted nearly 55 percent of area to APCNF method of farming (Table 2.5). One interesting point to be noted is that landless or pure leased-in farmers have put over 71 percent of their operational area under APCNF. The same is 67.95 percent for marginal farmers, 58.96 percent for small farmers and 40.21 percent for other farmers (medium and large farmers). This finding – does not support the often-heard assertion that natural farming is a hobby of the rich farmers. It demonstrates that APCNF is becoming popular among marginal and small farmers, particularly among the leased-in farmers. On an average, while the APCNF farmers own a little more area (1.37 ha) vis-à-vis non-APCNF farmers (1.31 ha); similarly, they cultivate relatively less area (1.44 ha) compared to non-APCNF farmers (1.53 ha). One of the possible reasons is that the incidence of landless/ leased-in farmers is relatively high among APCNF farmers; by more than one percentage point (6.54 against 5.24 as in Table 2.4).

**Table 2.5: Farmer category-wise total and average area owned, cultivated and area put under APCNF by APCNF farmers**

*In ha and percentages.*

Farmer Category	Total Area Owned		Total Area Cultivated		Area under APCNF		Percentage area under APCNF	
	APCNF	Non-APCNF	APCNF	Non-APCNF	APCNF	Non-APCNF	APCNF	Non-APCNF
Landless	-	-	74.20	45.38	53.03	-	71.47	-
Marginal	408.45	200.90	502.57	278.70	341.51	-	67.95	-
Small	706.63	277.15	735.20	307.22	433.48	-	58.96	-
Others	821.38	341.84	733.02	332.55	294.77	-	40.21	-
All	1,944.66	824.35	2,044.98	963.86	1,122.80	-	54.90	-
	<b>Average area</b>							
Landless	-		0.80	1.42	0.57	-	71.47	-
Marginal	0.64	0.63	0.78	0.87	0.53	-	67.95	-
Small	1.50	1.52	1.56	1.69	0.92	-	58.96	-
Others	3.79	3.56	3.38	3.46	1.36	-	40.21	-
All	1.37	1.31	1.44	1.53	0.79	-	54.90	-

*Sources:* IDS Field Survey, 2019-20

District wise analysis of the land ownership, cultivated area, and area allocated for APCNF and percentage area put under APCNF gives very interesting results. Chittoor district with lowest ownership and operational holding sizes has allocated highest percentage (85.30 percent) of operational area to APCNF. On the other hand, Anantapuramu with highest average ownership holding size (2.06 ha) and Kurnool district with highest average operational holding size (2.20 ha) have second and third highest positions in terms of percent area allocated for APCNF (Table 2.6). On the other hand, only 34.76 percent cultivated area in Krishna district is allocated for APCNF, being the least in the state; and it is preceded by East Godavari (40.78 percent), West Godavari (40.93 percent) and Srikakulam (40.98 percent). APCNF appeared to be more acceptable in southern part of the state, especially in Rayalaseema, which has relatively lesser irrigated area, lesser rainfall, and drought prone. In contrast the delta and north costal districts, which have rich soils, higher proportion of irrigated area and high rainfall, are less receptive to the APCNF. The reasons could be the cultural factors. The farmers in the drought prone areas under rainfed conditions, especially in Rayalaseema, adopt risk aversion agriculture strategies, i.e., invest very less in agriculture due to uncertainties with respect to crop yields and marketing and shortage of investable funds. APCNF, being low cost farming method, is gaining



popularity in southern part, especially in Rayalaseema. Out of total 13 districts, only in five districts, the percent of cultivated area under APCNF is higher than the state average of 54.90 percent. Out of these five districts, three are from Rayalaseema.

**Table 2.6: District-wise average area owned, cultivated and put under APCNF by APCNF farmers**

*In hectares*

Farmer Category	Area Owned		Area Cultivated		Area Under APCNF		Percent Area under APCNF	
	APCNF	Non-APCNF	APCNF	Non-APCNF	APCNF	Non-APCNF	APCNF	Non-APCNF
Chittoor	0.98	0.84	0.97	0.83	0.83	-	85.30	0
Anantapuramu	2.10	2.06	1.65	1.66	1.28	-	77.17	0
Kurnool	1.69	1.84	1.81	2.20	1.31	-	72.28	0
Visakhapatnam	1.13	1.23	1.18	1.23	0.81	-	68.64	0
Prakasam	1.49	1.31	1.44	2.18	0.81	-	56.04	0
YSR Kadapa	1.48	1.47	1.32	1.33	0.65	-	49.61	0
Vizianagaram	1.07	0.73	1.13	0.69	0.56	-	49.42	0
PSR Nellore	1.41	2.81	1.39	3.40	0.66	-	47.72	0
Guntur	1.03	0.83	1.38	1.42	0.60	-	43.25	0
Srikakulam	1.08	0.80	1.16	0.98	0.48	-	40.98	0
West Godavari	1.17	1.03	1.54	1.27	0.63	-	40.93	0
East Godavari	1.60	1.20	1.66	1.98	0.68	-	40.78	0
Krishna	1.35	1.05	1.72	1.15	0.60	-	34.76	0
A P	1.37	1.31	1.44	1.53	0.79	-	54.90	0

*Sources:* IDS Field Survey, 2019-20

## 2.7. Experience in APCNF

Though APCNF is launched in 2016, the same program, known as Community Managed Sustainable Agriculture (CMSA), is implemented in the state to a limited extent through Self-Help Groups (SHGs) institutions by the Society for Elimination of Rural Poverty (SERP). More than six percent APCNF sample started natural farming before 2015; some of them have about 20 years of experience. However, more than 70 percent have started in 2016 and 2017. About 20 percent have started in 2018 and only 3 percent have started in 2019 (Table 2.7). Southern districts of Anantapuramu, Guntur, Prakasam and YSR Kadapa have relatively more farmers with longer experience in the natural farming. That may be one of the reasons for allocation of larger percent of operational holding to APCNF in this region. Majority of sample farmers from Chittoor, Vizianagaram and Visakhapatnam have four years of experience in the natural farming. In the delta districts, most of the farmers are new.

**Table 2.7: District-wise APCNF start year-wise distribution of APCNF sample farmers**  
*In percentages*

District	Before 2016	2016	2017	2018	2019	Total
Anantapuramu	16.16	21.21	39.39	22.22	1.01	100.00
Chittoor	3.28	81.97	13.11	1.64	-	100.00
East Godavari	5.05	34.34	30.30	18.18	12.12	100.00
Guntur	15.00	32.00	30.00	19.00	4.00	100.00
Krishna	4.24	29.66	48.31	16.10	1.69	100.00
Kurnool	2.87	21.05	33.97	41.63	0.48	100.00
Prakasam	13.11	42.62	32.79	8.20	3.28	100.00
PSR Nellore	4.35	23.91	60.87	8.70	2.17	100.00
Srikakulam	1.55	36.43	43.41	17.05	1.55	100.00
Visakhapatnam	4.26	63.12	28.37	2.84	1.42	100.00
Vizianagaram	3.13	69.53	25.00	1.56	0.78	100.00
West Godavari	3.03	12.12	27.27	47.47	10.10	100.00
YSR Kadapa	12.12	18.94	40.15	25.00	3.79	100.00
Andhra Pradesh	6.33	36.22	34.53	19.90	3.02	100.00

Sources:IDS Field Survey, 2019-20

## 2.8. Crop wise samples

The major objective of the study is to compare the cost of cultivation, yields, gross and net returns of different crops cultivated under APCNF and conventional (non-APCNF) methods. In this report, the analysis is limited to 13 crops. The study has collected 1,701 records of 13 crops cultivated under APCNF method and 853 records of the same crops cultivated under non-APCNF method (Table 2.8). It implies that some of the farmers have cultivated more than one crop. In other words, the 1,422 sample APCNF farmers have reported 1,701 cropping details and 628 non-APCNF farmers have reported 853 crop records. On an average, each APCNF farmer has cultivated 1.2 crops and each non-APCNF farmer has cultivated 1.36 crops during Kharif 2019. Broadly, with increase in cultivated area, the crop diversity has also increased, with one exception. It appears that APCNF farmers have less crop diversity vis-à-vis non-APCNF farmers. However, it should be remembered that APCNF farmers have put only 55 percent of their cultivated area under APCNF methods. Their crop diversity would have been higher, had their entire cultivated area is considered.

With 787 APCNF and 367 non-APCNF crop records, Paddy has the highest sample size. Onion with 34 APCNF crop records and 17 non-APCNF crop records has the lowest sample size. More farmers grow Paddy than Onion. The sample size of all crops is adequate to provide the comparative estimates of cost of cultivation, yields, gross and net returns at the state level. The sample size of Paddy and Cotton are adequate to provide reliable estimates at district level and

other levels such irrigation status, etc. Maize, Red gram and Groundnut have adequate sample size to provide moderately reliable comparative picture at disaggregate levels. The sample size of other crops is sufficient to provide only anecdotal evidence.

**Table 2.8: Crop-wise and farmer category-wise distribution of APCNF and non-APCNF sample data**  
*In numbers*

Crop name 0.0.2.	Landless		Marginal		Small		Others		Total	
	APCNF	Non-APCNF	APCNF	Non-APCNF	APCNF	Non-APCNF	APCNF	Non-APCNF	APCNF	Non-APCNF
Paddy	57	21	371	205	254	94	105	47	787	367
Maize	4	1	34	35	25	8	13	9	76	53
Groundnut	2	0	36	11	53	25	29	15	120	51
Cotton	5	4	53	46	33	22	16	13	107	85
Chilies	3	2	12	19	15	12	6	6	36	39
Black gram	8	1	23	7	24	4	9	7	64	19
Bengal gram	2	0	20	18	27	25	21	10	70	53
Jowar	2	2	25	11	35	8	14	18	76	39
Ragi	0	0	33	11	47	9	9	5	89	25
Red gram	4	1	38	21	56	18	18	18	116	58
Sugarcane	3	0	46	23	16	6	5	1	70	30
Onion	3	2	9	8	20	5	2	2	34	17
Turmeric	3	3	25	4	25	4	3	6	56	17
Total crops	96	37	725	419	630	240	250	157	1,701	853
Total farmers	93	32	642	318	470	182	217	96	1,422	628
Crops per farmers	1.03	1.16	1.13	1.32	1.34	1.32	1.15	1.64	1.20	1.36

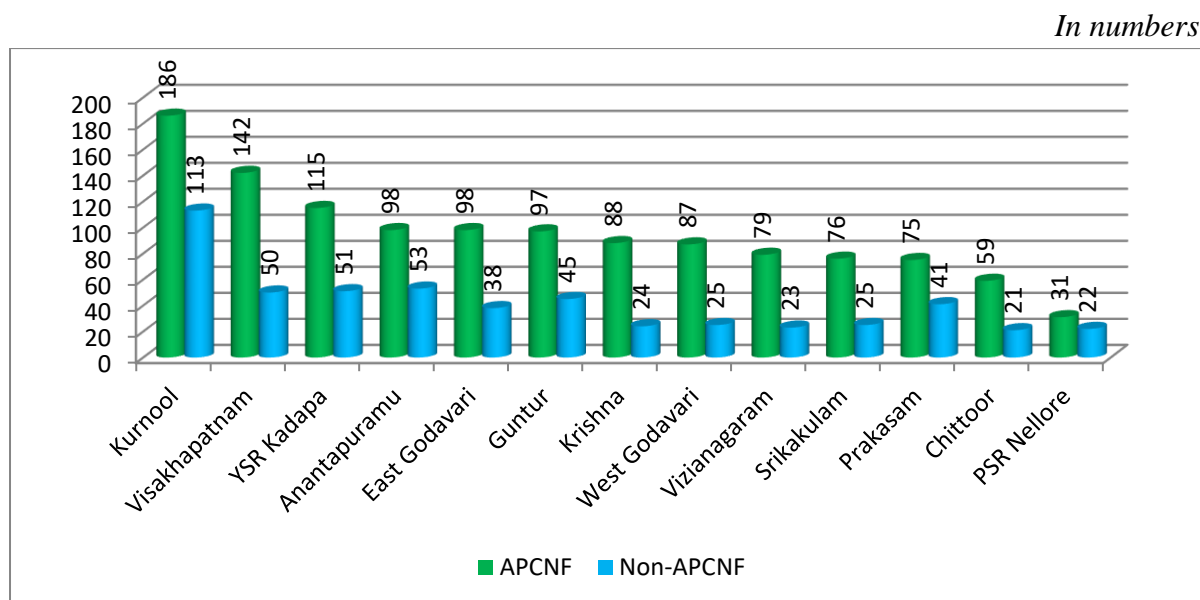
*Sources:* IDS Field Survey, 2019-20

## 2.9. Crop cutting experiments

One of the major activities of this study is to collect yield data through crop cutting experiments (CCEs) independently and scientifically. Total 1,732 crop cutting experiments were conducted during the study period. These include 1,232 crop cutting experiments of APCNF crops and 531 experiments of non-APCNF crops. District wise number of CCEs conducted is shown at Figure 2.3. Among the APCNF crops, the highest numbers of CCEs (186) were conducted in Kurnool followed Visakhapatnam (142) and YSR Kadapa (115). Least number of CCEs (31) were conducted in PSR Nellore district, followed by Chittoor (59) and Prakasam (75) districts.

As mentioned above, the study has collected more samples from Kurnool and north coastal districts and fewer samples from southern districts of Prakasam, PSR Nellore and Chittoor, owing to variations in the progress of the APCNF project implementation and other reasons. In case of non-APCNF crops, highest number of CCEs (113) were conducted in Kurnool, followed by Anantapuramu (53) and YSR Kadapa (51) districts. Least number of CCEs (21) were conducted in Chittoor, followed by PSR Nellore (22) and Vizianagaram (23) districts.

Figure 2.3: District-wise number of APCNF and Non-APCNF CCEs conducted



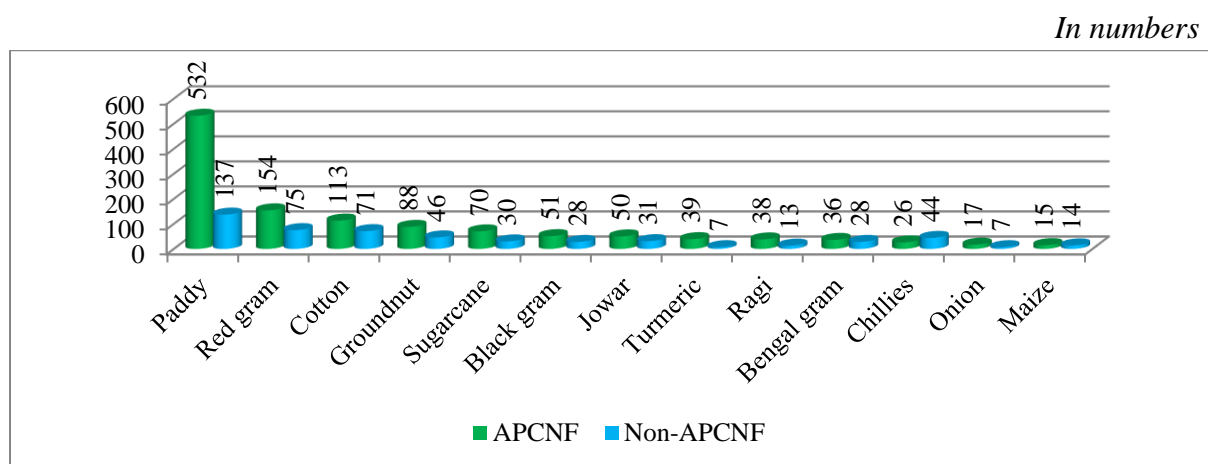
Sources:IDS Field Survey, 2019-20

Out of total 1,232 APCNF, CCEs, two single CCEs of two crops, viz., vegetables and Sesamum were dropped from the analysis in this report. Crop wise number of CCEs conducted is shown in the Figure 2.4. In the total CCEs of APCNF, Paddy alone constitutes 43 percent. Three crops, viz., Paddy, Red gram and Cotton together cover nearly two-thirds of total CCEs of APCNF crops. On the other hand, Maize, Onion and Chillies have fewer numbers of CCEs. Among the CCEs of non-APCNF crops, three crops, viz. Paddy, Red gram and Cotton together constitute more than 50 percent. On the other hand, Onion and Turmeric has less than 10 CCEs each, and Ragi and Maize have just above 10 CCEs. One of the reasons for such skewed data is the late start of the study.<sup>2</sup>In the future, such skewed data collection could be avoided. Using the reported yields and yields obtained through CCEs, the correction factors were estimated. These

<sup>2</sup> The field survey has begun on 19<sup>th</sup> November 2019. By that time some of the Kharif crops were harvested; there is no scope for CCEs in those crops.

correction factors were used wherever necessary to get reliable comparative picture between APCNF and Non-APCNF cultivation.

**Figure 2.4: Crop-wise number of APCNF and non-APCNF CCEs conducted**

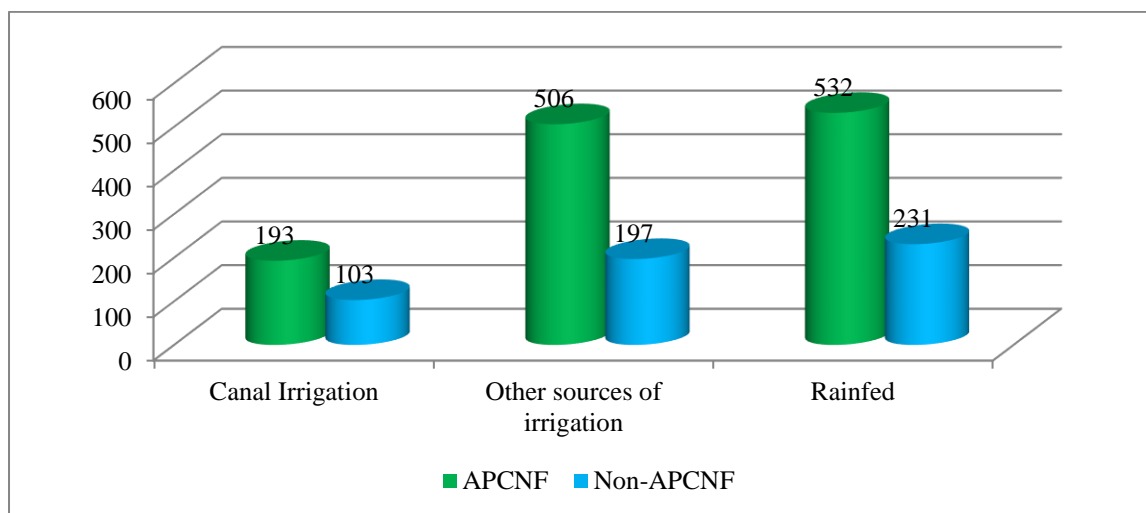


Sources:IDS Field Survey, 2019-20

Over 56 percent of total CCEs were conducted among the irrigated crops. The proportion is the same for both APCNF and Non-APCNF crops. Within irrigation crops, overwhelming majority of crops were irrigated through other sources of irrigation, which includes bore-wells, dug-wells, tanks, streams and lift irrigation (Figure 2.5). One of the possible reasons for higher proportion of irrigated crops is the inclusion of early Rabi crops in the CCEs. Predominance of other sources of irrigation confirms the inclusion of early Rabi crops. Normally canal irrigation is predominant mode of irrigation during the Kharif season in the state.

**Figure 2.5: Irrigation source-wise number of APCNF and non-APCNF CCEs conducted**

*In numbers*



Sources: IDS Field Survey, 2019-20

## 2.10. Conclusions

The profile of the sample farmers clearly indicates that RySS has been focusing on the poor and vulnerable sections. The presence of SC, ST, women farmers and landless/ leased-in farmers is higher among APCNF sample than those among control sample. Higher proportion of literates and educated farmers, youth, and professionals among the project-APCNF sample indicates that APCNF is gaining popularity among the educated or informed farmers, youth and professionals. Contrary to the popular perceptions and deliberately propagated assertions that natural farming is a hobby of the rich, the small and marginal farmers, including leased-in farmers have allocated larger parts of their holdings to APCNF vis-à-vis medium and large farmers. The southern districts, especially Rayalaseema, have allocated larger portion of their operational holdings to APCNF. APCNF being the low cost of cultivation model is gaining acceptance in the southern part, where farmers usually adopt risk averse low investment agriculture strategies. Another reason could be that the southern districts have longer experience in the natural farming. Though the sample sizes for some crops were small, reliable estimates were obtained through correction factors. Using the reported yields and yields obtained through CCEs, the correction factors were estimated. These correction factors were used wherever necessary to get reliable comparative picture between APCNF and Non-APCNF cultivation.

## Chapter 3: Impact of APCNF on Crop Production Conditions

### **3.1. Introduction**

This chapter covers the analysis of impact of APCNF on cost of plant nutrients and protection inputs (PNPIs), total paid out costs of cultivation of different crops, crop yields, and crop wise gross and net returns. Out of total 13 sample crops considered in the study, crop wise cost of cultivation and returns are estimated to nine crops, who have a minimum of 30 non-APCNF sample-observations/ records. Needless to say, that sample size of APCNF crops would be more than that of non-APCNF for any crop. Individual estimates are provided for Paddy, Groundnut, Bengal gram, Cotton, Maize, Red gram, Sugarcane, Chillies and Jowar crops only. Similarly district wise analysis and irrigation wise analysis carried for fewer crops and districts, which have adequate sample size. Still the district and irrigation analyses may be considered as the indicative results.

### **3.2. Plant Nutrients and Protection Inputs**

The principal intervention of the APCNF is the introduction of biological inputs such as Beejamrutham, Ghanajeevamrutham and Dravajeevamrutham in place of chemical fertilizers; and Kashayams and Asthrams in place of pesticides and vermicides. These biological and chemical inputs together are referred, in this report, as plant nutrient and protection inputs (PNPIs). The crop wise variations between the biological inputs' costs, in APCNF, and chemical inputs costs, under Non-APCNF, during Kharif 2019-20, are presented at Table 3.1. Among the nine sample crops analysed during Kharif, the costs of chemical inputs, under Non-APCNF vary from ₹67,001 per hectare in Jowar to ₹93,359 per hectare in Chillies. The per hectare cost of PNPI is more than ₹25,000 in Cotton and more than ₹10,000 in five other crops. At the same time, the costs of biological inputs under APCNF have varied from ₹6,015 per hectare in Jowar to ₹9,454 per hectare in Chillies (Table 3.1). In absolute terms, by adapting to the biological inputs, the farmers have saved ₹986 per hectare in Jowar to ₹83,359 per hectare in Chillies in PNPIs due to APCNF. The farmers have incurred ₹9,279 less per ha in PNPIs in Paddy, the principal crop in the state. In another principal crop, Bengal gram, the farmers have incurred ₹8,085 less per ha on PNPIs, due to APCNF. In relative terms, the cost of biological inputs is less than that of chemical inputs by 12.59 percent in Groundnut to 89.87 percent in Chillies. Out of total nine crops, in five crops, the reduction in the expenditure on PNPIs is more than 50 percent. The same is more than 40 percent in one crop and more than 10 percent in two other crops. It may be worth noting, that as the farmers under rainfed conditions invest very little in agriculture, including on chemical fertilizers and pesticides, the savings in the

expenditure on PNPIs due to APCNF appears to be impressive in percentage terms, but not so impressive in absolute terms in some crops.

**Table 3.1: Crop wise expenditure on PNPIs under APCNF and non-APCNF & differences**

₹/ha

Crop	Biological inputs in APCNF	Chemical inputs in Non-APCNF	Difference in Rs	Differences in percentages
Chillies	9,454	93,359	-83,905	-89.87
Cotton	6,462	25,471	-19,009	-74.63
Paddy	5,035	14,330	-9,295	-64.86
Bengal gram	4,874	12,958	-8,085	-62.39
Maize	5,124	11,838	-6,715	-56.72
Red gram	4,393	10,672	-6,279	-58.83
Sugarcane	6,179	10,890	-4,711	-43.26
Groundnut	6,994	8,001	-1,007	-12.59
Jowar	6,015	7,001	-986	-14.08

*Sources:* Field Survey, 2019-20

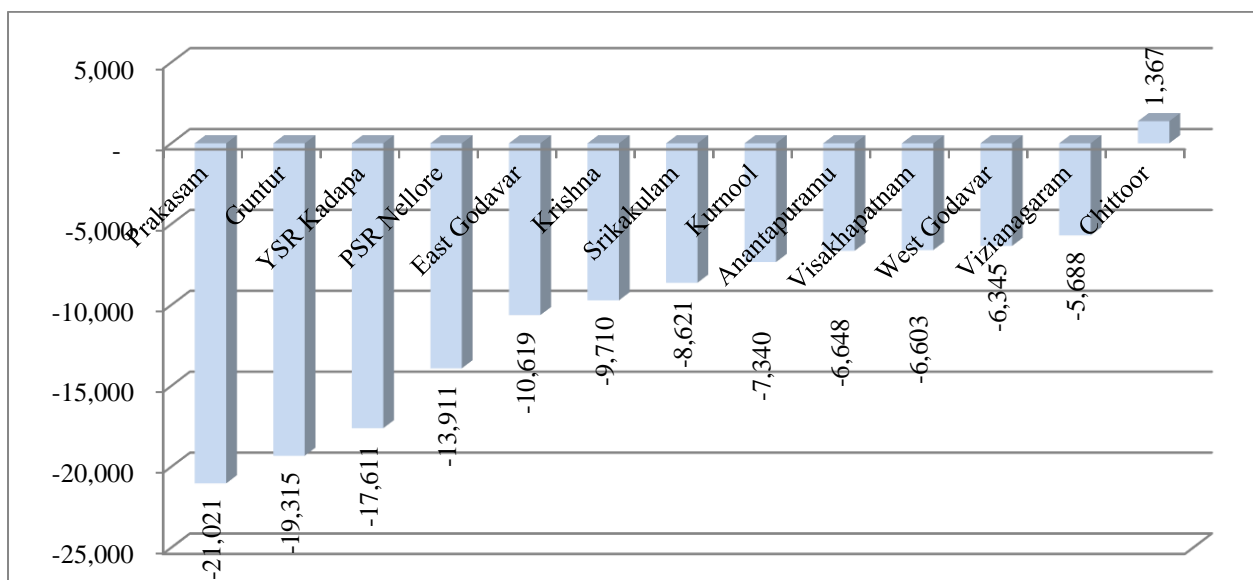
As mentioned in chapter two, that given the sample sizes of most of the crops, the sub-state and sub-crop analyses give only rough figures for some crops and data are not reliable. The crop wise changes in the expenditure on PNPIs under irrigation and rainfed conditions and district wise changes in the Paddy crop are shown below. Baring a few exceptions, the reduction in the expenditure on PNPIs is less under the rainfed conditions for most of the crops. It is obvious; as the farmers, under conventional methods of cultivation, invest less under the rainfed conditions, the scope for the reduction in the expenditure on PNPIs is less compared to that of irrigated conditions.

The district wise changes in the expenditure on PNPIs in Paddy are presented in Figure 3.1. The expenditure on PNPIs in Paddy has declined in 12 out of total 13 districts in the state; the only exception is Chittoor. The expenditure has declined from ₹5,688 per ha in Vizianagaram to ₹21,021 per ha in Prakasam district. It may be noted that out of five districts, in which the expenditure has declined by more than ₹10,000 per ha, the top four are from southern part of the state.

**Figure 3.1: District-wise changes in the expenditure on PNPIs in Paddy due to APCNF**

₹/ha





Sources: Field Survey, 2019-20

### 3.3. Total paid out costs of cultivation and Its' composition

As the costs of biological inputs are considerably lower than their counterparts, i.e., fertilizers and pesticides, in all crops, the total paid out costs of cultivation per hectare are expected to be lower across all the crops under APCNF compared to Non-APCNF. The total paid out costs in each of nine sample crops under APCNF and Non-APCNF and their differences are shown in Tables 3.2. In absolute terms, the highest reduction (difference) in total paid out costs ₹61,320 per ha is obtained in Chillies. On the other hand, least reduction of ₹480 per ha is obtained in Jowar, followed by Groundnut (₹4,718 per ha). **It is worth noting here, that except in Chillies and sugarcane, the savings realized in total paid out costs is higher than the savings obtained in the expenditure on PNPIs in all other crops.** It is in contrast to the earlier trends observed and reported in the previous reports. **The possible reasons could be the increase in the soil quality under APCNF.** Last year the farmers, in the case studies, have reported that the soils have softened under APCNF and there is less/ no need for plough the soils in the middle of the season. The moisture retention characteristics of soil might have also improved, reducing the frequency and quantity of the irrigations. **As per the APCNF sample farmers' response, about 91 percent of their irrigated area has adequate irrigation; the same is about 88 percent for non-APCNF sample.**

In terms of rate of change/ reduction, the highest reduction in total cost of cultivation under APCNF is in Cotton (35.97 percent). The least reduction is 1.89 percent in Jowar. Out of total nine sample crops, in three crops the total paid out cost has declined by over 33 percent; the

same is over 25 percent in one crop; in another two crops, it is just below 20 percent (Table 3.2).

**Table 3.2: Crop wise total paid out costs under APCNF and Non-APCNF and changes**

*₹/ ha*

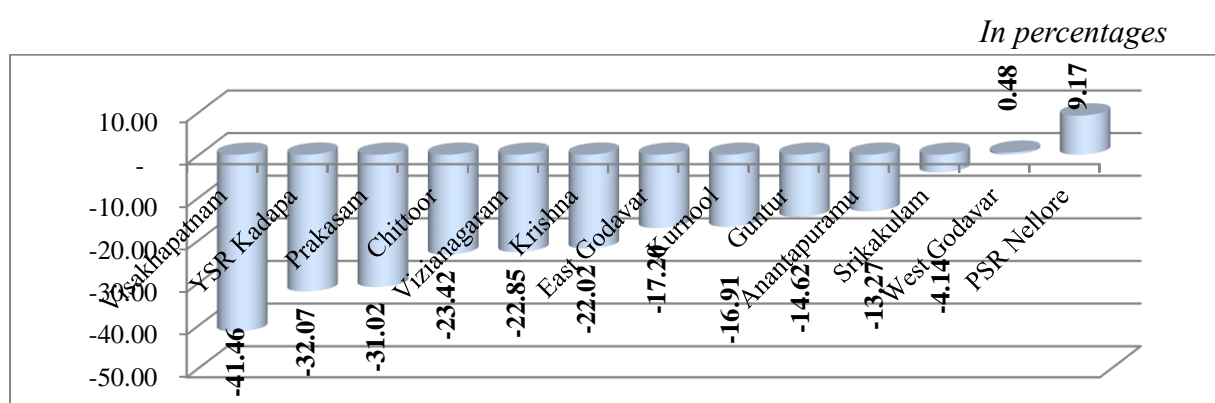
Crop	Total cost under APCNF	Total cost under Non-APCNF	Changes in cost due to APCNF in ₹	Changes in cost due to APCNF in %
Chillies	1,76,592	2,37,912	-61,320	-25.77
Cotton	46,445	72,539	-26,094	-35.97
Bengal gram	32,197	48,377	-16,181	-33.45
Paddy	40,734	50,429	-9,694	-19.22
Red gram	18,164	27,233	-9,069	-33.30
Maize	37,554	46,063	-8,509	-18.47
Groundnut	47,047	51,745	-4,698	-9.08
Sugarcane	96,326	99,630	-3,304	-3.32
Jowar	24,943	25,424	-480	-1.89

*Sources: IDS Field Survey, 2019-20*

As mentioned above, the sample sizes in some crops are not sufficient to provide reliable sub-crop scenario. In the crops with larger sample sizes such as Paddy, Groundnut, Red gram, Cotton, etc., the trend is clear and consistent under both irrigated and rainfed conditions. The reduction in total cost of cultivation is larger under rainfed conditions compared to irrigated conditions for most of the crops. This trend is quite opposite to the trend observed in the expenditure on PNPIs. The reason is obvious. The farmers use more agri-chemicals under irrigation; hence larger savings in PNPIs is possible there. As mentioned above that the improved soil might have reduced some operational costs such as ploughing under the rainfed conditions. Some increase in operational costs related to increase in yields may be possible under irrigation conditions.

District wise changes in the total cost of cultivation of Paddy due to APCNF have been presented in Figure 3.2. Out of total 13 districts, 11 have recorded notable decline in total cost of cultivation of Paddy. The reduction in the total cost is the highest in Visakhapatnam (41.46 percent), followed by YSR Kadapa (32.07 percent), Prakasam (31.02 percent) and so on. The least reduction is obtained in Srikakulam (4.14 percent). While there is no change in West Godavari district, the total cost of cultivation of Paddy has increased in PSR Nellore by 9.17. The inter-district variations in total cost of cultivation of Paddy may partly reflect the performance of the RySS district teams.

**Figure 3.2: District-wise changes in total cost of cultivation of Paddy, due to APCNF**



*Sources:* IDS Field Survey, 2019-20

The above analysis indicates, that the rates of reduction in the cost of PNPIs of each crop did not correspondingly reflect in the total paid out costs of the respective crop. It implies that there must be some variations in the expenditure on other inputs. The variations in expenditure, under APCNF and Non-APCNF, on major inputs during Kharif season are shown at Table 3.3. Only purchased and leased in inputs are considered in this analysis.<sup>3</sup>The inputs considered in this analysis are Seeds, PNPIs, FYM, hired labour, Bullock labour, Machine labour, Implements and Water fee. In each crop, the expenditure on majority inputs has declined under APCNF vis-à-vis non-APCNF. The expenditure on seeds has declined in all nine crops out of total nine crops considered. The same is also 100 percent in PNPIs; four in FYM, six in hired labour, six in Bullock labour, seven in Machine labour, six in Implements and three in Water fee. It may be noted that expenditure on irrigation, not only depends on demand/ crop's need for irrigation; but also ownership of bore-well, etc. The highest reduction in the expenditure on seed is ₹5,828 per ha in Groundnut; the same in PNPIs is ₹83,905 in Chillies. Notable increase in the

<sup>3</sup> In this analysis, the rent paid out on lease in land is not included.

expenditure on certain inputs in a few crops is also observed. These include ₹20,214 per ha on Hired labour in Chillies; and ₹6,053 per ha on Water fee in Chillies. As mentioned elsewhere in this report that increase in expenditure on agriculture inputs, especially on the hired labour for harvesting and other related activities of increased crop output is desirable. As can be seen in the next section, that Chillies yield under APCNF is substantially higher than that of non-APCNF; which necessitated additional expenditure on hired labour and irrigation. Other **increases** in expenditure on agriculture inputs were fewer and smaller amounts.

**Table 3.3: Differences in expenditure on major purchased agriculture inputs under APCNF and Non-APCNF**

*in ₹ per ha*

Crop	Seed	PNPIs	FYM	Hired labour	Bullock labour	Machine labour	Implements	Water fee
Paddy	-156	-9,295	592	-588	-63	-304	-198	318
Maize	-351	-6,715	605	-227	-104	-1,113	-95	-508
Groundnut	-5,828	-1,007	-290	3,893	-523	-745	-158	-41
Cotton	-811	-19,009	912	-6,398	-503	167	-536	84
Chillies	-2,661	-83,905	1,843	20,214	840	-4,288	584	6,053
Bengal gram	-1,259	-8,085	-137	-5,803	-31	-255	-701	90
Jowar	-0	-986	-553	-195	743	481	30	0
Red gram	-43	-6,279	379	-1,761	-180	-1,034	-117	-33
Sugarcane	1,092	-4,711	-974	2,509	867	-4,124	1,546	493
<u>No. of declines</u>	<u>9/9</u>	<u>9/9</u>	<u>4/9</u>	<u>6/9</u>	<u>6/9</u>	<u>7/9</u>	<u>6/9</u>	<u>3/9</u>

Source: IDS Field Survey, 2018-19

### 3.4. Crop Yields

There is a lot of interest among different stakeholders, to know the impact of APCNF on crop yield. The development literature broadly indicates some fall in the crop yields under organic farming and other forms of natural farming, at least in the initial years. However, unlike the other models of natural farming, APCNF is facilitating a quick / instant revival of soils through the incorporation of microorganisms. Hence it expects no significant variations in the crop yields in the initial periods and expects higher yields over the years. There are some apprehensions among farming communities about the falling yields and/ or low crop yields under APCNF. To know the crop yields through third party, RySS has mandated the study to conduct the crop cutting experiments (CCEs) independently and scientifically. Another reason for undertaking the CCEs is to overcome the strategic biases of the farmers. In India, in general, all the people usually underreport their incomes and wealth/ assets. This phenomenon is more

conspicuous in the rural areas and agriculture sector. There are some potential reasons for the APCNF farmers to underreport their yields. The possible reasons include dissuading their fellow farmers from adopting the APCNF and gaining the monopolistic advantages in the market; to gain the premium prices for their output; to discourage the landowners from increasing the land rent, etc.

The estimated yields of nine sample crops under APCNF and Non-APCNF and differences between them in absolute and percent terms are given in Table 3.4. Out of nine crops covered in the season, six crops have higher yields under APCNF. The increase is in the range- from 0.15 quintals in Groundnut to 4.10 quintals in Chillies. The yields have declined in three crops, from 0.57 quintals per ha in Cotton to 8.82 quintals per ha Sugarcane. Highest increase due to APCNF is 4.10 quintals per ha in Chillies. Out of nine sample crops, in two crops, viz., Paddy and Chilies, the increases in the yields are statistically significant.

In percentage terms, the increases in crop yields due to APCNF vary from 0.94 percent in Groundnut to 10.41 percent in Jowar. While Sugarcane (1.70 percent) and Cotton (2.92 percent) experienced a marginal decline in their yields under APCNF, Maize (11.34 percent) has experienced a notable decline during the Kharif 2019-20.

**Table 3.4: Differences between the estimated yields under APCNF and Non-APCNF during Kharif 2019-20**

Crop	<i>In quintals per ha</i>			
	Yields under APCNF	Yields under NON - APCNF	Changes in yields due to APCNF in qtls.	Changes in yields due to APCNF in %
Chillies*	49.78	45.68	4.10	8.98
Paddy*	50.87	48.06	2.81	5.85
Jowar	20.15	18.25	1.90	10.41
Red gram	6.47	6.09	0.38	6.24
Bengal gram	15.57	15.31	0.26	1.70
Groundnut	16.53	16.38	0.15	0.94
Cotton	18.95	19.52	-0.57	-2.92
Maize	49.96	56.35	-6.39	-11.34
Sugarcane	778.02	786.84	-8.82	-1.12

Source: IDS Field Survey

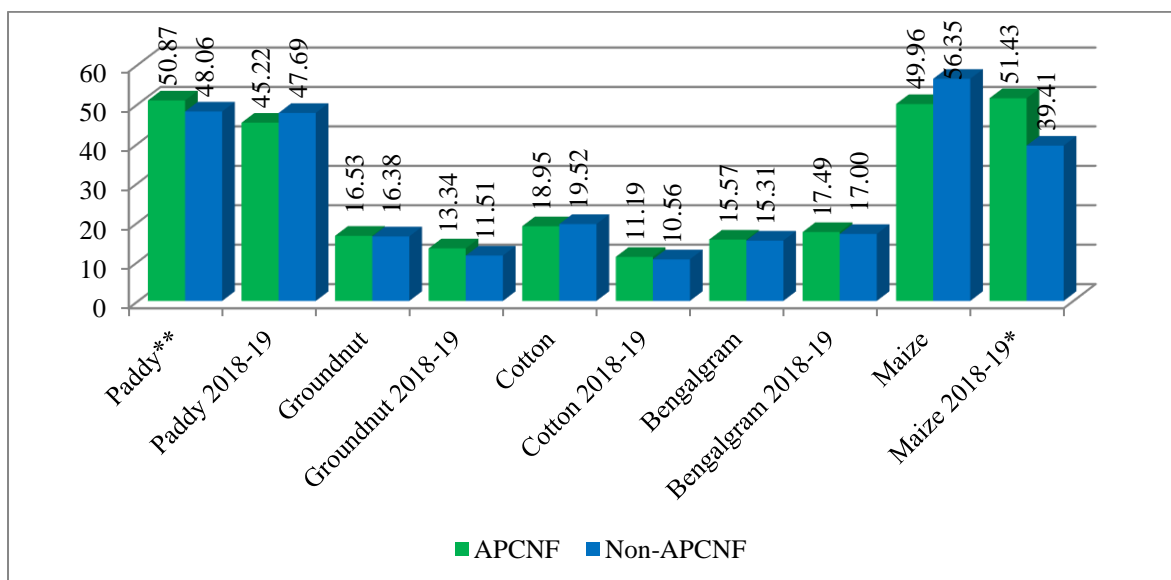
\* Statistically significant

As the yields are crucial for the APCNF project, at least at this point of time, the changes in the crop yields at the district, irrigation and rainfed conditions are analysed here. In the Kharif 2018-19 and 2019-20 surveys, there are five common crops. First, the yield obtained this year Kharif are compared with the last year Kharif yields. The yields obtained under APCNF and non-APCNF conditions during last two years are shown at Figure 3.3. One point to note is that

the observed larger variations in the yields of Groundnut and Cotton during 2018-19 and 2019-20 may be due to variation in time periods of data collection. While in 2018-19, data was collected up to December 2018, in 2019-20 data has been collected up to February 2020; covering late Kharif and early Rabi sown fields also. However, these variations in the time of data collection do not affect the major objective of the study, i.e., comparing the yields of APCNF and non-APCNF at any given point of time. Major positive change experienced during 2019-20 is a significant increase in Paddy yield to 50.87 quintals per ha from 45.22 quintals in 2018-19. Last year the Paddy yield under APCNF was less than that of non-APCNF. On the other hand, lesser yield of Maize under APCNF compared to non-APCNF conditions is a negative development during this season. Last year, Maize under APCNF has recorded higher yields compared to non-APCNF in both Kharif and Rabi seasons. This year, the consolation is that difference between APCNF and non-APCNF yields is not statistically significant. *Another important inference, which can be drawn from Maize data, is that APCNF reduces significantly the annual fluctuations in the crop yields. The variation between the APCNF yields of 2018-19 and 2019-20 is -2.86 percent; the same, under non-APCNF, is 42.98 percent.* The marginal gap in the yields of Groundnut under APCNF and non-APCNF yields needs a closer look by the RySS. Groundnut is, usually, cultivated on the most degraded soils and in harsh climatic conditions. The microorganism, introduced under APCNF, may need additional protection and other measures to survive and function effectively in those conditions.

**Figure 3.3: Yields of select crops under APCNF and Non-APCNF during 2018-19 & 2019-20**

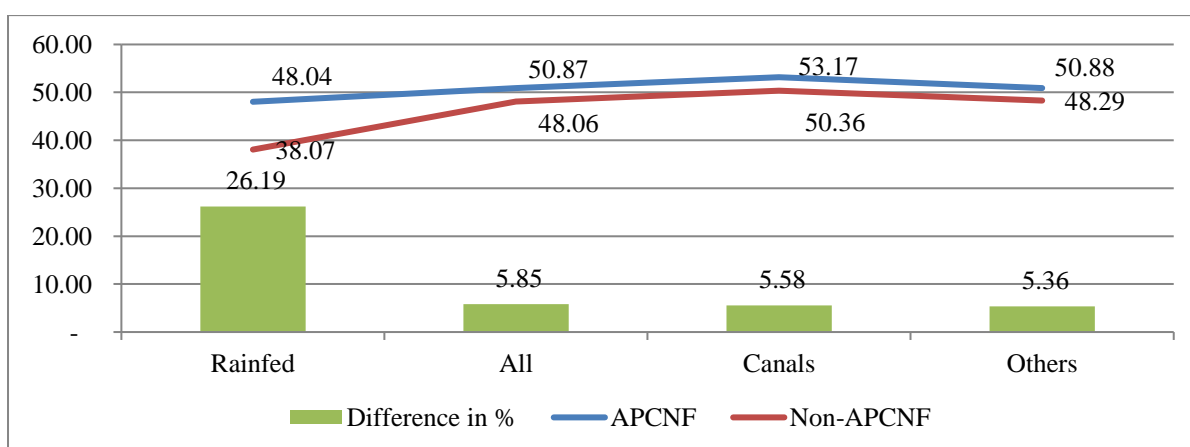
*In quintals per ha*



Sources: IDS Field Surveys, 2018-19 and 2019-20

Changes in the Paddy yield under different irrigation conditions are shown in Figure 3.4. Irrigation modes considered in this study are (1) canal irrigation, (2) other sources (include bore-wells, tanks, open wells, streams, lift irrigation), and (3) rainfed (no irrigation). Highest increase of 26.16 percent in Paddy yields is obtained under rainfed conditions. It is validating the assumption that APCNF needs much less water/ soil moisture compared to conventional agriculture (non-APCNF). There are small differences in the variation in the Paddy yields under canal irrigation (5.58 percent) and other sources of irrigations (5.36 percent).

**Figure 3.4: Changes in Paddy yields due to APCNF under different irrigation modes**  
In quintals per ha



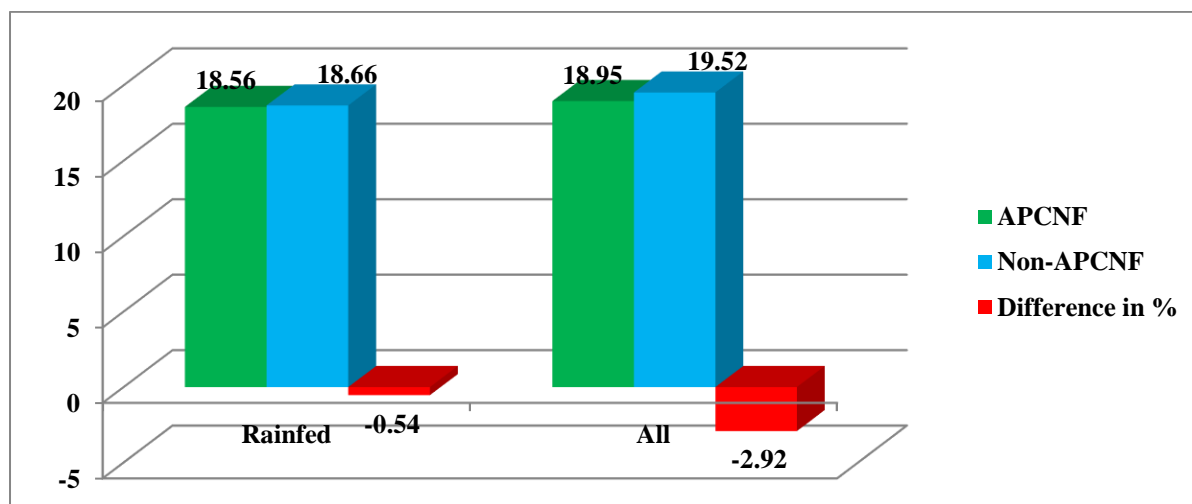
Sources: IDS Field Survey, 2019-20

Cotton being a predominantly rainfed crop, bulk of the cotton sample come from rainfed conditions. A comparative picture of the cotton yields under rainfed condition and all irrigation conditions, including rainfed conditions, are shown at Figure 3.5. The difference between

APCNF and non-APCNF cotton yields among all the samples is -2.97 percent, i.e. the Cotton yields under APCNF cultivation is less. The same is just 0.54 percent under the rainfed conditions. It implies that the APCNF's Cotton yields, under irrigation, must be quite less than that of non-APCNF. It has once again proved that the APCNF needs less water or soil moisture.



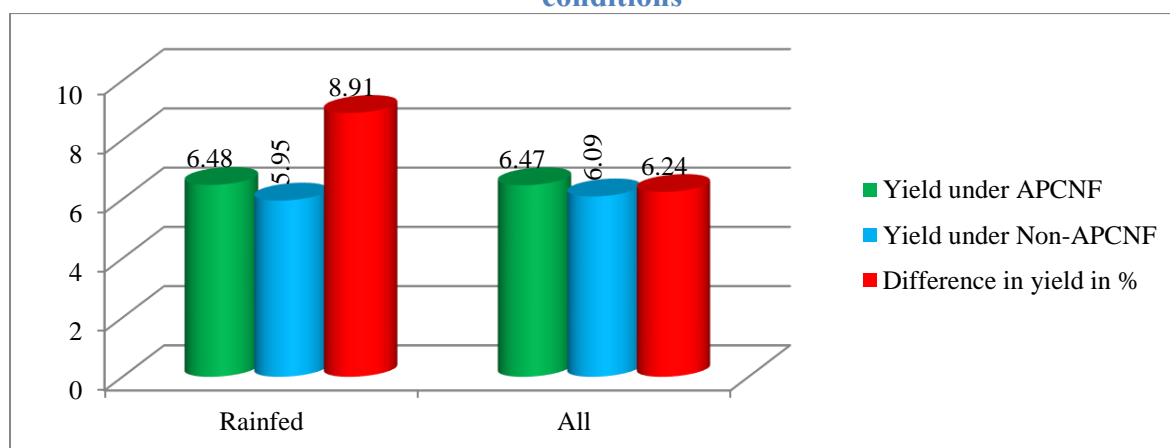
**Figure 3.5: Variations in Cotton yields, due to APCNF, under rainfed and all conditions**



Sources: IDS Field Survey, 2019-20

Red gram also being a rainfed crop, most of the sample came from the rainfed areas. However, a few samples are from irrigated areas. The variation in APCNF and non-APCNF yields under rainfed conditions and all conditions are presented at Figure 3.6. While the yields of APCNF under rainfed and all conditions are almost same, the non-APCNF yields are marginally less under rainfed conditions. The gap between APCNF and non-APCNF is large under rainfed conditions (8.91 percent), compare to all conditions (6.24 percent). It implies that the gap would be even close under the irrigated conditions. Once again it proves that APCNF is more effective under the rainfed conditions.

**Figure 3.6: Variations in Red gram yields, due to APCNF, under rainfed and all conditions**

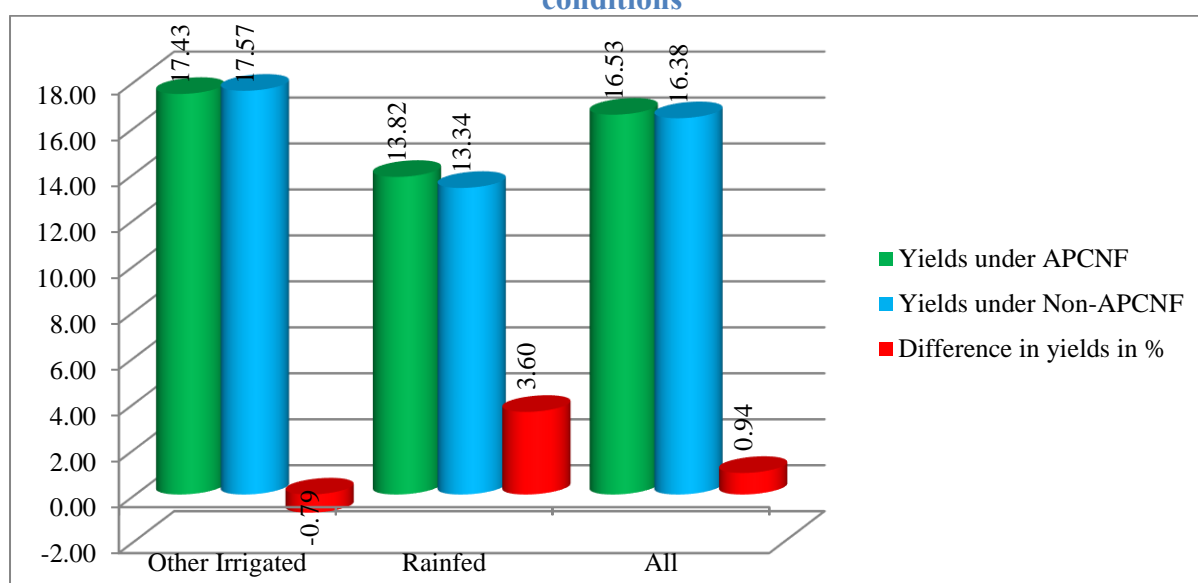


Sources: IDS Field Survey, 2019-20

Groundnut crop also has good number of samples. The sample sizes allow the comparison of the APCNF and non-APCNF yields under rainfed condition, other irrigation conditions and all sources, including the rainfed. The irrigation status wise the yield differences are presented at

Figure 3.7. The APCNF yields are less than non-APCNF yields under other irrigation conditions by 0.79 percent. The APCNF yields are more than that of non-APCNF by 3.60 percent under rainfed conditions. As mentioned above that Groundnut is being cultivated on the most degraded soils and harsh conditions in Anantapuramu and other Rayalaseema districts, mostly under the rainfed conditions. Microorganism may not survive and function effectively under those harsh environment and degraded soils. Special efforts may be needed in those conditions and soils. Promoting the tree-based farming may be one good possible solution for those soils and conditions.

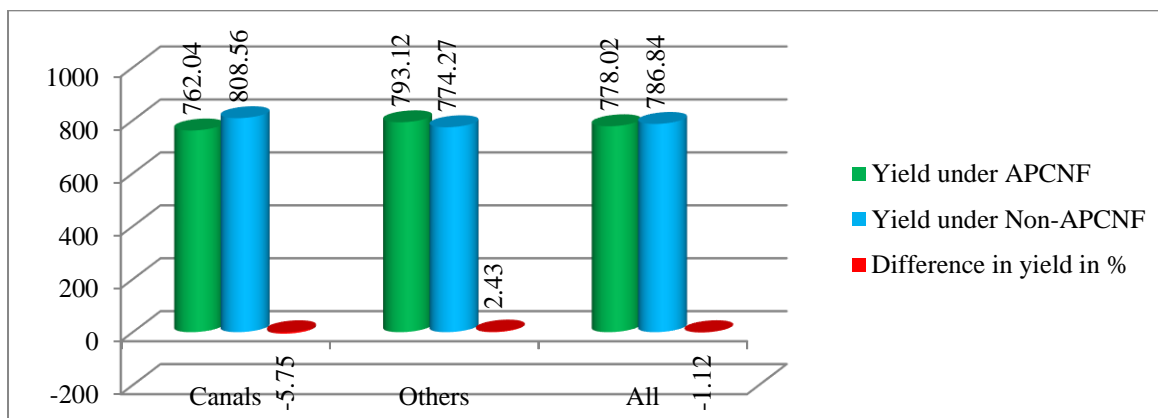
**Figure 3.7: Variations in Groundnut yields, due to APCNF, under different irrigation conditions**



Sources: IDS Field Survey, 2019-20

Sugarcane too has enough samples to undertake the sub-crop analysis. It is completely irrigated crop. Hence the sub-crop analysis is carried out under canal irrigation and other sources of irrigation conditions. The yield variations are shown at Figure 3.8. The APCNF yields under canal irrigation (762.04 quintals per ha) are less than the non-APCNF yields (805.56 quintals per ha) by 5.75 percent. Under other sources of irrigation, the Sugarcane yields (793.12 quintals per ha) under APCNF are higher than that of non-APCNF (774.27 quintals per ha) by 2.43 percent. It appears that microorganism is less effective under canal irrigation, which is heavy, gets flooded and less controlled. Previously Paddy also yielded lesser yields under canal irrigation. RySS may focus on this issue. Recent experiments in the delta and north costal districts by some NGOs indicate that the System of Root Intensification (SRI), also known as the System of Rice Intensification, method has yielded very high yields in Sugarcane. RySS may explore this method in canal irrigated areas in particular, and in all areas in general.

**Figure 3.8: Variations in APCNF and Non-APCNF Sugarcane yields under different irrigation conditions**

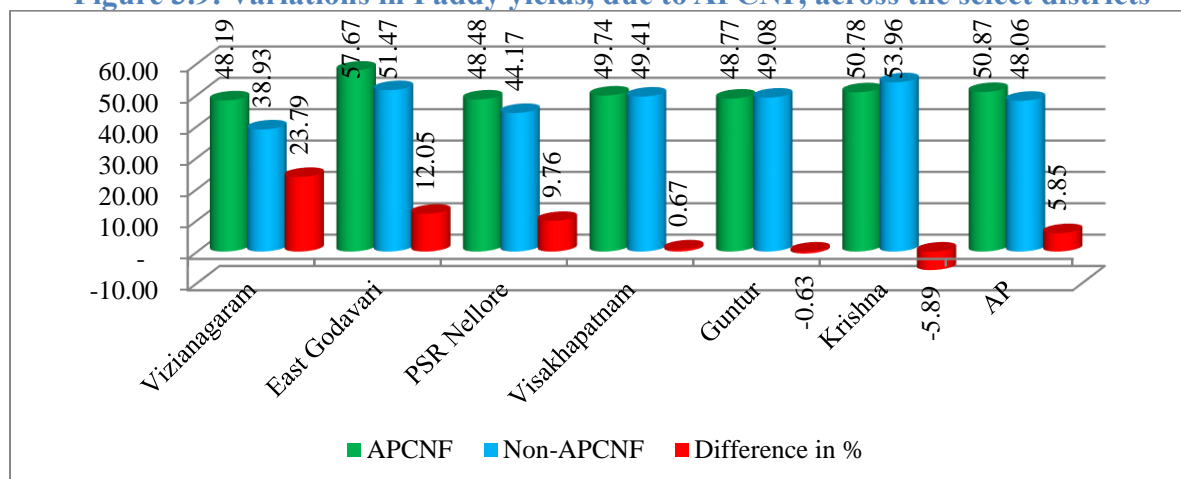


Sources: IDS Field Survey, 2019-20

Irrigation type wise (including rainfed) analysis of the five crops indicates the APCNF need less water and soils moisture. However, APCNF appeared to be less effective under canal/ flood irrigation and degraded soils and harsh environments. To overcome these challenges, RySS may explore the possibility of introducing the SRI in the canal irrigation area and BAIF's tree-based cropping model in the poor and completely degraded soils, along with APCNF.

The performance of these five crops across the select district is analysed below. The variations in Paddy yields, due to APCNF, across selected districts are presented at Figure 3.9. The highest Paddy yields under APCNF are achieved in East Godavari (57.67 quintals per ha) district followed by Krishna (50.78 quintals per ha). The Lowest yields 48.19 quintals per ha are recorded in Vizianagaram district. Under non-APCNF cultivation, the highest Paddy yields 53.96 quintals per ha are recorded in Krishna followed by East Godavari (51.47 quintals per ha). The least yields 38.93 quintals per ha, under non-APCNF, are recorded in Vizianagaram preceded by PSR Nellore (44.17 quintals per ha). Out of six districts considered here, in four districts the Paddy yields under APCNF are higher and in two districts less than non-APCNF. The highest increase in the Paddy yields, due to APCNF, are realised in Vizianagaram (23.79 percent), and followed by East Godavari (12.05 percent) and PSR Nellore (9.76 percent). While there is a marginal decline in the Paddy yields, due to APCNF, in Guntur (-0.63 percent), it is visible in Krishna (5.89 percent).

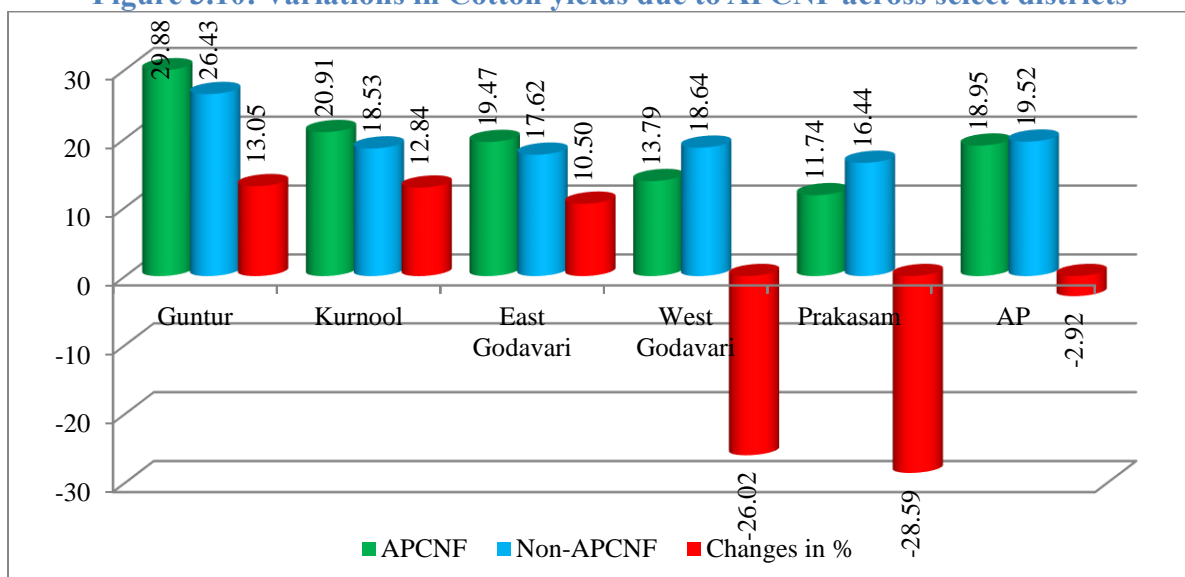
**Figure 3.9: Variations in Paddy yields, due to APCNF, across the select districts**



Sources: IDS Field Survey, 2019-20

The variations in the Cotton yields, due to APCNF, are presented at Figure 3.10. Wide fluctuations in the Cotton yields are a well-known fact. Cotton is known as one of the major distressing factors for the farmers in the country and one of the major contributory factors for farmers’ suicides. There are wide variations in the Cotton yields, under APCNF, across the selected districts. It varies from 11.74 quintals per ha in Prakasam district to 29.88 quintals per ha in Guntur district. There are relatively lesser variations across the districts in the Cotton yields under non-APCNF; leading to wider fluctuation in the changes due to APCNF. Out of five districts considered in this analysis, three districts recorded more than 10 percent increase in yield and two districts experienced more than 26 percent decline due to APCNF. The highest increase in Cotton yields due to APCNF is in Guntur districts (13.05 percent), followed by Kurnool (12.84 percent) and East Godavari (10.50 percent). The largest decline in Cotton yields, due to APCNF, is reported in Prakasam district (28.59 percent) proceeded by West Godavari (26.02 percent). The district wise analysis makes it clear that a decline experienced in the Cotton yield in the state is due to the local and temporary factors in the Prakasam and West Godavari districts. These factors may give a wonderful opportunity to RySS to study and improve.

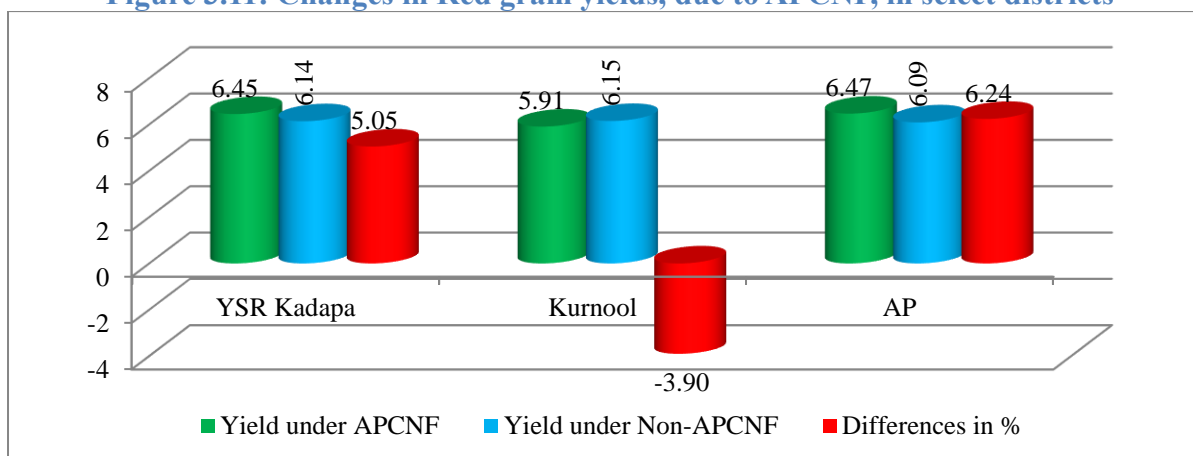
**Figure 3.10: Variations in Cotton yields due to APCNF across select districts**



Sources: IDS Field Survey, 2019-20

The changes in Red gram yields, due to APCNF, across selected districts are presented in Figure 3.11. Out of two districts considered here, the Red gram yields have increased in YSR Kadapa by 5.05 percent and declined in Kurnool by 3.90 percent, due to APCNF. Relatively larger increase in the state indicates that in other districts the Red gram yields have increased.

**Figure 3.11: Changes in Red gram yields, due to APCNF, in select districts**



Sources: IDS Field Survey, 2019-20

Groundnut analysis at district level (Anantapuramu district only), once again confirmed the proposition that the microorganism may be ineffective in the degraded soils and harsh environment. Anantapuramu has the most degraded soils and harsh environment in the state.

Sugarcane sample distribution allowed the district level estimates only in Visakhapatnam district. The gap between the Sugarcane yields of APCNF and non-APCNF is 0.83 percent in Visakhapatnam compared to -1.12 percent in the state. As mentioned elsewhere in the report

that propagation of SRI method in Sugarcane cultivation in the coastal districts, by some NGOs, may be one of the reasons for higher production of the crop under non-APCNF conditions. RySS may incorporate the method in canal irrigated crops and regions, to start with.

### 3.5. Gross returns

Gross returns from the crop cultivation are defined as the sum of the values of the crop output and by-products. Using the prices of crop output and by-products reported by the sample farmers and crop outputs estimated through CCEs, crop wise gross returns are estimated. Normally, gross returns follow the patterns of the changes in the crop yields. However, APCNF crops/ outputs, being chemical free and healthy products, they command premium price in the market. Though RySS has not yet rolled out a large scale marketing interventions, a few APCNF farmers have developed some alternative marketing channels such as sale to relatives, friends, neighbours, etc., direct sale to urban consumers, institutions, malls, online, etc. Though only a few APCNF farmers are involved in the alternative marketing channels, they could influence the average prices realized for different crops. The prices will be discussed in chapter 5. This section compares the gross returns generated by the APCNF farmers, compared to non-APCNF farmers.

The crop wise gross returns per ha are shown at Table 3.5. Out of 13 crops analysed, the gross returns per ha, under APCNF are higher than that of non-APCNF in 11 crops. The gross returns per ha, under APCNF, vary from ₹37,630 in Red gram to ₹6,24,899 in Chillies. The gross returns per ha, under non-APCNF, vary from ₹31,452 in Red gram to ₹5,59,099 in Chillies. In absolute terms, the gross returns have increased from ₹5,954 per ha in Jowar to ₹65,801 per ha in Chillies.

In terms of rate of change, the highest increase in gross returns, due to APCNF, is 19.64 percent in Red gram followed by Ragi (18.08 percent). The least increase in the gross returns, due to APCNF, is 5.53 percent in Groundnut. In the two crops, viz. Cotton and Maize, the gross returns under APCNF are less than that of non-APCNF by 3.11 percent and 10.97 percent respectively, due to lower yields.

**Table 3.5: Crop wise changes in gross returns due to APCNF (₹/ha)**

Crop	Gross returns under APCNF	Gross returns under Non-APCNF	Change due to APCNF in ₹	Change due to APCNF in %
Chillies	6,24,899	5,59,099	65,801	11.77
Sugarcane	2,27,782	2,10,269	17,512	8.33
Paddy	92,161	81,460	10,701	13.14
Bengal gram	70,453	61,948	8,505	13.73

Red gram	37,630	31,452	6,178	19.64
Jowar	58,753	52,799	5,954	11.28
Groundnut	98,236	93,091	5,145	5.53
Cotton	83,965	86,663	-2,698	-3.11
Maize	94,976	1,06,673	-11,697	-10.97

Sources: IDS Field Survey, 2019-20

As mentioned above, gross returns depend on crop output and prices. Prices, in turn, depend on local conditions such as level of output, local demand, proximity to markets, urban areas, marketing infrastructure, etc., and more importantly on the quality of crop output. Prices do not depend on the production conditions such as irrigation. However, organic, and natural farming can influence the prices significantly. The district wise gross returns in Paddy are analysed below. District wise gross returns from Paddy are presented at Table 3.6. The gross returns from Paddy, under APCNF, vary from ₹76,200 per ha in Visakhapatnam to ₹1,38,305 per ha in Chittoor. At the same time, the gross returns, under non-APCNF, vary from ₹56,577 per ha in Srikakulam to ₹1,74,696 per ha in Chittoor. The most surprising result is that Chittoor district, which achieved the highest gross returns from Paddy, under APCNF, recorded 21 percent lower gross return than that of non-APCNF. Out of total 13 districts, in nine districts, the gross returns from Paddy, under APCNF, are higher than that of non-APCNF. In these nine districts, the differences in gross returns vary from ₹1,394 per ha in Visakhapatnam to ₹36,886 per ha in East Godavari. In four districts, where the gross returns, from Paddy under APCNF, are less than that of non-APCNF, the differences in gross returns vary from -₹2,613 in Krishna to -₹36,391 in Chittoor. In terms of rate of change, the gross returns vary from -20.83 percent in Chittoor to 1.86 percent in Visakhapatnam and then to 54.79 percent in West Godavari. The changes in gross returns are over 40 percent in four districts, over 26 percent in one district and in the range of 11 percent to 20 percent in three districts.

**Table 3.6: District wise gross returns from Paddy under APCNF and non-APCNF and changes (₹/ha)**

District	APCNF	Non-ACNF	Change in ₹	Change in %
West Godavari	92,006	59,440	32,566	54.79

Srikakulam	80,754	56,577	24,177	42.73
East Godavari	1,25,900	89,014	36,886	41.44
Vizianagaram	91,665	64,968	26,698	41.09
Anantapuramu	1,11,183	87,836	23,347	26.58
Guntur	97,262	81,414	15,849	19.47
PSR Nellore	82,369	72,746	9,623	13.23
YSR Kadapa	1,10,239	98,739	11,500	11.65
Visakhapatnam	76,200	74,806	1,394	1.86
Krishna	92,065	94,679	-2,613	-2.76
Prakasam	1,01,394	1,07,919	-6,525	-6.05
Kurnool	84,625	91,418	-6,792	-7.43
Chittoor	1,38,305	1,74,696	-36,391	-20.83

Sources: IDS Field Survey, 2019-20

### 3.6. Net returns

It is quite interesting to know the impact of the APCNF on net returns per ha from cultivation, the all-important indicator. The changes in the expenditure on PNPIs, paid out costs of cultivation, yields, gross returns (output and prices) per hectare under APCNF vis-à-vis non-APCNF should result in the net additional returns under the APCNF across all crops. **The net returns of a crop are obtained by subtracting of total paid out costs of cultivation of a crop from gross returns (value of crop output and by-products) of that crop.** The paid-out cost of rent of leased in lands were not considered for the sake of uniformity. The cost of own labour is also not included in the total costs. (The issue of own labour would be discussed in the Chapter 5). Crop wise changes in net returns due to APCNF during Kharif 2019-20 are given in Table 3.7. During the Kharif season, highest net returns under APCNF, ₹4,48,307 is obtained in Chillies, and the lowest amount of net return is ₹19,466 in Red gram. The net returns, under Non-APCNF, vary between ₹4,219 in Red gram and ₹3,21,187 in Chillies. Out of nine sample crops, the net returns under APCNF are higher than that of Non-APCNF, in eight crops; the exception is Maize. The highest additional net returns of ₹1,27,121 per ha are realized in Chillies. The lowest additional returns of ₹-3,291 per ha is realized in Maize, preceded by ₹6,435 per ha in Jowar and ₹9,843 per ha in Groundnut. Out of nine sample crops, in four, the net returns have increased by ₹20,000 to ₹25,000 per ha, due to APCNF. *In terms of rate of change, the results appear to be unbelievable. It is the result of the combined effect of reduction in the paid-out cost of cultivation, increase in yields and realization of higher prices.* The rates of change/ increase in net returns, due to APCNF, are in the range of 165 percent to 361 percent, in three crops. The same is in the range of 19 percent to 67 percent in five crops. In the remaining one crop, a small decline is experienced in Maize (-5.26 percent).



Table 3.7: Variations in crop-wise net returns under APCNF and Non-APCNF

Crop	₹/ha			
	Net returns under APCNF	Net returns under Non-APCNF	Changes due to APCNF in ₹	Changes due to APCNF in %
Chillies	4,48,307	3,21,187	1,27,121	39.58
Bengal gram	38,257	13,571	24,686	181.90
Cotton	37,520	14,124	23,396	165.65
Sugarcane	1,31,456	1,10,640	20,816	18.81
Paddy	51,426	31,031	20,395	65.73
Red gram	19,466	4,219	15,248	361.43
Groundnut	51,190	41,346	9,843	23.81
Jowar	33,810	27,375	6,435	23.51
Maize	57,422	60,610	-3,188	-5.26

Sources: IDS Field Survey, 2019-20

As production conditions also effect the net returns, the changes in the net returns in irrigation and rainfed conditions are analysed briefly. In the irrigated areas, the net returns, under APCNF, vary from ₹9,960 per ha in Red gram to ₹6,16,647 per ha in Turmeric. The same under non-APCNF vary from ₹4,509 per ha in Red gram to ₹5,03,984 per ha in Turmeric. The changes in net returns, due to APCNF under irrigated conditions vary from ₹-6,194 per ha in Maize to ₹1,08,738 per ha in Chillies. Out of nine sample crops, two crops, viz. Chillies and Sugarcane, do not have rainfed sample. In the remaining eight crops, the net returns, under APCNF in rainfed areas, vary from ₹19,886 per ha in Red gram to ₹62,713 per ha in Maize. The same, under non-APCNF, vary from ₹5,741 per ha in Red gram to ₹44,772 per ha in Maize. The changes in net returns, due to APCNF under rainfed conditions, vary from ₹2,109 per ha in Bengal gram to ₹27,281 per ha in Cotton. The crops in the Table 3.8 are arranged as per the APCNF sample size. By and large the non-APNCF sample size also followed the same pattern. The results on the top part of the table are more reliable and bottom part crops may be considered less reliable. In the first five crops, in terms of APCNF sample size, the increase in net returns, due to APCNF under rainfed conditions is higher than that of irrigated conditions in four crops; the only exception is Groundnut. As pointed out at more than one place, that Groundnut under rainfed conditions needs additional supplementary measures, for the APCNF to be effective.

Table 3.8: Changes in crop-wise net returns, due to APCNF, under irrigated and rainfed conditions

Crop	₹/ha					
	Irrigated areas			Rainfed areas		
	Net returns	Net returns	Changes in net returns,	Net returns	Net returns	Changes in net returns,

	under APCNF	under Non- APCNF	due to APCNF in ₹	under APCNF	under Non- APCNF	due to APCNF in ₹
Paddy	53,311	33,827	19,484	50,140	26,592	23,547
Groundnut	52,936	32,274	20,662	39,247	33,938	5,310
Red gram	9,960	4,509	5,451	19,886	5,741	14,145
Cotton	39,040	19,097	19,944	41,163	13,882	27,281
Maize	69,270	75,465	-6,194	62,713	44,772	17,942
Jowar	33,964	24,949	9,015	36,853	34,744	2,109
Bengal gram	58,042	38,266	19,776	35,278	8,470	26,808
Sugarcane	1,33,543	1,10,640	22,903			
Chillies	4,29,534	3,20,796	1,08,738			
<b>Max of above</b>	<b>4,29,534</b>	<b>3,20,796</b>	<b>1,08,738</b>	<b>62,713</b>	<b>44,772</b>	<b>27,281</b>
<i>Min of above</i>	<i>9,960</i>	<i>4,509</i>	<i>-6,194</i>	<i>19,886</i>	<i>5,741</i>	<i>2,109</i>

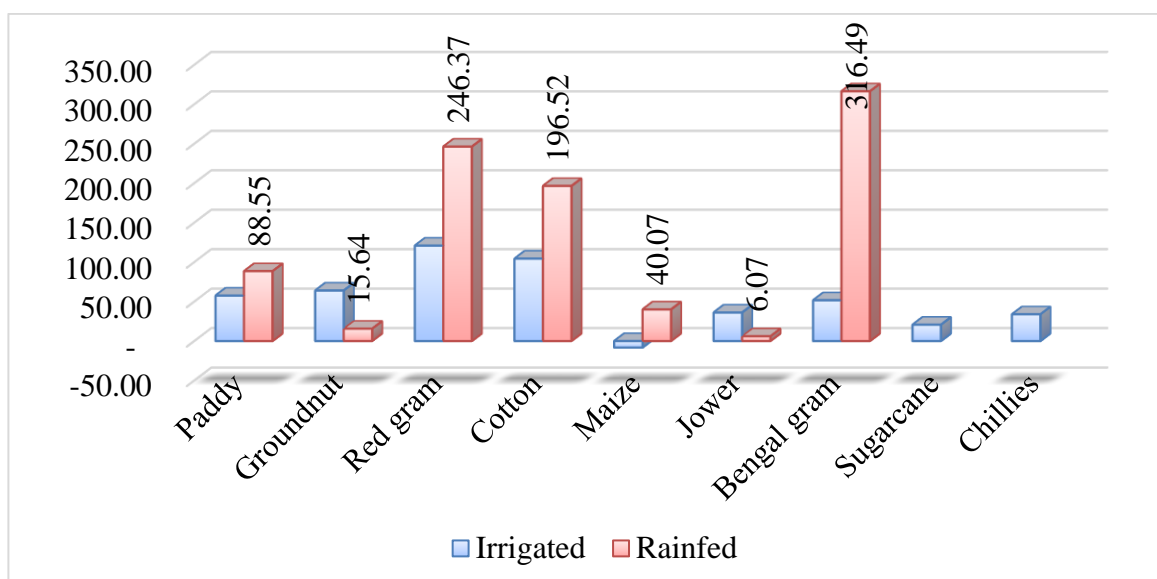
Sources: IDS Field Survey, 2019-20

Notes: Crops/rows area arranged per APCNF sample size

The increase in net returns, due to APCNF under rainfed conditions is higher than that of irrigated conditions in major crops by substantial margin. The crop wise rates of changes in net returns, due to APCNF, under irrigation and rainfed conditions, are presented at Figure 3.12 which substantiates the trend. The trend once again confirms the supposition that APCNF is more effective under rainfed and irrigated dry cropping conditions. The only exception is Groundnut. The results of groundnut reconfirm the hypothesis that the microorganism may be less effective under much degraded soils and in harsh environments.

**Figure 3.12: Changes in crop-wise net returns due to APCNF under Irrigated and Rainfed conditions**

*In percentages*



Sources: IDS Field Survey, 2019-20

Notes: Crops/rows area arranged per APCNF sample size

District wise net returns obtained from Paddy cultivation, under APCNF and non-APCNF conditions, and changes in net returns due to APCNF are presented at Table 3.9. The net returns from Paddy, under APCNF, vary from ₹36,107 per ha in PSR Nellore to ₹87,722 per ha in Chittoor. The same, under non-APCNF, vary from ₹12,344 per ha in Srikakulam to ₹1,08,642 per ha in Chittoor. The net returns from Paddy, under APCNF, are higher than that of non-APCNF, in all, but one district-Chittoor. They vary from ₹-20,921 in Chittoor to ₹46,656 per ha in East Godavari. The net returns from Paddy have increased by more than 100 percent, due to APCNF, in seven out of total 13 districts. The same has increased by 54 percent in one district, and in the range of 19 percent to 33 percent in three districts. Kurnool recorded a modest increase. Chittoor district with over 19 percent decline in the net returns is the most surprising result. *It is heartening to note that interior and relatively poorer districts like Anantapuramu, YSR Kadapa, Srikakulam, and Vizianagaram have experienced more than 100 percent increase in net returns from Paddy, due to APCNF.* One possible reason is that poorer district may be under investing in the Paddy cultivation and/ or getting less yields, under conventional methods. Otherwise they might be getting premium prices for APCNF Paddy.

**Table 3.9: District-wise changes in net returns from Paddy crop due to APCNF**

₹/ha

District	Net returns under APCNF	Net returns under Non-APCNF	Changes, due to APCNF in ₹	Changes due to APCNF in %
East Godavari	78,883	32,226	46,656	144.78
Vizianagaram	58,097	21,458	36,639	170.75
YSR Kadapa	59,679	24,312	35,367	145.47
West Godavari	45,831	13,486	32,344	239.83
Anantapuramu	61,592	30,658	30,934	100.90
Srikakulam	38,351	12,344	26,008	210.69
Guntur	40,878	15,373	25,505	165.91
Visakhapatnam	52,254	33,902	18,352	54.13
Prakasam	58,950	46,388	12,562	27.08
Krishna	44,232	33,342	10,890	32.66
PSR Nellore	36,107	30,370	5,737	18.89
Kurnool	45,309	44,099	1,210	2.74
Chittoor	87,722	1,08,642	-20,921	-19.26
Max of above	87,722	1,08,642	46,656	240
Min of above	36,107	12,344	-20,921	-19

Sources: IDS Field Survey, 2019-20

### 3.7. Model crops

Apart from introducing the biological inputs in place of chemical inputs, APCNF is also propagating some model cropping patterns, including multi-tier crops of trees and seasonal crops, known as 5-layer and 7-layer models; integrated cropping, bund crops, boundary crops, inter-crops, pre-monsoon dry sowing (PMDS) crops, kitchen gardens, etc. The purpose of these models is two-fold; (1) to protect the main crop from harsh environment and create the conducive environment for higher yields, and (2) to obtain additional net income from same land throughout the year. More than 440 sample APCNF farmers have reported their experience in the model crops. The information is summarized in Table 3.10. The average benefits from model crops are ₹5,422 per farmer. The benefits vary from ₹4,076 from bund crop to ₹68,945 from integrated farming per farmer. As these interventions were initiated recently, many trees are too young to yield the expected benefits. In the coming years the economic and environmental benefits from some of these models will increase manifolds, which may surpass the economic benefits from the seasonal crops.

**Table 3.10: Average per head benefits from model crops under APCNF***Sample in number and returns in ₹ per head*

Crop	No. of sample	Net returns per farmer
5-layer model	19	7,989
7-layer model	4	14,827
Integrated farming	1	68,945
PMDS	24	11,431
Kitchen gardens	30	4,942
Bund crops	108	4,076
Border crops	257	4,899
Total	444	5,422

*Sources:* IDS Field Survey, 2019-20

### 3.8. Conclusions

The biological inputs have resulted in significant reduction in the plant nutrients and plant protection (PNPI) expenditure in all sample crops. Baring a few exceptions, the reduction in the expenditure on PNPIs is less under the rainfed conditions in most of the crops. It is obvious; as the farmers, under conventional methods of cultivation, invest less under the rainfed conditions; the scope for the reduction in the expenditure on PNPIs is less compared to that of irrigated conditions. The savings realized in total paid out costs is higher than the savings obtained in the expenditure on PNPIs in almost all crops. It is in contrast to the previous reports. It may be due to improvement of soil quality, over the years, which might have reduced the need for mid-season operations such as weeding, ploughing, irrigation, etc. The expenditure on majority of agriculture inputs has declined in all sample crops, due to APCNF.

Though the crop yields decline in three crops, the gross and net returns have declined in one crop only. It implies that the decline in total paid out costs and higher realized prices have compensated the loss in yields in two crops. It also implies that the quality of APCNF output is better and fetching higher prices, albeit, in fewer cases.

The irrigation status wise and district wise analyses, broadly, indicate that APCNF is more effective under rainfed conditions and other irrigation conditions; benefitting the poorer and interior districts. The APCNF appeared to be less effective in Groundnut growing regions, especially in Anantapuramu, which has much degraded soils and harsh environment. In such conditions, RySS may consider the tree-based farming. RySS may also consider incorporating SRI in the canal irrigated areas.

# Chapter 4: Environmental, Health and Well-being Benefits

## 4.1 Introduction

Under APCNF, two major sets of intervention are being implemented in the state. The first set of interventions is the introduction of microorganisms into the soils to make the soils live, self-regenerating and productive. These measures include the culturing and application of microorganisms into the soils in the form of Beejamrutham, Ghanajeevamrutham, and Dravajeevamrutham. The second set of measures is aimed at protection and development/multiplication of the microorganisms in the soil. The interventions include application of variety of Kashayams and Asthramsto protect the crops without harming the microorganisms in the soils; and intensive biomass oriented land use practices such as five layers cropping, inter cropping, mixed cropping, bund cropping, boundary cropping, PMDS, etc., to get higher and stable economic returns throughout the year; and keep the soils under cover throughout the year; and mulching and Waaphasa, so that the microorganisms can thrive and multiply. This chapter covers ecological and environmental changes witnessed and experienced in the APCNF fields and their impact. The expected impact includes the improvement in the soil quality, quality of output, capable of fetching higher/ premium prices, quality of food leading to less health issues and health related expenditure and increased wellbeing.

This chapter deals with the following three research questions:

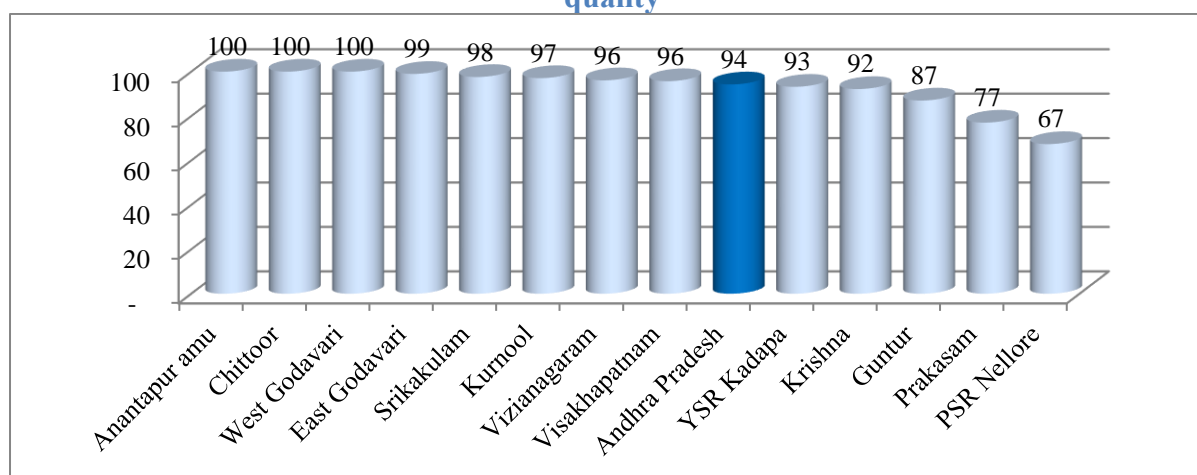
- i. What are the ecological and environmental improvements observed and experienced in the fields due to the APCNF interventions?
- ii. What are the impacts of the APCNF on the health status of the farmers-families?
- iii. What are the improvements observed in farmers' wellbeing due to APCNF?

It may be noted that ecological and environmental changes need longer periods to show. As the APCNF programme is just two to three years old in the sample villages, most of improvements, especially, the biological and chemical changes would be in the subtle or invisible form. It is very difficult to visualize and measure the full ecological and environmental impacts of the project interventions, at this stage. As the scientific testing of the soil quality, crop output quality, food quality, etc., are beyond the scope of the present study, the farmers' perceptions and experiences are predominantly used in the analysis, in this chapter.

## 4.2 Improvements in soil quality

About 94 percent of APCNF sample farmers have reported that their soil quality has improved, due to APCNF. Out of total 13 districts, in as many as 10 districts, over 92 percent of farmers have experienced an improvement of the soils in their fields. In fact, in three districts, viz., Anantapuramu, Chittoor and West Godavari, 100 percent farmers have stated that the quality of the soil has improved in their fields, due to APCNF (Figure 4.1). However, relatively fewer farmers in three south-coastal districts, viz., Guntur (87 percent), Prakasam (77 percent) and PSR Nellore (67 percent) experienced improvement of soils in their fields (Figure 4.1). Even the lowest figures are substantial and encouraging.

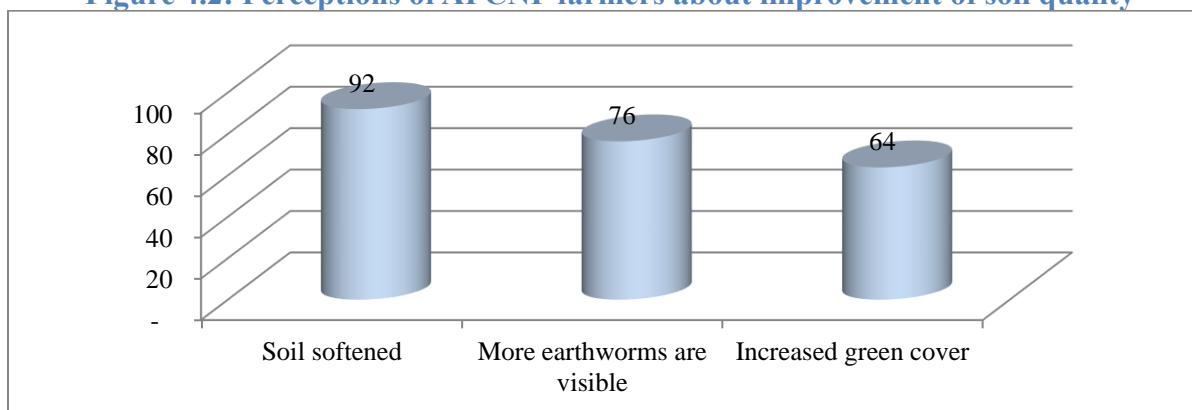
**Figure 4.1: District-wise number of APCNF farmers reported the improvement in soil quality**



Sources:IDS Field Survey, 2019-20

Further, 92 percent of sample farmers have experienced a softening of soils in their fields; 76 percent are seeing more earthworms in the fields and 64 percent have observed an increased green cover in their fields (Figure 4.2). The possible reasons for relatively a smaller number of farmers' perception and experience about increased green cover in their fields are – (1) low spread of 7-layer model, 5-layer model, 36X36-model, and other tree-based models, and (2) too short period for trees to show their presence and impact.

**Figure 4.2: Perceptions of APCNF farmers about improvement of soil quality**



*Sources:*IDS Field Survey, 2019-20

Farmers' perceptions are not just only evidence about the improvement in the soil quality due to APCNF. As discussed in the previous chapter that out of 13 sample crops, the yields have increased, due to APCNF, in 10 crops, in the range of 0.94 percent to 23.28 percent; and the yields have declined from 1.12 percent to 11.34 percent in three crops. The yield levels achieved under APCNF, without applying, all important and crucial, agri-chemicals, are the testimony for the efficacy of the APCNF and soil improvement.

The APCNF farmers have reported that the quality of crop output has improved compared to conventional cultivation. The farmers, in FDGs and CSs, have recounted three dimensions of crop quality improvements, viz., size/ weight of grain, strength of stems and resilience to weather anomalies. Most of the APCNF sample farmers confirmed these. Precisely, at the state level, 56 percent sample farmers have said that the weight of the grain has increased; 40 percent sample farmers believe that crop stems have become strong; and 39 percent mentioned that the crop resilience to weather anomalies has increased (Figure 4.3). However, there are wide variations across the districts in the farmers' perceptions about the quality improvement of the crops. While 100 percent farmers, in Chittoor, felt that the crop grain quality has increased, due to APCNF; only 25 percent farmers in Anantapuramu think that way. Only 9 percent farmers in Vizianagaram have sensed a stronger stem due to APCNF; but, as many as 83 percent farmers in PSR Nellore have witnessed the stronger stems under APCNF. Over 80 percent farmers in Visakhapatnam have stated that the crop resilience to weather anomalies has increased under APCNF; but, only 4 percent have confirmed this phenomenon in West Godavari.

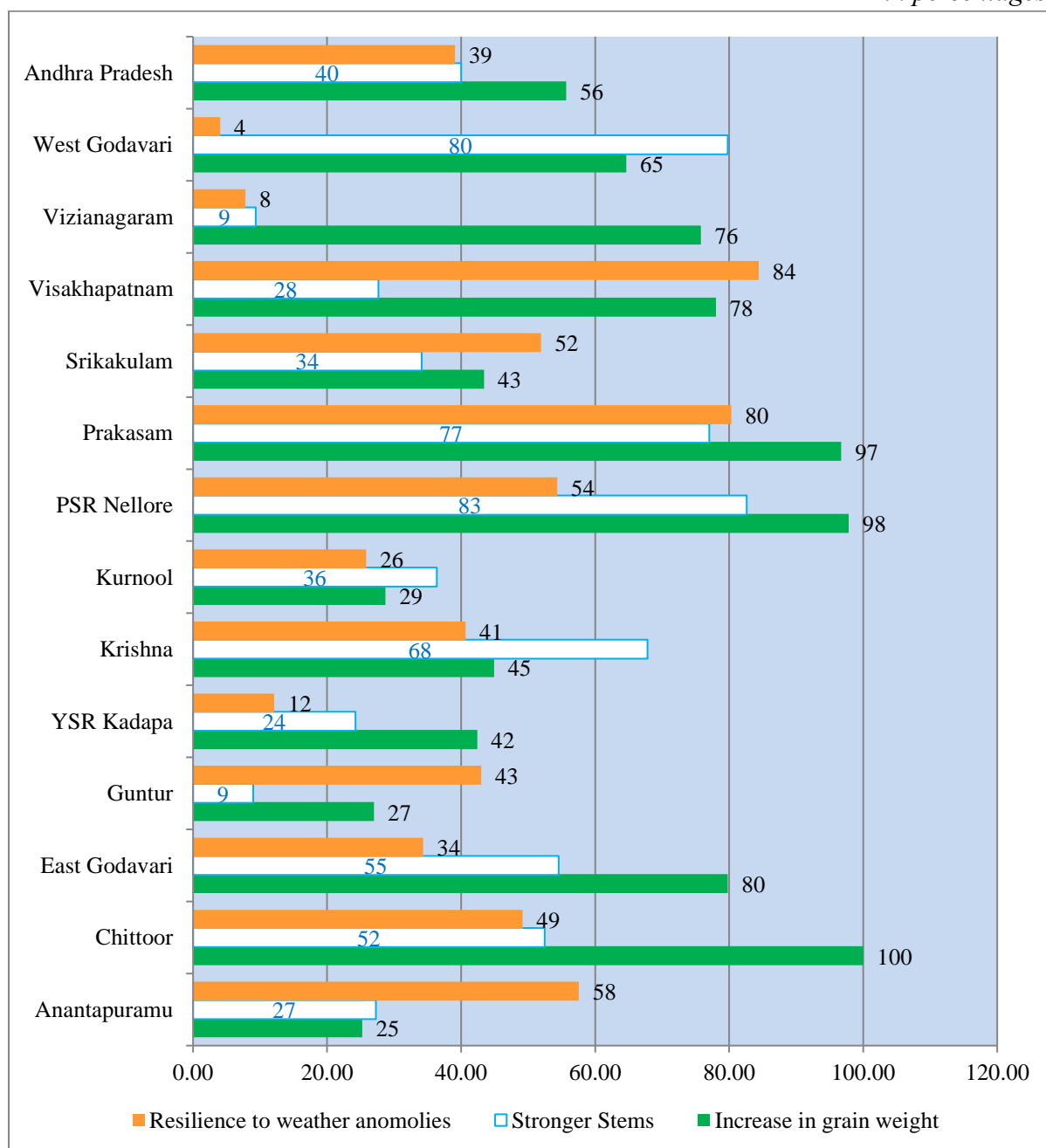
However, one may wonder – whether the expected improvement in the quality of output of food items and by-products remain as the perceived benefits or realized in monetary and other tangible ways? The answer is a big yes. Though the RySS not yet rolled out the output



marketing interventions, some of the APCNF farmers are able to sell their produces at some premium prices through variety of marketing channels. Because of farmers own initiatives, the APCNF products got higher prices vis-à-vis non-APCNF produces. This issue will be discussed in the next chapter. As mentioned above that higher yields obtained, under APCNF, in as many as 10 out of total 13 sample crops, also indicate, the qualitative improvements, such as increase in grain weight, stronger stems/ quality by-products, and crop resilience.

**Figure 4.3: District-wise number of APCNF farmers reported qualitative improvements in their crops**

*in percentages*

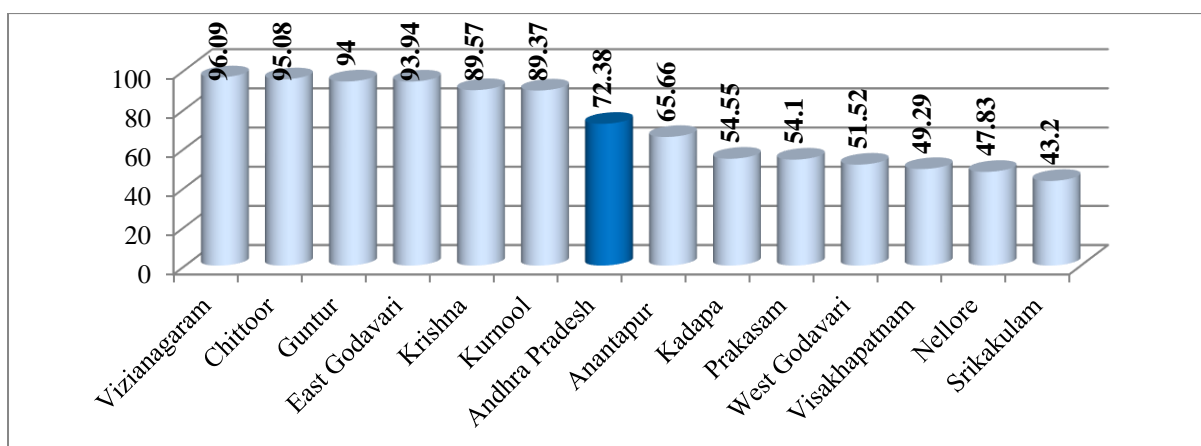


Sources: IDS Field Survey, 2019-20

### 4.3 Health outcomes

Some of the dreaded consequences of the use of fertilizer and pesticide followed in the country are disastrous health risks to the farmers and contaminated food to the consumers, which leads to several health issues among the general public. One of the expected benefits of the APCNF is complete elimination of health risks associated with the use of fertilizers and pesticides. There are clear and positive indicators for accomplishment of this goal. Over 72 percent APCNF farmers in the total sample have reported that the health condition of their family members has increased due to APCNF. The same varies from 43.2 percent in Srikakulam to 96.09 percent in Vizianagaram (Figure 4.4).

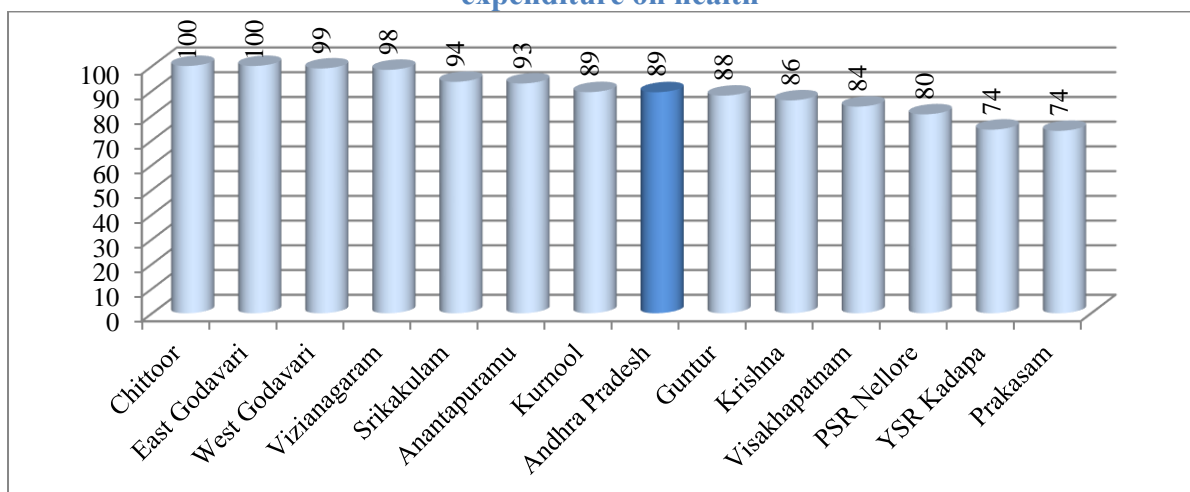
**Figure 4.4: District-wise Proportion of APCNF farmers reported improvement in the health of the family members**



Sources: IDS Field Survey, 2019-20

*More encouraging trend is that nearly 90 percent sample farmers have experienced a reduction in their out of pocket expenditure on the health due to APCNF.* It is widely experienced across the districts. While, minimum 74 percent sample farmers in Prakasam and YSR Kadapa have incurred less expenditure on health due to APCNF; 100 percent farmers in Chittoor and East Godavari have spent less on health during the study period, compared to earlier years.

**Figure 4.5: District-wise number of APCNF farmers experienced a reduction in expenditure on health**



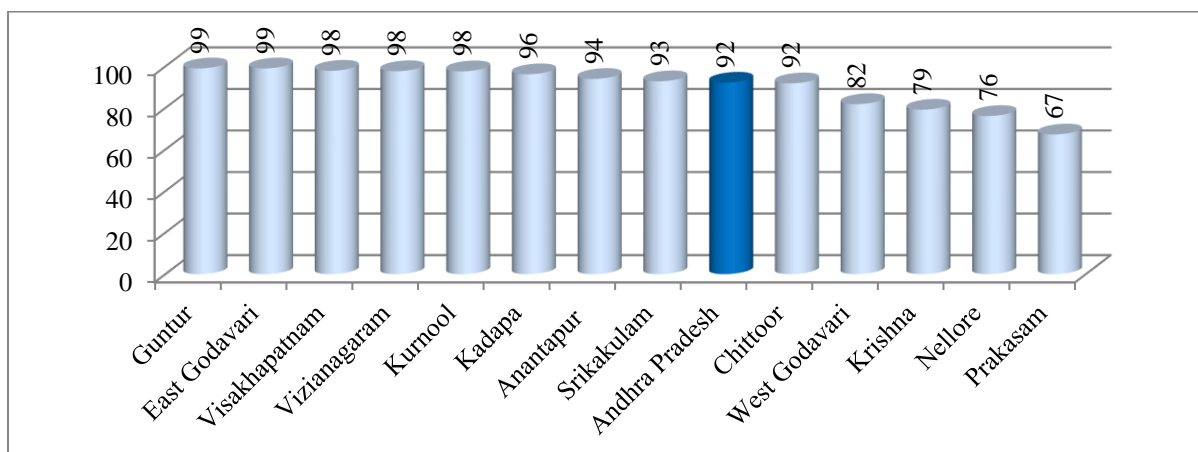
Sources:IDS Field Survey. 2019-20

#### 4.4 Farmers' wellbeing

These days, the farmers' welfare and wellbeing are gaining popularity. At all India level, the Government of India changed the name of the Ministry of Agriculture to the Ministry of Agriculture and Farmers Welfare. However, no significant changes in agriculture policies have been made to improve the welfare of the farmers. Various official reports point out a larger and growing aversion, among the farmers, towards agriculture. However, APCNF has been improving the farmers' perceptions towards agriculture and the overall wellbeing of the farmers. Farmers' wellbeing is broad term. Here, farmers' perceptions about their income, health, farming, and happiness have been analysed. The health issue is already covered in the previous section. In this section farmers' perception about agriculture, their income and happiness are covered.

Nowadays, there is growing awareness about the benefits of, and, growing demand for, the chemical free food, at least in the urban areas and among the middleclass and richer sections. The organic and chemical free food fetches premium prices for the farmers. One of the principal objectives of the APCNF is to spread the awareness about the benefits of the chemical free food among the farmers and encourage them to consume the APCNF food. It is heartening to learn that about 92 percent of sample households are consuming the APCNF food. The same varies from 67 percent in Prakasam district to 99 percent in Guntur (Figure 4.6). It may be noted that consumption of APCNF food not only depends on the awareness, taste, and interest of the farmers; but also, on the type of crops cultivated, traditions and cultures. It is possible that some of farmers, who are not consuming the APCNF food, may not be cultivating the food crops or food crops of their choice food.

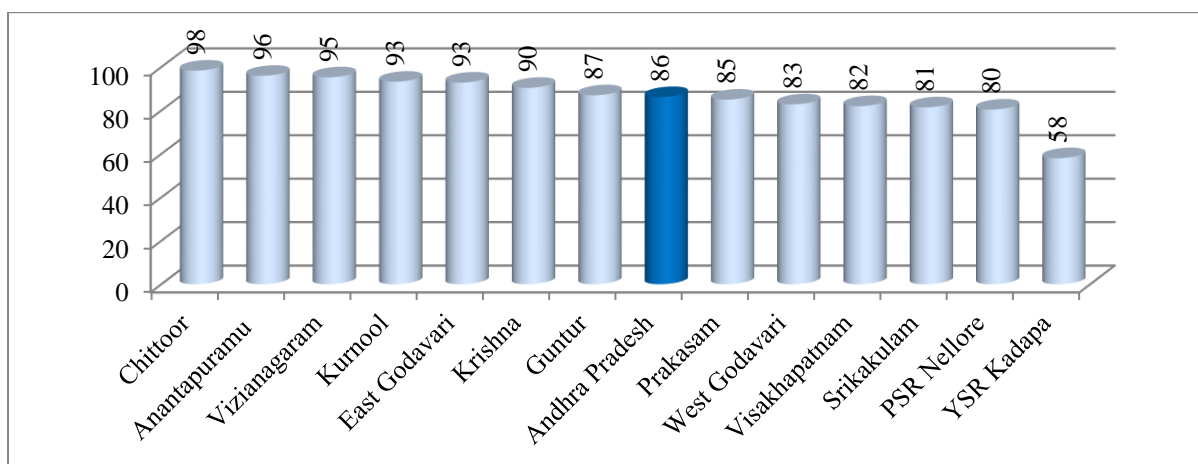
**Figure 4.6: District-wise percentage of sample farmers consuming APCNF food**



Sources: IDS Field Survey, 2019-20

As APCNF crops are grown purely on cow dung and cow urine-based inputs, there may be some apprehensions about the taste of the APCNF food. About 86 percent of sample farmers said that APCNF food is tasty. The same vary from 58 percent to 98 percent across the districts (Figure 4.7). It implies that overwhelming majority of sample farmers are enjoying the food; they are not compromising on taste for the sake of health or costs.

**Figure 4.7: District-wise APCNF farmers reported APCNF food is tasty**

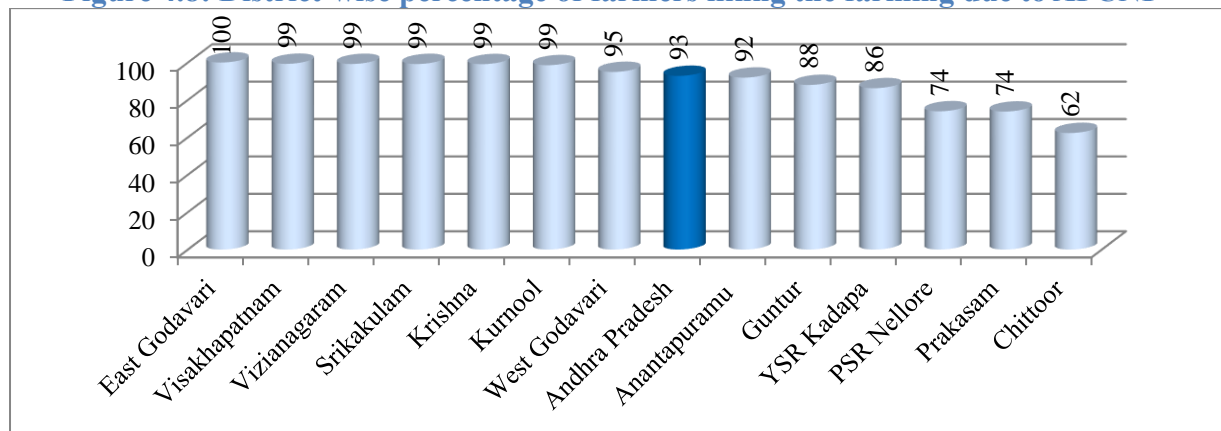


Sources:IDS Field Survey, 2019-20

As mentioned above, there was a large and growing aversion towards agriculture among the farmers, in general, in India. Major reasons were low or no profits and health issues. As APCNF has been resulting in increased profit margins and reduced health risks of using fertilizers and pesticides, and lower out of pocket expenditure, there is a growing interest in farming among

the APCNF farmers. About 93 percent APCNF sample farmers expressed their liking for agriculture due to APCNF. The same vary from 62 percent in Chittoor to 100 percent in East Godavari (Figure 4.8). Further, almost 100 percent farmers in each district reported that they would like to continue the farming, after introduction of the APCNF.

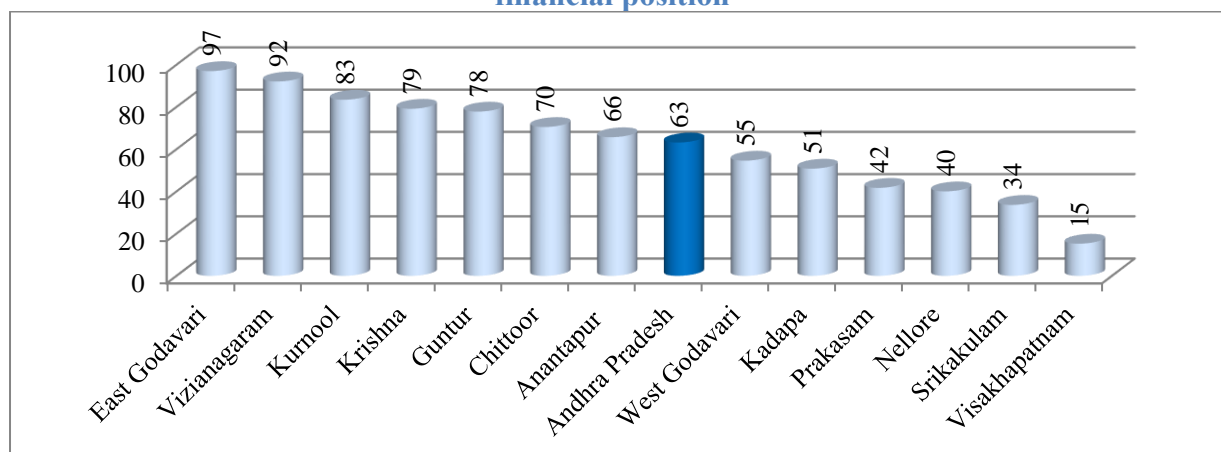
**Figure 4.8: District-wise percentage of farmers liking the farming due to APCNF**



Sources:IDS Field Survey, 2019-20

In the previous Chapter, it was observed that the net returns have been substantially higher under APCNF, in 12 out of 13 sample crops. In most of the crops the revenue margin is quite high. Such increase would, naturally, result in improvement in the farmers financial positions. It is well known that farmers normally underreport their incomes and profits. Despite such strategic built-in bias, 63 percent of APCNF farmers have reported that their financial position has improved due to APCNF (Figure 4.9). Not surprisingly, there is wide variation among the districts with respect to the percentage of farmers' perceptions about the improvement of their families' financial position. About 97 percent of sample farmers in East Godavari have reported an improvement in their financial condition. The same is just 15 percent in Visakhapatnam.

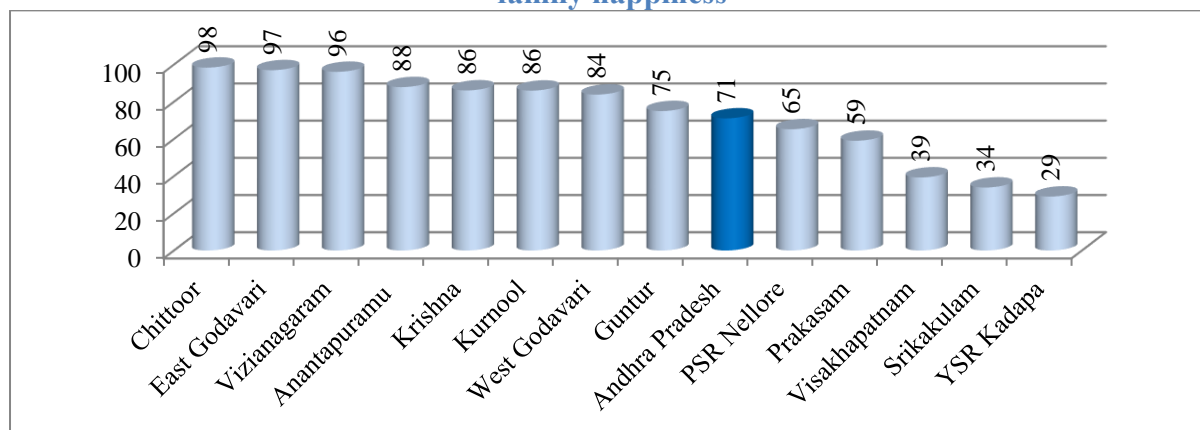
**Figure 4.9: District-wise percentage of APCNF sample farmers reported the improved financial position**



Sources: IDS Field Survey, 2019-20

Recently, - Happiness Index is gaining popularity. Taking cue from the happiness index, the survey asked the APCNF farmers the question, “Has happiness of your family improved due to lower stress with APCNF?” About 71 percent sample farmers have answered “yes” in the state. The same varies across districts from 29 percent in YSR Kadapa to 98 percent in Chittoor. Out of total 13 districts, in eight districts, over 75 percent farmers have stated that the happiness of their families has increased due to APCNF (Figure 4.10). This is an encouraging sign.

**Figure 4.10: District-wise number of APCNF farmers reported an increase in their family happiness**



*Sources:*IDS Field Survey, 2019-20

## 4.5 Conclusions

Overwhelming majority of the farmers have reported that the quality of the soils and crops have improved due to APCNF. The increase in yields in almost all crops and higher gross and net returns realized by the farmers present solid evidence of the farmers’ acceptance of natural farming.

Again, overwhelming majority of the farmers are consuming the APCNF natural food, and have experienced an improvement in the health status of their family members and a reduction in their expenditure on health. Further, majority of members reported improvement in their financial position; their outlook towards agriculture; and their happiness, due to APCNF. These are delightful signs. However, there are wider variations across the districts in the perceptions of the farmers about benefits of the APCNF. These wider variations, across the districts, need further investigation.

# **Chapter 5: Realised and Potential Macro Benefits of APCNF**

## **5.1. Introduction**

This chapter covers the macro issues such as trends in employment generation, new marketing channels, prices realized, and actual benefits generated by the APCNF at the project level, in terms of agri-chemicals saved/ avoided, crop output, and profits. This chapter also covers an analysis of potential yield benefits and net returns based on the achievements of the top ten APCNF farmers. It also covers analysis of state level benefits, when the entire state is covered by CNF, i.e., what benefits would have been got by the farmers, if the entire state had been put under APCNF. Precisely the chapter deals with the following issues.

1. Project level benefits generated in terms of savings made in the expenditure on agri-chemicals.
2. Potential benefit, had the entire cropped area been put under APCNF.
3. New market channels developed, and prices realized in those channels.
4. Additional employment generated in agriculture due to APCNF.
5. Potential yields achieved so far.

Apart from the field data, the information available with RySS and macro data from Directorate of Economics and Statistics (DES), Government of AP, are also used in this chapter.

## **5.2 Project level benefits**

In Chapter 3, the impact of the APCNF per ha was analysed. Though total sample crops covered in the season were 13, the detailed crop wise analysis was limited to nine crops in that Chapter. In this chapter the estimations of the project level and state level benefits are limited those nine crops only. Based on the average figures obtained from the nine crops, the benefits obtained in other four sample crops were estimated. Based on per ha benefits generated, in the chapter 3, the aggregate benefits of the project have been estimated. The indicators considered in this analysis of potential benefits are: - (1) saved expenditure on fertilisers and pesticides, (2)

savings in total paid out costs, (3) additional crop wise output produced, and (4) additional revenue and profits generated.

Total 1,422 APCNF sample farmers have cultivated 2,044.98 ha during the study period. They have put 54.9 percent of the cultivated area under APCNF; it turns out to be total 1,122.69 ha under APCNF 13 sample crops. It varies from 20.58 ha under Chillies to 454.06 ha under Paddy. As total APCNF sample farmers are 1,422, and the average area is 0.79 ha per sample farmer, under APCNF. As per the information provided by RySS, about 5.80 lakh farmers have registered with RySS to practice APCNF during the Kharif 2019-20. Using the two figures, viz., the average area per farmer (0.79 ha) and total registered farmers with RySS (5.80 lakh), the total area under APCNF project during Kharif 2019-20 is estimated to be 4,57,920.21 ha. Using the percentage of each sample crop area in total sample area, the project level area under each sample crop is estimated from total project level estimated area. Out of the total area under APCNF, 4,04,037.62 ha is under nine major crops, for which the crop wise estimates were calculated and analysed in Chapter 3; and 53,882.58 ha were under remaining four minor crops. At the project level the area under sample crops vary from 8,394.30 ha under Chillies to 1,85,200.39 ha under Paddy (Table 5.1).

**Table 5.1: Total estimated area under sample crops at APCNF project level**  
*Area in ha and farmers in number*

<b>Crop</b>	<b>Sample area</b>	<b>Estimated area at Project level</b>
Total no. of farmers	1,422	5,80,000
<i>Area under APCNF per farmer</i>	<i>0.79</i>	<i>0.79</i>
<b>Total area under APCNF</b>	<b>1,122.69</b>	<b>4,57,920.21</b>
Paddy	454.06	1,85,200.39
Groundnut	125.28	51,099.21
Cotton	89.75	36,605.78
Red gram	83.35	33,996.92
Jowar	71.07	28,986.85
Bengal gram	69.7	28,430.17
Maize	46.25	18,865.09
Sugarcane	30.55	12,458.91
Chillies	20.58	8,394.30
<b><i>Sub-total of nine crops</i></b>	<b><i>990.59</i></b>	<b><i>4,04,037.62</i></b>
<i>Other four crops</i>	132.12	53,882.58

*Sources:* IDS Field Survey, 2019-20 and RySS



Using the crop wise per ha variations in fertilizers use, pesticides use, total paid out costs, yields, gross and net returns, which are discussed in chapter 3, and the project level estimated areas under the sample crops are presented in Table 5.1; the project level accomplishments are estimated and presented at Table 5.2.

Through nine major sample crops, the APCNF project has saved ₹399 cr worth fertilisers use and ₹208.19 cr worth pesticides use. There are far more health and environmental benefits from not using these agri-chemicals. The project has enabled the participating farmers to save ₹448.92 cr in total paid out input costs; and to earn ₹334.1 cr additional gross revenue and ₹780.97 cr of additional net revenue. At average per ha benefits from nine sample crops include Rs.9,875 worth fertilizers use, Rs.5,153 worth pesticides and Rs.11,111 in total paid out cost of cultivation. From each ha under the nine sample crops, the project participating farming community has earned Rs.8,269 additional gross revenue and Rs.19,329 additional net revenue. In the remaining four sample crops, viz. Black gram, Ragi, Onion and Turmeric, in which crop wise estimates were not done, owing to small size sample of non-APCNF households, an estimated 53,882.58 ha is cultivated at the project level. Based on the rates obtained in the nine sample crops, discussed above, the project level benefits from these four crops are estimated. Through these four sample crops, the project has facilitated a saving of Rs.53.21 cr worth fertilisers use, Rs.27.26 cr worth pesticides use and Rs.59.87 cr in total paid out costs. The project enabled the participants to gain Rs.44.56 cr addition gross revenue and Rs.104.15 cr worth additional net revenue. Through 13 sample crops the project level estimated benefits include savings of Rs.452.21 cr worth fertilisers use, Rs.235.95 cr worth pesticide use and Rs.508.79 cr in total paid out costs; and Rs.378.66 cr additional gross revenue and Rs.885.12 cr additional net revenue. Each of 5.80 lakh project farmers have earned ₹15,261 additional net income from farming. This include ₹8,772 from savings in paid out costs and ₹6,529 from additional yields and better prices (Table 5.2). It may be noted that these are just from seasonal crops. There are additional net returns due to bund, boundary, inter crops, multiple layers, etc. In addition, the participant farmers are cultivating other crops, which are not covered in this study, which give more returns to the farmers.

**Table 5.2: Total savings in inputs and costs and increases in output and returns at the project level, due to APCNF**

*Units: Output in 1000 tons and all others in ₹ crore*

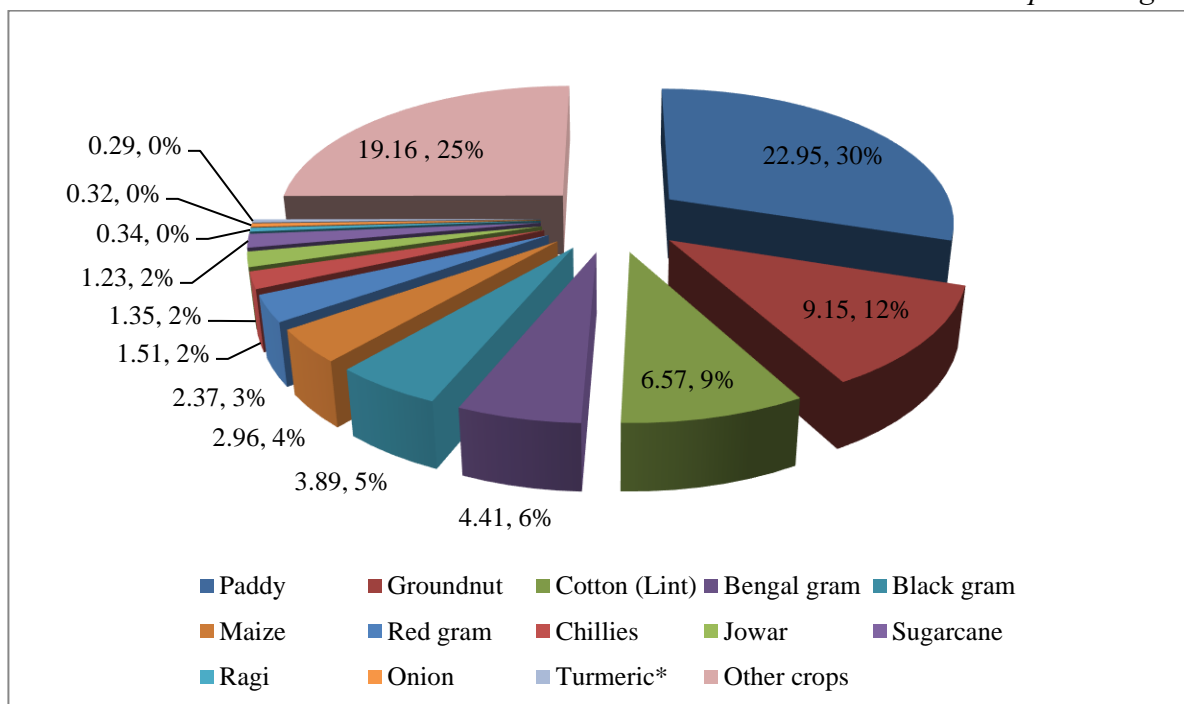
Crop	Savings in Fertilizers	Savings in Pesticides	Savings in total costs	Increase in Output	Increase in gross returns	Increase net returns
Paddy	179.91	85.49	179.53	52.04	198.18	377.72
Maize	15.73	6.61	16.05	-5.03	-22.07	-6.01
Groundnut	29.3	11.58	24.01	0.79	26.29	50.3
Cotton	55.22	38.02	95.52	-2.1	-9.88	85.64
Chillies	44.73	33.63	51.47	3.44	55.24	106.71
Bengal gram	26.47	10.37	46	0.74	24.18	70.18
Jowar	14.93	5.36	1.39	5.51	17.26	18.65
Red gram	22.73	13.55	30.83	1.28	21	51.84
Sugarcane	9.98	3.58	4.12	-3.86	23.9	25.94
<b>Sub-total of nine crops</b>	<b>399</b>	<b>208.19</b>	<b>448.92</b>		<b>334.1</b>	<b>780.97</b>
<i>Average per ha of nine crops</i>	<i>9,875</i>	<i>5,153</i>	<i>11,111</i>		<i>8,269</i>	<i>19,329</i>
<b>Other four sample crops</b>	<b>53.21</b>	<b>27.76</b>	<b>59.87</b>		<b>44.56</b>	<b>104.15</b>
<b>Total</b>	<b>452.21</b>	<b>235.95</b>	<b>508.79</b>		<b>378.66</b>	<b>885.12</b>
<b>Per Farmer in ₹</b>	<b>7,797</b>	<b>4,068</b>	<b>8,772</b>		<b>6,529</b>	<b>15,261</b>

Sources: IDS Field Survey, 2019-20 and RySS

### 5.3. State level potential benefits

The benefits discussed in the previous section are actual benefits, reaped by the project participants during the Kharif 2019-20. The scale of benefits, if the entire cropped area, in the state, is put under APCNF, is estimated in this section. As per Directorate of Economics and Statistics, Government of AP, the average gross cropped area (GCA) in the state during 2014-15 and 2018-19 is 76.50 lakh ha. Out of this area, the sample crops, together, are grown on 57.34 lakh ha, i.e., on 75 percent of total GCA. Crop wise area is shown at Figure 5.1. The area under the sample crops vary from 0.29 lakh ha under Turmeric to 22.95 lakh ha under Paddy. Using these areas under the sample crops and per ha rates discussed in chapter 3, the state level potential benefits, due to APCNF, in terms of savings in the agri-chemicals, savings in total paid out costs of cultivation, increase in crop outputs and increase in gross and net returns are estimated.

**Figure 5.1: Area under sample and other crops in AP: average of 2014-15 to 2018-19**  
in lakh ha & percentages



**Sources:** Directorate of Economics and Statistics, AP, (2020)

**Notes:** Turmeric area is of 2018-19 only

Crop wise state level potential savings in expenditure on fertilizers, pesticides, and total paid out costs; increase in crop outputs and gross and net returns are presented at Table 5.3. If the entire sample crops' area is put under APCNF, the state/ farmers would have saved ₹6,061.58 cr worth fertilisers and ₹3,188.78 cr worth pesticides. The potential savings in the paid-out costs would be ₹7,133.57 cr. The gross returns would have increased by ₹5,523.31 cr and the net returns would be higher by ₹12,656.88 cr. The GDP from the crop sector would have increased by about 10 percent.

Across the sample crops, the savings in the expenditure on fertilisers would have been varied in the range of ₹10.72 cr in Ragi to ₹2,229.42 cr in Paddy. The same in pesticides would have been varied in the range of ₹0.50 cr in Ragi to ₹1,059.40 cr in Paddy. The savings in total paid out costs would have been in the range of ₹6.49 cr in Jowar to ₹2,224.85 cr in Paddy. The increase in crop output would have been varied from -1.08 lakh tonnes in Sugarcane to 6.45 lakh tonnes in Paddy. The gross returns would have been increased from ₹-346.23 cr in Maize

to ₹2,455.85 cr in Paddy; and the net returns would have been increased from ₹-94.37 cr in Maize to ₹4,680.69 cr in Paddy.

The total area under 13 sample crops is 57.34 lakh ha, which is equal to 75 percent of the total GCA in the state. Remaining area is under non-sample crops such as Bajra, other millets, Green gram, other pulses, other fibre crops, etc., and mostly under horticulture. APCNF is also practiced in almost all crops, including all horticulture crops. Applying the rates of changes obtained in the sample crops, the potential benefits from the entire GCA are estimated. If the entire GCA is put under APCNF, the state/ farmers would have saved ₹8,082.11 cr worth fertilisers and ₹4,251.71 cr worth pesticides. The potential savings in the total paid out cost would have been ₹9,511.42 cr. The gross returns would have increased by ₹7,364.42 cr; and the net returns would have increased by ₹16,875.84 cr.

**Table 5.3: State-level potential savings in agri-chemicals and paid out costs and increase in crop output and gross and net returns, due to APCNF**

*Output in lakh tonnes & all others in ₹crore*

Crop	Savings in fertilizers	Savings in Pesticides	Savings in paid out costs	Increase in crop output	Increase in gross returns	Increase in net returns
Paddy	2,229.42	1,059.40	2,224.85	6.45	2,455.85	4,680.69
Groundnut	524.63	207.42	429.87	0.14	470.78	900.65
Red gram	158.48	94.45	214.94	0.09	146.43	361.37
Cotton	991.01	682.43	1,714.39	-0.38	-177.27	1,537.12
Ragi	10.72	0.50	34.00	0.13	42.78	76.79
Maize	246.73	103.68	251.86	-0.79	-346.23	-94.37
Jowar	69.54	24.97	6.49	0.26	80.38	86.87
Bengal gram	410.54	160.93	713.58	0.11	375.06	1,088.64
Sugarcane	98.56	35.39	40.64	-1.08	215.40	256.04
Black gram	346.29	118.66	261.32	0.92	671.82	933.13
Turmeric	82.54	53.14	180.50	0.32	213.44	393.95
Chillies	804.69	605.03	925.93	0.62	993.59	1,919.52
Onion	88.42	42.77	135.19	0.58	381.28	516.47
<b>Total area under sample crops</b>	<b>6,061.58</b>	<b>3,188.78</b>	<b>7,133.57</b>		<b>5,523.31</b>	<b>12,656.88</b>
<b>Total GCA</b>	<b>8,082.11</b>	<b>4,251.71</b>	<b>9,511.42</b>	<b>-</b>	<b>7,364.42</b>	<b>16,875.84</b>
<b>Max of above</b>	<b>2,229.42</b>	<b>1,059.40</b>	<b>2,224.85</b>	<b>6.45</b>	<b>2,455.85</b>	<b>4,680.69</b>
<i>Min. of above</i>	<i>10.72</i>	<i>0.50</i>	<i>6.49</i>	<i>-1.08</i>	<i>-346.23</i>	<i>-94.37</i>

Sources: IDS Field Survey, 2019-20 and DES, 2020.

## 5.4. Potential yields under APCNF

In the previous section, potential benefits of APCNF at the state level were estimated, based on cropped areas in the state. In this section, potential benefits of APCNF has been analysed using the normal yields in the sample crops in the state. One of the shortcomings of this study is that the non-APCNF sample size is small in some crops, making the estimates and comparisons less reliable. To overcome this challenge, the state level yields provided by the Directorate of economics and statistics (DES) have been used. DES gives the data after one year. Comparing the last years yields (as non-APCNF yields) with current year yields (as APCNF yields) is not a correct method. Instead the average yields of last five years (2014-15 to 2018-19) has been used. These yields, free from wider annual fluctuations, give some idea about the normal yields of the sample crops in the state. Two separate comparisons are made here: (1) the difference between ‘the average of 10 top APCNF yields obtained from the field’ and ‘last 5 years average yields obtained in the state’; (2) the difference between ‘the average yields of all APCNF yields’ and “last 5 years average state yields”. While the former comparison gives an idea about the potentials of APCNF in yields, the later addresses the issue of the small sample sizes in some crops. However, there is a bias in these comparisons. The yield data of APCNF pertains to 2019-2020. It may be noted that, as the sample was collected up to February 2020, some Rabi yields also got included. Hence the weighted average of Kharif and Rabi yields at the state level have been compared with the yields from the APCNF sample survey data.

The crop wise average of top 10 yields, the average APCNF yields, the state level yields and difference between them are shown in Table 5.4. As the state level 5-years average yields are not available for Onion and Turmeric, the crops are deleted from the analysis. The gap between top 10 average yields and state level yields vary from -3.09 quintals per ha in Maize to 166.17 quintals per ha in Sugarcane. The rates of change vary from -4.79 percent in Maize to 497.70 percent in Cotton. The gap between (average) APCNF yields and the state level yields vary between -14.56 quintals in Maize and 13.66 quintals in Sugarcane. The rates of variation range from -22.57 in Maize to 251.58 percent in Cotton. Groundnut and Ragi also have recorded very high rates of change of 89.35 percent and 88.5 percent respectively. The variations in cotton and other rainfed crops, once again, indicate that APCNF is more effective under rainfed and irrigated dry-land crops. The relatively lower variations and declines observed in irrigated crops, especially in Sugarcane and Paddy indicate that APCNF needs supplementary measures under those conditions.

**Table 5.4: Differences between APCNF potential yields and state level yields in the sample crops**

*Yields in quintals per ha; and differences in quintals and percentages*

Crop	Average of top 10 yields	Average yield of all APCNF sample	5 years average yields in the state	Difference between top APCNF average yields and Five years average yields in the state Qtls	Difference between all APCNF average yields and Five years average state yields in Qtls	Difference between top APCNF average yields and Five years average state yields in %	Difference between APCNF average yields and Five years average state yields in %
Paddy	69.22	50.87	53.12	16.10	-2.25	30.32	-4.24
Maize	61.43	49.96	64.52	-3.09	-14.56	-4.79	-22.57
Groundnut	26.19	16.53	8.73	17.46	7.80	200.04	89.35
Cotton	32.22	18.95	5.39	26.83	13.56	497.70	251.58
Chilies	53.01	49.78	47.91	5.10	1.87	10.65	3.90
Black gram	18.33	12.62	8.42	9.91	4.20	117.70	49.88
Bengal gram	19.08	15.57	11.34	7.74	4.23	68.26	37.30
Jowar	25.06	20.15	22.3	2.76	-2.15	12.36	-9.64
Ragi	25.83	20.81	11.04	14.79	9.77	133.95	88.50
Red gram	10.64	6.47	4.96	5.68	1.51	114.44	30.44
Sugarcane	930.53	778.02	764.36	166.17	13.66	21.74	1.79
Max of above	930.53	778.02	764.36	166.17	13.66	497.70	251.58
Min of above	10.64	6.47	4.96	-3.09	-14.56	-4.79	-22.57

*Sources:* IDS Field Survey, 2019-20 and DES, 2020

\* Rabi yields                      # yearly yields

## 5.5. New marketing channels and prices

As of now, RySS has not initiated the market interventions. There are a few local initiatives by the District Project Managers (DPMs) and local officials. However, some of the farmers could sell APCNF crop output in variety new market channels and realized higher prices. Crop wise and market channel wise amounts sold by APCNF and non-APCNF farmers has been shown at Table 5.5. The major change is that the farmers have reduced their APCNF crop output sales in the regulated markets, controlled by Agricultural Produce Market Committees (APMCs), popularly known as “market yards”, which are considered as most oppressing marketing channel.<sup>4</sup> Most of the APCNF outputs are being sold in the local markets, which include friends, relatives and local shops. It implies local interest in the APCNF output. Small

<sup>4</sup> The Government of India initiated reforms in agriculture marketing; reduced the scope, and powers of APMCs

quantities of APCNF products are sold to factories, cooperatives, urban consumers, online markets and others. Over 11 percent of Turmeric has been sold online.

**Table 5.5: Percentage of crop output sold through different market channels by APCNF and Non-APCNF farmers**

Market channels	Paddy		Groundnut		Chilies		Jowar	
	APCNF	Non-APCNF	APCNF	Non-APCNF	APCNF	Non-APCNF	APCNF	Non-APCNF
1	2	3	4	5	6	7	8	9
Market yard	2.62	10.06	6.61	17.71	48.60	68.52	4.88	-
Private Traders	56.22	59.40	38.25	61.07	44.44	29.44	82.49	82.85
Local markets	38.69	29.80	54.72	21.22	4.67	2.04	12.63	17.15
Factories	0.42	0.32	-	-	-	-	-	-
Cooperatives	0.13	-	-	-	-	-	-	-
Urban consumers	0.44	0.43	0.43	-	-	-	-	-
Online marketing	1.20	-	-	-	2.30	-	-	-
Others	0.29	-	-	-	-	-	-	-
Total in percent	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Total in Qtls	23791.19	14847.01	3095.01	778.84	2150.70	2306.90	1529.25	826.05

Sources: IDS Field Survey, 2019-20

Table 5.5: Cont.

Market channels	Red gram		Onion		Maize		Cotton	
	APCNF	Non-APCNF	APCNF	Non-APCNF	APCNF	Non-APCNF	APCNF	Non-APCNF
1	10	11	12	13	14	15	16	17
Market yard	4.11	10.75	17.95	40.94	3.13	3.24	14.89	11.08
Private Traders	76.34	76.17	57.58	46.56	53.72	40.29	76.50	66.19
Local markets	18.67	13.08	24.47	12.50	41.51	56.47	8.61	22.74
Factories	-	-	-	-	-	-	-	-
Cooperatives	-	-	-	-	-	-	-	-
Urban consumers	0.58	-	-	-	1.63	-	-	-
Online marketing	0.30	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total in percent	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Total in Qtls	2492.41	535.90	5575.51	3116.50	6045.69	3734.93	3020.38	1961.85

Sources: IDS Field Survey, 2019-20

Table 5.5: Cont.

Market channels	Black gram		Bengal gram		Ragi		Sugarcane		Turmeric	
	APCNF	Non-APCNF	APCNF	Non-APCNF	APCNF	Non-APCNF	APCNF	Non-APCNF	APCNF	Non-APCNF
1	18	19	20	21	22	23	24	25	26	27
Market yard	3.39	-	5.08	3.50	1.33	-	5.70	-	11.43	46.91

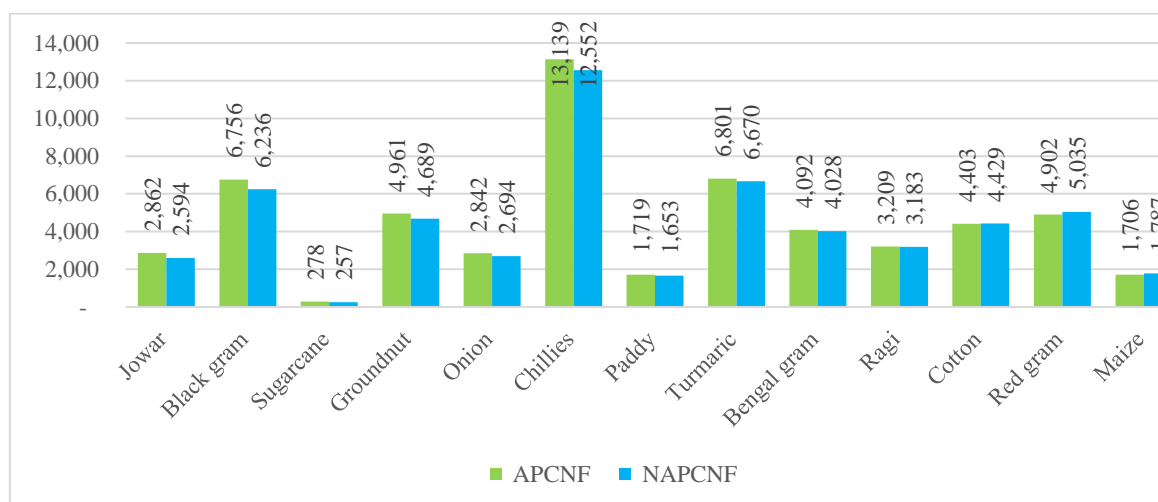
Private Traders	81.71	95.87	86.38	89.12	7.90	9.10	12.63	0.69	48.92	43.40
Local markets	14.45	4.13	8.54	4.66	90.77	90.90	0.66	-	25.74	9.70
Factories	-	-	-	-	-	-	81.02	99.31	-	-
Cooperatives	-	-	-	-	-	-	-	-	-	-
Urban consumers	0.44	-	-	2.72	-	-	-	-	2.30	-
Online marketing	-	-	-	-	-	-	-	-	11.61	-
Others	-	-	-	-	-	-	-	-	-	-
Total in percent	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Total in Qtls	837.10	194.40	1106.23	763.51	740.62	237.69	47077.16	22585.54	3576.26	1200.58

*Sources:* IDS Field Survey, 2019-20

One of the critical issues is to know, whether APCNF crops are fetching higher prices or not. The weighted average prices realized for APCNF and non-APCNF crops are shown in Figure 5.3. Out of 13 sample crops, 10 APCNF crops got higher prices, and three crops received lower price. Out of the 10 crops, Jowar got highest margin of 10.34 percent. The prices received were higher for two crops by more than 8 percent and another two crops by more than 5 percent. Out of the three crops, which fetch lower prices for APCNF output, the margin varies from 0.58 percent in Cotton to 4.50 percent in Maize.



**Figure 5.2: Weighted average prices of APCNF and Non-APCNF crops' outputs**  
₹ per quintal



*Sources:* IDS Field Survey, 2019-20

## 5.6. Additional employment generation

One of the major criteria adopted in India to judge any new technology, enterprise, practice, etc., is to look at its employment potential. The study has generated a wealth of data about labour use in different agriculture operations, use of own and hired labour in hours. The eight major agriculture operations considered are: (1) Preparatory Cultivation, (2) Seedling / Nursery, (3) Transplantation, (4) Inter-cultivation/ weeding, (5) Irrigation, (6) Input application, (7) Harvesting, (8) Threshing, Transport and Marketing, etc. The hours are totalled and converted into standardised days at the rate of 8 hours per day.

Before discussing the variations in labour use in APCNF and non-APCNF crops, few theoretical issues of labour-intensive agriculture may be recalled. Labour being an input in the agriculture, minimizing labour use would reduce the hired labour cost. However, if increase in expenditure on labour is more than compensated by reduction in other inputs, it is profitable. Further, as can be seen below, if increase in labour use result in increase in crop output, labour productivity in agriculture goes up, as it is also desirable. In India in general and in AP in particular, it is well-known that the youth, in agricultural households (AHHs), is migrating from agriculture/ rural areas to non-farm sectors, including the informal sectors, in the urban areas. Labour intensive natural farming has the potential of increasing labour absorption in agriculture and reduce distress migration. As per the Socio Economic and Caste Census (SECC) 2011, about 3.7 percent rural households do not have a working age (19-60 years age

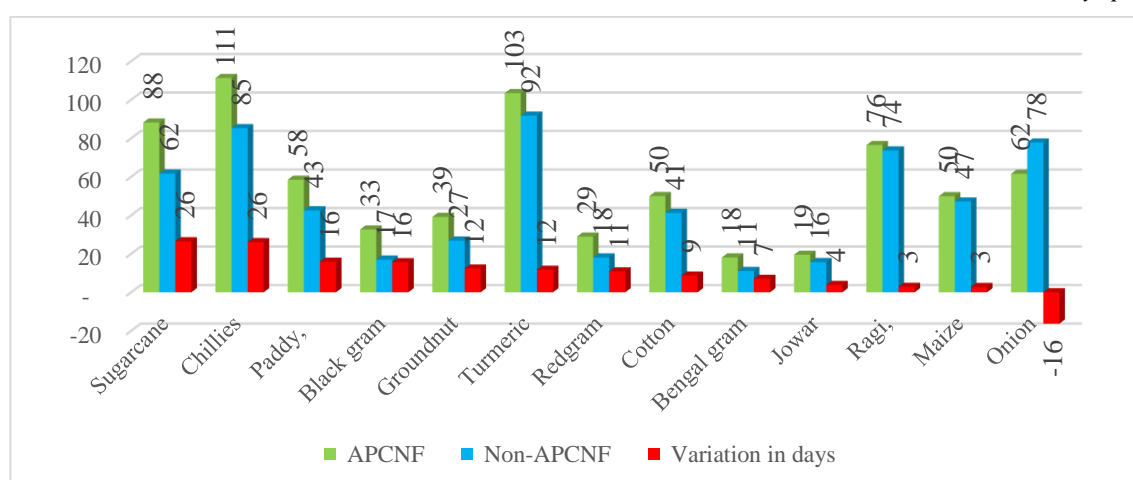
group) members, in the country. This must be quite high in the South India, especially, in the migration obsessed Andhra Pradesh.<sup>5</sup>

The summary of crops wise own labour use per ha under APCNF and non-APCNF cultivation are presented in Figure 5.3. Under APCNF, the highest family labour is used in Chillies (111 days) per ha followed by Turmeric (103 days) and least amount of family labour is applied in Bengal gram (18 days). Under non-APCNF, own labour is used from 11 days per ha in Bengal gram to 92 days in Turmeric. Out of 13 crops considered here, a greater number of days of family labour is applied in 12 crops. The highest additional family labour, under APCNF, is applied in Sugarcane (26 days) per ha and least number of additional own labour is applied in Maize (3 days) per ha. One of the reasons for employment of additional family labour in Sugarcane is due to preparation of Jaggery by some of APCNF farmers.

In Onion, relatively lesser number of own labour (62) days are employed, under APCNF, compared to 78 days under non-ACNF. The major reason is the additional Onion yields obtained under APCNF by more than 18 quintals. Additional hired labour might have been employed in harvest and post-harvest operations. Another reason could be that Onion prices went up very high during the study period. The Onion farmers have increased area under the crop and completed many operations quickly, employing additional hired labour. Additional cost on labour, in this context, is more desirable.

**Figure 5.3: Crop wise own labour used under APCNF and Non-APCNF & variations**

*Labour days per ha*



<sup>5</sup> The population density in Andhra Pradesh in 2011 was less than that of Telangana; the same was significantly higher than that of Telangana region in 1961. It shows the exodus from the state. It may be noted that the development literature indicate that young, energetic and qualified people migrate in search better opportunities, leaving behind the aged and vulnerable.

Sources: IDS Field Survey, 2019-20

Crop wise total number of labour days, including own and hired labour, used per ha, under APCNF and non-APCNF are presented in Table 5.6. Under APCNF, labour use varies from 45 days per ha in Bengal gram to 509 days in Chillies. The same under non-APCNF varies from 44 days in Bengal gram to 424 days in Chillies. Out of 13 sample crops, a greater number of labour days are used in nine crops, under APCNF, in the range of one day in Bengal gram and Red gram to 85 days.

**Table 5.6: Crop-wise total number of labour days used under APCNF & Non-APCNF**

*Days per ha*

Crop	Labour days used under APCNF	Labour days used under Non-APCNF	Difference in days	Difference in %
Chillies	509	424	85	20.13
Groundnut	107	78	28	36.37
Paddy,	111	93	18	19.90
Sugarcane	267	249	18	7.26
Black gram	61	47	14	30.24
Onion	197	191	6	3.07
Maize	111	105	6	5.44
Red gram	47	45	1	3.20
Bengal gram	45	44	1	2.63
Jowar	49	51	-2	-3.02
Cotton	144	153	-9	-5.89
Ragi,	101	119	-18	-15.13
Turmeric	301	354	-53	-15.00
Max of above	509	424	85	36
Min of above	45	44	-53	-15

Sources: IDS Field Survey, 2019-20

In total, APCNF project has generated 54,50,364 days of additional employment for the own labour and 52,15,612 days of additional employment for both own and hired labour. It implies, the project has resulted in the net loss of 2,34,752 days of employment for the hired labour. APCNF project has generated about 12 person days of additional employment per ha for the family labour. But, generated a little over 11 days of additional total employment, including own and hired labour, per ha. It implies that there is a marginal decrease of about half a person day per ha in employment generation for hired labour.

## 5.7. Conclusions

The project is yielding excellent results. During the Kharif 2019-20, APCNF has prevented the use of ₹475.49cr worth of fertilisers and ₹244.85cr worth of pesticides. These savings have resulted in the larger environmental and health benefits. The project has enabled the APCNF farmers to save ₹557.49cr in total paid out costs and realize ₹1,134.38cr additional net returns; i.e., ₹19,558 per APCNF farmer. Had the entire crop area in the state put under APCNF, the GDP from the crop sub-sector would have increased by about 10 percent. When compared with normal yields achieved in the state during last five years, APCNF yields are higher by substantial margins in 12 out of 13 sample crops. The average yields of top 10 performers of APCNF indicate a huge potential to increase the crop yields. Some of the APCNF farmers, on their own, are able to market their products in new market channels and realize higher prices.

Though there is a marginal decline of about half a day per ha in total employment generation due to APCNF, there is a marked increase in demand for the family labour by about 12 days per ha. The major reason is the nature of the preparation of biological inputs, which involves smaller tasks such as collection and gathering of inputs such as cow dung, cow urine, leaves, etc., cleaning, grading, storing of raw materials/ inputs, soaking, drying, grinding, mixing, fermenting, etc., are scattered over several days have to be performed by the family members only. Thus, availability of the family labour may be a potential constraint in the expansion of APCNF in the coming years. RySS may ponder on this issue rather seriously. However, the positive feature of APCNF is that it is resulting in improved financial, health and environmental outcomes. Will these improvements halt and reverse the youth migration from agriculture in the state?

# **Chapter 6: Issues, Challenges and Policy Options**

## **Challenges and Policy Implications**

### **6.1. Introduction**

This chapter presents the challenges and the policy implications emanated both from quantitative data as well as qualitative data analysis. Qualitative data has been collected through strategic interviews (SIs) with District Project Managers (DPMs) of 13 districts and Focussed Group Discussions (FGDs) with farmers in the sample villages of the study. It is well established from the analysis of the quantitative data that APCNF is beneficial to the farmers, compared to conventional chemical agriculture. The benefits include significant savings in the vital input costs thereby getting higher returns to the farmer. As APCNF is reducing the expenditure on the paid-out costs, the increase in net returns is always higher than the gross returns. The yields of crops under APCNF are more or less on par with those of under Non-CNF and even higher also in case of some crops. Apart from the gains in the costs and returns, farmer's well-being has also improved. The programme is getting widespread acceptance from the farming community. The number of participant farmers and the extent of area under APCNF have been growing at fast pace. However, there are challenges, which need attention. The analysis relating to challenges and policy implications is in order.

### **6.2. Challenges**

#### **Coverage of Farmers and Yields of Crops**

In order to capture the challenges from policy perspective, the results obtained in Chapter 3 on costs and returns of crops at micro level have been projected at macro level (project as well as at state level) through simulation exercise. Moreover, the potential yields and the average yields of crops are also analysed. This analysis is presented in Chapter 5. It provides very interesting insights relating to the challenges in the implementation of the CNF, viz., conversion of all the farmers of Non-CNF into CNF, conversion of all their cultivated area to CNF and bridging the gap between potential yields and realised average yields of crops by the farmers. The strategic interviews with the DPMs have also revealed the same challenges. But they have added one more dimension of the challenges is that the farmers who have been brought under CNF should not revert back to Non-CNF. They have also emphasised that the yields of the crops under CNF

should not be below those of Non-CNF. The low yields under CNF encourages farmers to revert back to Non-CNF. Hence, the DPMs and their staff all the time advise ICRPs as well as CRPs to go the farmers who have obtained lower yields and assess whether they have followed all the protocols of CNF in growing crops.

### **Lack of Adequate skills to Farmers**

Sample farmers opined that they do not have adequate skills and knowledge to prepare and apply the Kashayams and Asthrams to control pest attacks on crops. The farmers have felt that the extension services are not available on time. At the same time, the DPMs and other field staff have felt that they have been over stretched. It has been evident from the FGDs with the farmers that there is a need to strengthen extension services. This helps to overcome the problem of low yields also.

### **Shortage of raw material**

Another challenge that is widely reported by the APCNF farmers is non-availability of biological inputs in the market. As mentioned above, that farmers who want to reduce the labour input in cultivation, are using, extensively, the readymade inputs. It is even more challenging that some of the raw materials, such as Desi cow dung, urine, etc., to prepare the biological inputs like Jeevamrutham, are not available in many places. The scarcity of local cows and scarcity of labour for preparing natural farming inputs posing constraint. Rearing local cows for urine, dung and milk is difficult proposition as this activity is not viable, given the input and output markets of these animals. This is also difficult proposition for farmers in all the districts. Further, because of degradation and disappearance of the common lands, the availability of many trees such as Vepa (Neem), Tangedu (Senna), etc., that are to be used for mulching and Kashayams are not available. The Focussed Group Discussion with the farmers brought out these challenges very clearly.

### **Scarcity of human labour**

It is noted that use of family labour is marginally higher under APCNF, in 12 out of 13 sample crops; i.e. on average about 12 additional days of family labour is used per ha across all crops. In nine out of 13 crops, the total labour (own + hired) used is high under APCNF to the extent of over 11 days per ha across all crops. Further, preparation of biological inputs, which involves a number of smaller tasks such as collection of cow dung, cow urine, leaves, etc; cleaning, grading, storing of raw materials/ inputs, soaking, drying, grinding, mixing, stirring, fermenting, etc., are scattered over several days. Hence, they have to be most preferably performed by the family members only, as these operations require personal care. Hence, the

family labour availability may become a potential constraint for practicing APCNF. Supply of readymade biological inputs through farmers groups or federations of SHGs or NPM shops may facilitate spread of APCNF.

### **Tenancy Terms and Conditions**

Tenancy terms and conditions especially in regard to higher rents and shorter duration of lease contracts are constraining the conversion of tenant farmers to APCNF, as the tenants try to obtain more yield by applying more chemical inputs to cover higher rent and household expenditure. This is more pronounced in Krishna and Guntur districts compared to other districts as the DPMs of these districts made a special mention of this issue.

### **Methods of Reaching Farmers**

Farmer to farmer communication is contributed to the spread of the programme and information communication technology has also contributed. However, innovative method should be evolved to reach all the farmers. This is also mentioned by all the DPMs in the strategic interviews.

### **Marketing Constraint**

The net returns, under APCNF, are substantially higher than that of Non-APCNF in most of the crops. These higher returns came mostly because of using biological inputs in place of chemical fertilizers in the conventional method of farming. Whenever a new method is introduced, people generally observe premium price for their product and it is true even in case of APCNF farmers. Nearly one third of the APCNF sample farmers observed that marketing of their output at a higher price was their primary challenge.

## **6.3. Policy Implications**

The following are the policy implications emerged in relation to the challenges narrated above.

### **Expansion of PMDS and Yields of Crops**

The APCNF programme has been evolving in its implementation process. The programme started with chemical free natural farming, then mulching has been added and now Pre-Monsoon Dry Sowing (PMDS) to boost up the soil fertility and thereby increase the yields of crops. This PMDS along with S2S practices have found to be successful across the state. This

has provided answer to address the yield concerns of crops under APCN. Hence, the PMDS has to be expanded

### **Promotion of NPM shops, Scarcity of Raw Material for CNF inputs and Labour Scarcity**

NPM shops have been promoted. Village organisations of existing Self-help group have started these in all the districts. Individuals who have entrepreneurial ship have also prepared CNF and marketing them. NGO has provided cheap credit to start NPM shops. This has addressed three concerns: laborious process for the farmers has reduced in preparing the inputs; the readymade inputs are available at reasonable prices; and the scarcity problem of human labour for the preparation of these inputs has come down; and this has become handy for the farmers who do not have family labour and cannot afford hired labour. All the inputs of CNF are prepared under standard protocols, because the personnel are trained by the community level cadre of RySS. Multi-layer tank system has been used to apply Dravajeevamrutham to the fields through drip irrigation system. This also reduces the requirement of labour. This is specially reported by the DPM of Krishna district. But these are found in other districts also during our fieldwork. Because of the non-availability of local cows, dung and urine of non-local animal like cows and buffaloes are also used across the districts.

### **Nurturing of Emerging Tenancy Relations**

Gradually the relationship between tenants and land owners are changing in the context of CNF over time. Some of the land owners who have faith in APCNF are leasing out their lands at lower rents for at least three years of lease contract. This is not universal phenomena in the state. This phenomenon is in events stage. It may grow over time. This should be facilitated by the ground level staff of RySS with the help of Village Federations of women SHGs and Farmers Collectives

### **Expansion of Successful Crop Growing Models of APCNF**

The successful models like 5-layer models have been promoted for demonstration purpose to educate the farmers especially by ICRPs and others to inform that the farmers can get continuous income flow for 365 days. Utilisation of MGNREGS funds would enable RySS to expand 5-Layer models across the farmers.

### **Leveraging from the Existing Social Capital to reach out to farmers**



All the DPMs have stated that the existing social capital of women SGHs groups should be utilised as entry point. The women should be encouraged to grow kitchen gardens at their homes under APCNF model. Once women are convinced about the benefits of APCNF, they can convince their men easily. Thus, this programme may penetrate very quickly among farmers. Moreover, involvement of women self-help groups in PMDS, community workers, farmers and FPOs in mobilising seeds required has contributed to more diversified variety of seeds sown in the farmers' fields. This should be given priority in all the districts, as per the DPMs of all the districts. Entry point activity of encouraging those women outside the SHGs in raising kitchen garden to motivate farmers to adopt APCNF is also the top priority in all the districts of Andhra Pradesh.

### **Market interventions**

Marketing problems have been handled in different ways in districts as reported by the DPMs. Rythu Bazars are being used in all the districts. Organic Stalls have been promoted in Chittoor district. Individual Entrepreneurs have emerged as middlemen of purchasing from farmers and selling to consumers. FPOs promoted by NGOs in tribal areas especially for Gulli Ragi crop emerged where large volumes are available for marketing. The small and marginal farmers are not able to market their product for premium prices. Medium and large farmers who are educated and progressive are able to sell their products utilising modern supply chains. Certificates are given for the farmers who have been growing crops under natural farming for three years like ICRPs in Guntur and Chittoor that the farmers growing crops continuously for three years under APCNF. Apart from continuing these initiatives, RySS may initiate the following measures:

- a. RySS may facilitate the procurement of APCNF products for the Public Distribution System (PDS), School Mid-day Meals, Anganwadi programs, etc.
- b. RySS may rope in the Girijana Cooperative Corporation (GCC) in the marketing of the APCNF products, in the Tribal areas.
- c. RySS can facilitate tie up between big malls and certain villages/ mandals. The SHG institutions may also be roped in for simple preparation of agri-products/ food processing such as cleaning, grading, grinding, deseeding, shelling, packing, etc.

- d. As and when the medicinal plants and cosmetic related plants are introduced in the farming systems, simultaneously, their processing and marketing interventions have to be initiated.

### **Other Policy implications**

- a. There is a need for a close coordination of all departments dealing with natural resources such as agriculture, rural development, animal husbandry, forestry, civil supplies, etc. Such integration enables the RySS/ field staff to share their resources and responsibilities for the productive/ fruitful engagement with the farmers and for the rapid expansion of the program/ project.
- b. Self-learning literatures, along with case studies, such as booklets, pamphlets, etc, may be printed and distributed extensively and frequently.
- c. All the television channels in the state may be encouraged and facilitated, under corporate social responsibility, to cover APCNF program, food quality, health issues, etc.
- d. APCNF is now an alien model to most of the farmers, especially to the younger generations. One of the suggestions received from the field is that “APCNF may be included in the school syllabus”. At present the mainstream agriculture research in the state and country is not focusing on APCNF. There is a need for the basic action research on APCNF. The potential research topics include perfection and improvement of Kashayams and Asthrams; shade management in agri-forestry; combination of crops under mixed crops and agri-forestry in different local conditions; appropriate machinery and tools to manage the mixed cropping and agri-forestry; and so on.
- e. Strengthening of staff at the offices of DPMs may help monitoring of field staff of RySS to reach farmers effectively.
- f. Utilisation of Rythu Bharosa Kendras may address problems of extension and marketing of CNF farmers.
- g. Internal evaluations, inter-district evaluation by the DPM staff to appreciate the work done by DPMs and their colleagues, third party evaluations by organisations like IDS, dissemination of Successful Innovations has enthused the DPMs and their staff in implementing APCNF programme effectively. Visits of popular personalities to the work done by DPMs and their staff and adoption APCNF by peoples representatives at different levels will further boost the morale of the DPMs and their staff. The conduct of crop cutting experiments by Directorate

Economics and Statistics and estimating area under APCNF and publication of this information in their documents do further enthuse the DPMs and their field staff in the implementation of APCNF.