



Government of Odisha



BUDGET

2013-14

Part-I
Agriculture



Presented by
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Minister, Finance

19th February, 2013

Hon'ble Speaker Sir,

It is a great privilege on my part to present the Budget for the financial year 2013-14 in this august House. Unlike the practice of previous years, I am going to present the Budget in two parts. The first part contains the Agriculture Budget prepared on the advice of our Hon'ble Chief Minister, Shri Naveen Patnaik Ji and the second part contains the General Budget proposals. Now I am going to present the Agriculture Budget.

Part-I Agriculture

Keeping in view the constraints of the agricultural sector in our State, we have prepared a special package through the Agriculture Budget for the development of the agriculture and allied sectors as well as welfare of the farming community under the able guidance of our beloved Chief Minister, Shri Naveen Patnaik. We have also been guided by the valuable inputs received from the stakeholders with whom we had formal consultations in the process of pre-budget exercise about a month ago.

Let me at the outset, explain the reasons for formulation of a separate Agriculture Budget.

Odisha is primarily an agrarian state. Agriculture is the back-bone of our rural economy and livelihood. It provides employment, directly or indirectly, to more than 60 percent of the State's total workforce. In this sense, the Agriculture Sector is

still the “mainstay” of Odisha’s economy. Kautilya in his treatise “Arthashastra” says that, Agriculture is the most important activity – **“Cultivable land is better than mines because mines fill only the treasury while agricultural production fills both the treasury and the store houses”**. The architect of modern India Pandit Jawaharlal Nehru had also laid emphasis on strengthening of agriculture in these historic words **“Everything else may wait but not agriculture”**. Madhubabu, the symbol of Odisha’s pride and glory laid stress on Agriculture and Agro Based Industries. In his own words, **“Culture of land is agriculture and culture of hand is industry”**.

2. The farm sector in Odisha faces several challenges like low investment, low productivity, fluctuating growth, recurrence of natural calamities like drought, flood cyclone, lack of adequate inputs like quality seeds, fertilizer, irrigation, availability of credit at affordable rates, effective insurance cover against crop loss and access to new technology for productivity gain, post-harvest needs like warehousing, storage and marketing facilities. We have to increase agricultural productivity at the same rate at which our Gross State Domestic Product is rising so that the incidence of poverty among the people dependent on agriculture will decline. This is the way by which one can reduce poverty in an agrarian economy like Odisha.

3. It has been shown through experience from BRICS Countries i.e. Brazil, Russia, India, China & South Africa that one percentage point growth in agriculture is at least two to three times more effective in reducing poverty than the same growth emanating from non-agriculture sectors. Recognizing the challenges facing the agricultural sector and the fact that higher

priority to agriculture will help achieve the goals of faster reduction of poverty as well as malnutrition and make the growth process more inclusive, our beloved Chief Minister Shri Naveen Patnaik Ji personally directed me to prepare a budget dedicated to the growth of agriculture and allied activities like Horticulture, Fisheries, Animal Husbandry, Irrigation, Cooperative Credit etc. This has encouraged us to reformulate our strategy for the development of agriculture and allied sectors with targeted policy initiatives and appropriate support measures to give a boost to the farm sector. At the same time, it would also be our endeavor to ensure social security and welfare of the farmers. With these objectives in view we have decided to substantially enhance the public investment in agriculture and allied sectors in this Budget from ₹5627.87 Crore in 2012-13 to ₹7161.84 Crore in 2013-14.

4. Agriculture is a life supporting activity and the source of sustenance for all other activities. It is not possible to think of any productive activity without agriculture. Agriculture is to be viewed not as farming activity alone but as a holistic value chain which includes farming, whole-selling, warehousing, processing and retailing. Thus, the growth of agricultural productivity and farm income offers a virtuous cycle connecting expansion of farm activity to that of non-farm income opportunities in rural areas.

5. Odisha's economy has been dominated by agriculture and allied sub-sectors that contributed to more than 70 percent of the Gross State Domestic Product (GSDP) in the 1950s. The contribution of Agriculture & allied sector to the GSDP has

declined to about 18% in 2011-12 due to relatively higher growth in non-agriculture sector.

6. With decrease in contribution of agriculture to our GSDP, the relative income of farmers is going down vis-à-vis other Sectors. Per-capita Agricultural GSDP stands at about one-third of per-capita GSDP. Besides, the average size of holdings is declining gradually. This has adversely affected the financial condition of the farmers. Fragmentation of operational holdings has widened the base of the agrarian pyramid in most states. The continuing high pressure of population on agriculture, diversion of cultivable land for non-agricultural use and the increasing fragmentation of land holdings have led to decreasing availability of cultivated land area per household. Empirical studies have, however, demonstrated that agricultural productivity is size neutral. What matters, however, is to enhance productivity through easy and reliable access to modern inputs, access to suitable technology tailored for specific needs, the presence of support infrastructure and innovative marketing systems to aggregate and market the output from such small holdings efficiently and effectively. Application of agricultural technology through the use of high yielding varieties, economy in input use, the availability of quality seeds and modern farming techniques such as system of rice intensification (SRI) with an effective marketing link would go a long way in improving farm productivity.

7. Our National Agriculture Policy envisages a growth rate of more than four per cent in agriculture GDP. This is required for achieving the overall growth rate of 9% for the economy. This necessitates greater attention to both the demand and supply

sides of the agriculture sector. On the demand side, such rate of growth can absorb growth of food-grains at about 2% per year and non-food grains like horticulture, livestock, dairy, poultry and fisheries growing at 5-6% per annum. Besides, the challenge is to meet the strong demand for food-grains as well as fruits, vegetables, milk, eggs, meat and fish which also form a substantial part of the food consumption basket and above all ensure long term food security. On the supply side, there is need for increasing farm productivity and investment in infrastructure through superior water management, soil nutrient management, quality seeds, pesticides management, development of dairy farming, livestock rearing and fisheries.

8. Agriculture sector has got a very high potential to create employment and generate income in rural areas of our State. There is need to increase productivity, create adequate storage facility and proper marketing of agriculture produce for making agriculture viable and increasing the income of farmers.

9. Agriculture is a State subject, and the role of state government in the development of agriculture sector is very important. It is, therefore, necessary to focus our attention on development of agriculture and welfare of farmers by making agriculture more remunerative.

10. With this objective, for the first time in our state, I propose to present a separate Agriculture Budget to give a new dimension to the schemes related to agriculture and farmers. We are perhaps the second State in the country after Karnataka to present a separate budget for agriculture and allied sectors. While making this endeavor, I have taken into consideration the

advice of policy planners, experts and representatives of the farming community.

11. In spite of our best efforts, there are some inherent structural constraints hindering the development of agriculture and allied sectors which are required to be addressed through appropriate budgetary interventions in order to make agriculture profitable and viable. Some of these deficiencies are as follows :-

- a. **Lack of investment:** Inadequate investment in agriculture and allied sectors at the national and the state levels has been a perennial problem over the years. Most of the investment currently made is farmer's own. This investment is substantially less than investments in other sectors. Besides, the farmers do not easily get the required capital assistance through financial institutions.
- b. **Lack of appropriate technology:** In spite of development of technology in laboratories and private research institutions, the fruits of these developments have not adequately reached the farmers. This applies to the appropriate crop varieties, agricultural practices, training to farmers and all related matters.
- c. **Lack of partnership:** In spite of availability of the expertise of many national and international level institutions, it has not been possible to fully utilize their services. There is a need to formulate appropriate policies in this direction.
- d. **Natural Calamities:** The State is prone to frequent natural calamities like flood, cyclone, draught etc., which affect the agriculture and allied sector most. Adequacy of insurance coverage against crop loss due to has been an issue over the

years which need to be addressed through appropriate intervention.

12. Traditionally, outlays towards agriculture and allied activities have been met through the general budget. Despite various initiatives taken and substantial increases in allocation made in various schemes, their impact is not visible because the focused attention on comprehensive strengthening of agriculture sector was lacking. We have to make special efforts in order to accelerate the growth of Agriculture.

13. Hence, comprehensive strengthening of agriculture sector and welfare of farmers, who are the patrons of agriculture, has been the priority of our Government. In this background, utmost importance has been given to agriculture, horticulture, animal husbandry, sericulture, fisheries, marketing, co-operation and water resources sectors.

14. This Agriculture Budget reflects the holistic approach of the Government to addresses the emerging issues and challenges facing the agriculture and allied sectors. I honestly believe that this Agriculture Budget will provide impetus for growth of agriculture in order to make it more rewarding and viable.

Budgetary outlays for the Agriculture Sector

15. Agriculture Department

15.1 Now, I will dwell upon the budgetary outlay for the various sub-sectors of the agriculture and allied activities. The outlay of Agriculture Department under Plan and Non Plan has been stepped up from the level of ₹1519.31 Crore in 2012-13 to

₹1823.77 Crore in 2013-14 with an increase of about 20%. The outlay under Non Plan has been enhanced from ₹390.35 Crore in 2012-13 to ₹426.53 Crore in 2013-14. The total outlay under plan which was ₹1128.96 Crore in 2012-13 has been enhanced to ₹1397.96 Crore in 2013-14 registering a growth of 24 %. The provision of ₹426.53 Crore under Non Plan covers the cost of human resources and operational requirement of the institutional mechanism in place for planning, monitoring and implementation as well as development of agriculture projects for different crops, maintenance of Agricultural Education and Research Institutes, Agricultural extension services, experimental demonstration and other farms, soil and water conservation including watershed development, horticulture & floriculture development, Seed Certification Agency etc.

15.2 The plan outlay of ₹1397.96 Crore includes programmatic interventions in various sub-sectors like Crop husbandry, Horticulture, Soil & Water conservation, Agriculture Research & Education and Other Agricultural Programmes. Substantial Budgetary outlays have been provided for the following programmes launched as a part of the special package approved by Hon'ble Chief Minister.

15.3 Intensive extension campaign on ₹7.00 Cr. Agriculture:

Extension plays a vital role in technology transfer and human resource development in the Agriculture sector. It helps train the farm leaders and progressive farmers. It covers dissemination of useable and practical information relating to Agriculture, including improved seeds, fertilizers, implements, pesticides & improved cultural practices, etc. Intensive campaign for

agriculture extension will include promotion of consultancy service by Agriculture graduates, co-opting NGOs, PRIs, Co-operatives etc. in the extension work, encourage farmer to farmer learning, linkage with the Agriculture research institutions, opening of information kiosks, farm information and advisory centers, publicity through mass media and adopting other means of dissemination of agricultural information. The scheme will be implemented through the Agriculture Technology Management Agencies operating at the District level and the agriculture information wing of the Department.

15.4 **Organic Farming :** ₹5.50 Cr.

Organic farming respects the environment's own system for controlling pests and diseases and raising crops and livestock without the use of synthetic pesticides, herbicides, chemical fertilizers, growth hormones, anti-biotic or gene manipulation. It minimizes pollution as it is environment friendly. Government of India had launched the scheme “**National Project on Promotion of Organic Farming**” in 2004-05 under Central Plan for which no funding is available at present. In order to promote organic farming in the State, it is proposed to provide budgetary outlay of ₹5.50 Crore for the first time under State Plan in the budget estimate for 2013-14. The Agriculture Department will promote vermin hatchery, vermin compost units, bio-gas slurry units, green manure, bio-pesticides & bio-fertilizers as well as set up gene-bank units for primitive local varieties.

15.5 **Development of infrastructure for Post-Harvest Management :** ₹1.00 Cr.

About 12-15% of food grains, 20-30% of horticulture produce and 10-15% of the animal and fisheries production are lost

annually in our country due to non-availability of appropriate processing and preservation technologies and improper or insufficient facilities for their handling, transportation and storage. Government of India are providing funds for promotion of post-harvest technology and management under Central Plan for popularization of post-harvest farm machineries / implements /equipment for which there is budget provision of ₹2.00 Crore. In addition to this, we propose to provide ₹1.00 Crore for creation of infrastructure for post-harvest management so as to enhance the value realized by farmers through adoption of scientific method of threshing to minimize crop damage and also grading, packing & transportation of fruits & vegetables.

15.6 Establishment of Agro Industrial Estate: ₹2.00 Cr.

Agro Industries especially agro processing or food processing industries contribute significantly to economic development in many ways. They have enormous potential for providing food security, employment and income generating opportunities in the rural areas. We propose to establish agro industrial estates through Odisha Industrial Infrastructure Development Corporation (IIDCO) exclusively for Agro Based Industries. These industrial estates will provide basic facilities for setting up Agro Industrial Units by the intending entrepreneurs. We have provided an outlay of ₹ 2.00 crore for the purpose.

15.7 Establishment of 10 numbers of Agro Polytechnics : ₹3.27 Cr.

Students pursuing undergraduate courses in agriculture, horticulture, veterinary and animal husbandry and fisheries on completion of graduation in their respective fields go for higher studies or join the public sector and private sector companies for

employment. As such, there is shortage of technical manpower in the rural areas to render technical advice to the farmers. We, therefore, propose to establish 10 numbers of Agro Polytechnics in which training in Diploma Courses in agriculture, horticulture, veterinary & animal husbandry and fisheries will be imparted. These Diploma holders will provide necessary technical input to the farming community to enhance their productivity and farm income. An outlay of ₹3.27 Crore has been provided for the purpose.

15.8 Operationalisation of Soil Testing and Quality Control Laboratory : ₹2.00 Cr.

Soil is the basic natural resource that supports life on earth. Soil health is critical for sustaining higher crop productivity. The quality of soil is gradually deteriorating at the farm and ecosystem level. Indiscriminate use of chemical fertilizer, erosion, water logging, contamination with heavy metal and pesticide have caused deterioration in soil health and fertility. A soil test based, application of fertilizer is essential to improve soil health and productivity. We propose to provide ₹2.00 crore in order to operationalize the soil testing and quality control laboratories established in different agro-climatic zones of the State.

15.9 IWMP and Operational cost for IWMP : ₹22.00 Cr.

15.9.1 Rain-fed areas are a major source of food-grain production in our State. Watershed Development Projects aim to protect, conserve and improve the land resources for efficient and sustained production. It protects and conserves water resources, prevents soil erosion and impounds rain water for drought proofing. In other words, it utilizes local resources for

improving agriculture and allied occupations. The Watershed Development Mission is being implemented through the Centrally Sponsored Plan Scheme Integrated Watershed Management Programme(IWMP). The Central Share for the Scheme comes directly to the implementing agency. We propose to provide ₹10.00 Crore towards the State Share in 2013-14.

15.9.2 In order to scale up the institutional support for implementation of the programme, the State Government have decided to create a well-equipped institutional structure under the State Watershed Mission which can cover at least one million hectare under Watershed treatment during the 12th Five Year Plan. Accordingly, a new institutional structure headed by the Project Director with 26 District level offices to provide necessary operational and technical support to the Mission has come up. An outlay of ₹12.00 Crore has been provided under the new Scheme “Operational cost for IWMP” so that we can increase the level of utilization of funds available under the Centrally Sponsored Plan Schemes. The total outlay for these two Schemes comes to ₹22.00 Crore.

16. Now, I will touch upon the outlay for existing Plan Schemes:

16.1 Rashtriya Krishi Vikas Yojana : ₹520.00 Cr.

The Additional Central Assistance based Rashtriya Krishi Vikas Yojana (RKVY) is an umbrella scheme for the Agriculture Sector in States along-with separate component for development of live-stock, poultry and fisheries. Bringing Green Revolution in the Eastern India has also been introduced as a sub-scheme under the Scheme. The outlay for Rastriya Krishi Vikas Yojana in 2013-14

has been substantially enhanced from ₹392.66 Crore to ₹520.00 Crore.

16.2 **Jalanidhi and Sustainable harnessing of ground water in water deficit areas:** **₹290.00 Cr.**

The State Government avails loan from NABARD for providing subsidy to farmers for sinking shallow, deep and dug wells as well as river and surface lifts under the Scheme "Jalanidhi". The outlay for the scheme has been enhanced from ₹100.00 Crore in 2012-13 to ₹125.00 Crore in 2013-14. The programme for sustainable harnessing of ground water in water deficit areas introduced in 26 Districts of the State in 2010-11 has received overwhelming response from the farmers. So far 13432 bore-wells have been successfully completed with creation of irrigation potential of 26864 hectares out of which 4545 have been energized and handed over to the beneficiaries. Power supply upto the bore-well point and subsidy to the extent of 90% of the project cost is being provided. The Scheme is being implemented by Odisha Lift Irrigation Corporation. The Budget provision for the scheme has been enhanced from ₹150.00 Crore in 2012-13 to ₹165.00 Crore in 2013-14. In the 12th Plan period, it is proposed to install 1 lakh tube-well with an investment of ₹3000.00 Crore, out of which 25000 bore-wells would be taken up during 2013-14. The total outlay for these two schemes comes to ₹290.00 Crore.

16.3 **Input Subsidy :** **₹42.00 Cr.**

The growth of agricultural production after independence has been triggered by higher input use. The key inputs which can induce higher productivity are quality seeds, chemical fertilizers, irrigation, pesticides, farm machinery and equipment etc. The

low income base of the farming community denies them access to these inputs and their modern variants which are costly. Availability of cheap and timely credit facility for obtaining these inputs is also limited. In order to meet the critical requirement of the farmers, the State Government has to provide subsidy to the farmers for purchasing these inputs although provision of subsidy is a less efficient means of improving agricultural productivity than public investment. We propose to provide ₹42.00 Crore in 2013-14 towards input subsidy to farmers for purchase of quality seeds, bio-pesticides, insecticides, fertilizer, bio-fertilizer etc. for both the agricultural and horticultural farmers as against ₹40.00 Crore provided for the purpose in 2012-13.

16.4	Popularisation of Agriculture Implements :	₹100.00 Cr.
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Farm mechanization saves time and labour, cuts down crop production cost, boosts farm output and income. There is a positive correlation between farm mechanization and agricultural productivity. In order to popularize use of agriculture implements and machineries including manual and bullock drawn implements, tractors, power tillers, reapers transplantors, rotavators, power threshers, combined harvesters, hydraulic trailers, pump sets and power operated implements, subsidy is being provided by the State Government under the Scheme. It supplements the subsidy being provided under various Centrally Sponsored Schemes and Rashtriya Krishi Vikas Yojana (RKVY) and also caters to the additional requirement of farmers. The outlay for the scheme has been enhanced from ₹90.00 Crore in 2012-13 to ₹100.00 Crore in 2013-14.

16.5 Micro Irrigation : ₹25.00 Cr.

Micro Irrigation ensures access to water in more areas and is an efficient method of water use. It is generally used to provide assured protective irrigation for less water intensive crops in the rain-fed regions. It is very useful for horticulture crops. For encouraging use of drip irrigation and sprinkler irrigation, suitable for fruit crops, vegetables, medicinal crops and floriculture crops, subsidy to the extent of 40% and 30% of the cost, is being provided to the farmers by the Central Government and State Government respectively under this Centrally Sponsored Plan Scheme. We propose to enhance the outlay for State Share of the Scheme from the level of ₹7.00 Crore in 2012-13 to ₹25.00 Crore in 2013-14.

16.6 National Horticulture Mission : ₹20.00 Cr.

With increase in per capita income consumption of fresh and processed horticultural products has increased which are of high value. This is indicative of the demand for the horticultural crops and the scope for increasing their productivity and efficiency in the value chain. National Horticulture Mission envisages an integrated approach covering production, post-harvest management, processing and marketing of Horticulture Crops which would help attaining the objectives of enhanced production, improved nutrition and increased returns to the farmers. It is a Centrally Sponsored Scheme in which Government of India contributes 85% and the balance 15% is provided by the State Government. We propose to enhance the outlay for State Share of the Scheme from the level of ₹16.74 Crore in 2012-13 to ₹20.00 Crore in 2013-14.

16.7 Management of Acidic Soil : ₹10.00 Cr.

More than 70% of the cultivated area of the State is acidic in nature which affects the crop productivity. The scheme is being implemented from 2007-08 with the objective of ameliorating the condition of such problematic soil. For the management of acid soil, farmers are being supplied with Paper Mill Sludge (PMS) at a subsidized rate. A sum of ₹3.00 Crore was provided in the year 2012-13 for the scheme which is now proposed to be enhanced to ₹10.00 Crore in 2013-14.

16.8 Promotion of System of Rice Intensification (SRI) : ₹5.00 Cr.

System of rice intensification is a resource conservation technology which conserves water and reduces the use of seed and chemical fertilizers while maintaining higher crop productivity. This method of cultivation of paddy has shown excellent result in increasing productivity of paddy. In order to popularize the SRI method of cultivation, demonstrations are being conducted in the farmer's field. We propose to provide ₹5.00 Crore in 2013-14 as against ₹3.00 Crore provided in 2012-13 for the purpose.

16.9 Subsidy under Agriculture Policy : ₹30.00 Cr.

Agriculture Policy, 2008 envisages grant of capital investment subsidy for setting up Commercial Agri Enterprises. We propose to provide ₹30.00 Crore in 2013-14 at the same level as that of 2012-13 for the scheme.

16.10 Jeebika : ₹14.21 Cr.

Orissa Rural Livelihoods Programme (ORLP) is an initiative for providing an additional livelihoods component to ongoing

watershed projects in the State. This programme, called the **Jeebika**, intends to address and enhance the livelihood needs of the landless and marginal households that are generally left out under normal watershed activities so that the benefits flow not only to the landed households but also to the poorest and vulnerable sections, by developing alternative and diversified livelihoods opportunities. The outlay for the scheme is ₹14.21 Crore for the financial year 2013-14.

17. Cooperation Department

Agriculture credit plays a crucial role in agricultural production. It enables the producers to meet their credit need during the entire cycle of crop production and at the same time provides them with funds for investment in income generating assets. Until banks were nationalized, cooperative institutions were the only source of institutional credit in rural areas. After nationalization, scheduled commercial banks and Regional Rural Banks (RRBs) have become part of the formal credit system. Although the Commercial Banks have entered the rural areas in a big way, the cooperative credit institutions continue to play a crucial role in meeting the growing credit needs of rural India and the volume of credit flowing through these institutions is increasing. Easy access of all farmers to institutional credit at affordable rates is still a distant goal. Agricultural production and income from farming is highly risky on account of natural and manmade disasters. Agricultural insurance is a step to protect farmers by minimizing the impact of such losses. In addition to overseeing the functions of the cooperative societies, the Department is administering the Crop Insurance Scheme. It also caters to the post-harvest needs like infrastructure for storage,

warehousing and marketing. In view of the importance of these critical needs of the farm sector, it has been decided to nearly double the budgetary outlay of the Cooperation Department in 2013-14 which has gone up from ₹239.38 Crore in 2012-13 to ₹716.44 Crore in 2013-14. While the outlay under Non-Plan has increased from ₹77.24 Crore to ₹108.44 Crore, the outlay under State plan has gone up by more than three times from ₹162.65 Crore in 2012-13 to ₹608.00 Crore in 2013-14. Hon'ble Speaker Sir, Let me first announce the new initiatives approved under the special package for agriculture in the Budget of Co-operation Department.

17.1 Interest Subvention on Short Term Loan by ₹90.00 Cr. Commercial Banks :

The Co-operative Banks provide about 65% of the total crop loan dispensed to the farmers in the State while the remaining 35% is being provided by the Commercial Banks and Regional Rural Banks taken together. In order to encourage growth in disbursement of crop loans by the Commercial Banks and Regional Rural Banks as well as to encourage more farmers to avail of the benefit of institutional finance for seasonal agricultural operations and to provide a level playing field to all the banks providing crop loan in the State, a new Scheme is proposed to be launched in 2013-14 under State Plan to provide interest subvention to the Commercial Banks and Regional Rural Banks. The scheme envisages provision of interest subvention for facilitating disbursement of crop loans by the Commercial Banks and Regional Rural Banks at 5% interest. Since additional subvention is provided for timely re-payment, the new scheme would ensure delivery of short term credit to the farmers at an effective rate of two per cent both from the Co-operative Banks

as well as the Commercial Banks. A provision of ₹90.00 Crore is proposed for the scheme in the State Plan for 2013-14.

17.2 Interest Subvention on Term Loan by ₹20.00 Cr. Co-operative and Commercial Banks :

17.2.1 While short Term Loan for Agriculture and allied sectors at concessional rates is available to farmers through interest subvention by the Central Government and the State Government, it is alarming to note that flow of term lending is dwindling. One possible reason for this is the high rate of interest on term loans for investment in Agriculture and Allied activities. This limits the scope of the farmers to access long term credit for capital investment in farming activity to increase productivity and income from farming operations. Agricultural Term Loans are now available to the farmers at 10-14% interest depending on the quantum and period of loan. With a view to lessening the interest burden of farmers and, thereby, to increase the off-take of agricultural terms loans, provision of interest subvention of 3% on term loans provided for asset creation in agriculture and further 2% interest subvention on timely repayment of loan dues is envisaged. These subventions will be available on term loans both by the Co-operatives as well as the Commercial Banks. With these subventions term loans for agriculture and allied sectors would be available to the farmers at a rate not exceeding seven per cent.

An amount of ₹20.00 crore is proposed to be provided under State Plan in 2013-14 for the purpose. The scheme will benefit all types of agro entrepreneurs including Self Help Groups, Scheduled Caste & Scheduled Tribe and Women entrepreneurs.

17.2.2 In order to augment flow of long term credit to the agriculture and allied sectors, the State Government has also decided to completely waive Stamp duty charges on loan documentation for term loan upto ₹10.00 lakh.

17.3 Creation of Warehousing Facilities under RIDF : ₹83.00 Cr.

Creation of scientific storage capacity with allied facilities in rural areas will meet the requirement of farmers in many ways such as, storing of farm produce to improve their marketability and help in prevention of distress sales immediately after harvest. We have decided to make available adequate warehousing facilities to the farmers for better post-harvesting management and price realization for their agricultural produce by way of creation of five hundred forty four storage godowns of 1,34,800 Metric Tonne capacity at the Primary Agricultural Co-operative Society level in 2013-14 and 2014-15 with an investment of ₹168.00 Crore. Provision of ₹83.00 Crore is envisaged in 2013-14 for the purpose under State Plan.

17.4 Development of Infrastructure in Regulated Market Committee Market Yards : ₹298.00 Cr.

The Regulated Market Committees in the State will spend over ₹298.00 Crore in the development of infrastructure in Regulated Market Committee Market Yards to provide improved services to the farmers in marketing of their agricultural produce. **This investment will be made from Extra Budgetary Resources.**

17.5 Computerisation of Odisha State Co-op. Bank, District Central Co-op. Banks and Urban Co-op. Banks and Primary Agricultural Co-op. Societies : ₹64.15 Cr.

The Co-operative Banks and the Primary Agricultural Cooperative Societies are in urgent need for technological up-gradation to cater to the banking needs of their members and depositors in an efficient and hassle-free manner. Provision of Core-Banking Solution for the Odisha State Cooperative Bank and District Central Cooperative Banks, computerization of Urban Cooperative Banks and the Primary Agricultural Cooperative Societies are envisaged in 2013-14 with an outlay of ₹64.15 Crore under State Plan to provide modern banking services to their members and depositors.

17.6 Establishment of Agro Service Centres and Soil Testing Laboratories in Primary Agricultural Co-op. Societies : ₹14.78 Cr.

Two new schemes are proposed to be launched with the objective of providing all agriculture related services from a single window. Financial assistance will be provided to the Primary Agricultural Cooperative Societies to establish one hundred fifty Agro Service Centres and one hundred Soil Testing Laboratories separately so as to enable them to extend the services and facilities of custom hiring of farm machineries and implements as well as for conducting soil health examination. A provision of ₹14.78 Crore is proposed for the year 2013-14 for the two Schemes.

17.7	Free Mobile Phones to Farmers to access Market Information under the Digital Mandi Scheme :	₹2.00 Cr.
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It is our objective to empower the farmers for proper planning of crops and better price realization for their produce under the Digital Mandi Scheme. They will get information on market prices of agricultural produce at their hand instantly through Mobile Phones. It is, therefore, proposed to provide Mobile Phones costing about ₹1000/- per phone to 20,000 farmers registered under the above scheme to be implemented by the Regulated Market Committees (RMCs) in the State.

Accordingly, a provision of ₹2.00 Crore is proposed under the State Plan in 2013-14 for the new Scheme.

17.8	Conversion of Kisan Credit Cards as Smart Cards :	₹ 3.00 Cr.
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In order to make available cash component of crop loans to the farmers at the nearest point instantly and obviate human intervention for providing service across the counter, Kisan Credit Cards (KCC) issued to the farmer-borrowers of District Central Cooperative Banks (DCCBs)/ Primary Agriculture Cooperative Societies (PACS) shall be converted to Smart Cards. This Scheme will be piloted in Balasore- Bhadrak DCCB covering about 3 lakh active KCC holders of Balasore and Bhadrak districts. The requirement is estimated at ₹3.00 Crore (@ of ₹100/- per farmer) for replacement of KCC with Smart Cards which is proposed to be provided in the State Plan under the Digital Mandi Scheme, 2013-14.

Now I turn to our existing schemes which have a strong bearing on the farm sector.

17.9 Assistance to Co-operative Sugar Mills : ₹15.00 Cr.

Provision of ₹15.00 Crore is envisaged under the State Plan in 2013-14 to provide financial assistance to the two Cooperative Sugar Industries i.e. the Bargarh Cooperative Sugar Mills and Aska Cooperative Sugar Industries to renovate their plant and machineries and to take up cane development activities.

17.10 Establishment of Market Yards at Block Level : ₹15.00 Cr.

The Thirteenth Finance Commission have recommended grants for ₹60.00 Crore for establishment of 150 Market Yards during the 4-year period 2011-12 to 2014-15 at the rate of ₹15.00 Crore per annum. Accordingly, provision of ₹15.00 Crore is envisaged in the State Plan for establishment of 38 Market Yards during 2013-14.

17.11 Interest Subsidy/Subvention : ₹215.90 Cr.

The State Government will continue to provide interest subsidy/subvention to Co-operative Banks/ Primary Agriculture Cooperative Societies (PACS) to enable them to provide crop loans to the farmers at 5% interest which gets further reduced to 2% after receipt of interest incentive from the Govt. of India @3% interest for timely repayment of loan by the farmers.

As against the budget provision of ₹198.70 Crore for the year 2012-13, provision of ₹215.90 Crore is envisaged under the State Plan for 2013-14.

17.12 Indemnity for Crop Insurance : ₹30.00 Cr.

In order to provide insurance protection to the farmers against yield loss due to natural calamities and adverse weather-conditions and to help stabilize farm income, National Agricultural Insurance Scheme (NAIS), Modified National Agricultural Insurance Scheme (MNAIS) and Weather Based Crop Insurance Scheme (WBCIS) are being implemented in the State. A provision of ₹30 Crore towards State's Share of Liability under these Schemes is proposed under the State Plan in 2013-14.

18. Fisheries and Animal Resources Development Department

18.1 Odisha being a maritime State offers tremendous opportunities for development of fresh water, brackish water and marine fisheries with ample scope for increasing fish production along with employment and income generation for the rural population. Similarly, livestock has been an integral part of our agricultural and rural economy. It has a symbiotic relationship with the agriculture sector. It is a rich source of food and nutrition. Both the Fisheries and Animal Resources Sectors have the potential to emerge as an engine of agricultural growth in view of the rising demand for animal food products. In fact, we have to replicate the white revolution in milk production and blue revolution in fish production and also substantially increase the level of production from livestock rearing and poultry farming.

18.2 The budgetary outlay of Fisheries & Animal Resources Development Department has been enhanced from ₹402.25 crore in 2012-13 to ₹447.09 crore in 2013-14. The outlay under Non-Plan has increased from ₹236.99 crore to ₹246.34 crore.

However, there has been increase in the Plan outlay from ₹165.26 crore to ₹200.75 crore. The Non-Plan outlay of ₹246.34 crore relates to establishment and operational cost of the administrative and field level programme delivery organizations of the Department. The Plan outlay mostly caters to the plans and programmes for the development of the Fisheries, Veterinary and Animal Husbandry wings of the Department. Honourable Speaker Sir, let me first announce the new programmes launched under the special package approved by Hon'ble Chief Minister for the development of these two sectors and the welfare of the farming community earning their livelihood there-from.

18.3 Interest subsidy on Short term credit to Fish Farmers: ₹8.00 Cr.

The Fishermen community consisting of full time and part time as well as occasional fishermen is one of the economically poor groups with limited access to cheap and affordable sources of credit for earning their livelihood. Interest subvention through Kissan Credit Card was hither-to available for agricultural crop loan only with the support of the Central Government and State Government. The State Government have now decided to provide interest subvention of 5% and additional incentive of 3% for timely repayment so that the farmers availing the short term credit are effectively charged interest @ 4%, the interest subvention will be available on maximum loan of ₹ 3.00 lakh per farmer. It will help the fish farmers in accessing short term credit at an affordable rate both from the Co-operative as well as Commercial Banks. We have provided ₹ 8.00 crore for the purpose in 2013-14 for the first time which is intended to benefit about 12000 fish farmers.

18.4 Interest subsidy on Long term credit to Fish Farmers: ₹4.50 Cr.

Fish Farmers need long term financing from Banks for pond development, acquisition of net and boat, construction of fish seed hatchery and other activities leading to creation of capital assets. In order to promote capital investment by the fish farmers for increase in fish production and to substantially raise their income level, it has been decided to provide interest subvention of 3% on term loan availed from the banks upto ₹10.00 lakhs with provision for additional incentive of 2% for timely repayment of their loan instalment. With these subvention fish farmers can access Long Term Credit from the Co-operative as well as Commercial Banks at a rate not exceeding seven per cent. We propose to provide ₹ 4.50 crore for the purpose in 2013-14 for the purpose which will benefit about 7000 fish farmers.

18.5 Promotion of intensive aqua culture and fresh water fish seed hatchery : ₹12.50 Cr.

The blue revolution in the Country in late 1970s has increased fish production manifold. In order to accelerate the growth of fish production in the State, it has been decided to launch a new scheme to promote intensive aqua culture and fish seed hatchery in 2013-14. It is proposed to provide a top up subsidy of 30% over and above the existing subsidy available under the existing schemes. The scheme is designed to develop 1200 hectare water area and 10 hatcheries in the private sector benefiting about 5000 fish farmers per annum. An outlay of ₹ 12.50 Crore is being provided for the Scheme.

18.6 Empowering fishermen through mobile advisory services and Establishment of toll free call centre for fisheries extension service: ₹4.60 Cr.

The fishermen living in inaccessible and remote coastal areas or along the riparian tracts and reservoir catchment areas are not aware of the latest technological developments, potential fishing zones, day to day market price, weather conditions and Government schemes intended for their socio economic upliftment which are of utmost importance to them. The State Government have, therefore, decided to empower the fishermen by providing free access to advisory services on these aspects through launching a helpline managed by experts. Accordingly, it is proposed to distribute “IKSL Green SIM Card” to about one lakh fishermen with the facility of receiving five free voice messages on the areas of immediate importance to them. We propose to provide ₹ 4.60 Crore for the new scheme in 2013-14.

18.7 Assistance to Fishermen for Dwelling Houses: ₹2.00 Cr.

In order to build up their resilience and improve their safety net, there is a need for providing long lasting benefit to the poor fishermen and their families. Being poor, they do not have adequate housing facility. We have decided to provide dwelling houses to the fishermen across the State to improve their living conditions through HUDCO loan. Accordingly, it is proposed to provide ten thousand houses every year for three consecutive years from 2013-14. The cost of each such dwelling house would be ₹ 70,000/- out of which the beneficiary contribution would be ₹ 20,000/-. It is proposed to provide an outlay of ₹2.00 Crore for the new scheme in 2013-14.

18.8 Infrastructure for Cage Culture: ₹2.50 Cr.

Reservoir fisheries is one of the major sources of fish production. There is ample scope to increase fish production in the large and medium sized dam reservoirs in the State through setting up of a battery of cages for fresh water aqua culture. The unit costs of one battery of cages consisting of twenty four grow-out and four rearing cages along with floating raft and storage shed would be about ₹50 lakh. During the year 2013-14 it is proposed to set up five numbers of such battery of cages in different reservoirs with an outlay of ₹ 2.50 Crore.

18.9 Interest Subvention on short term loan to Dairy Farmers: ₹3.50 Cr.

Farmers pursuing Dairy Farming as an income generating activity and availing short term loan under Kisan Credit Card (KCC) would now be provided interest subvention of 5% and additional incentive of 3% for timely repayment so that for loans upto ₹3.00 lakh. With these concessions dairy farmers can access short term loans at 4% from the Banks. This new scheme intends to facilitate credit linkage for dairy farmers to avail of input loans. It is proposed to provide an outlay of ₹3.50 Crore for provision of interest subvention. This measure will boost production of milk and also provide gainful employment to dairy farmers of the State.

18.10 Interest Subvention on long term loan to Dairy Farmers: ₹3.00 Cr.

Dairy farmers avail of term loan from banks for equipment, machineries, shed, procurement of livestock and other activities towards asset creation. In order to increase the off-take of term loan for dairy farming in the State it is proposed to provide

interest subvention of 3% on term loans availed by the dairy farmers. Further, additional interest subvention of 2% will be provided to the farmers for timely repayment of their loan instalment. With these concessions dairy farmers can access long term loan at a rate not exceeding seven per cent. An amount of ₹3.00 Crore has been provided for this new scheme which is expected to benefit the dairy farmers.

19. Water Resources Department

19.1 Irrigation is essential for sustaining crop productivity in many areas. It is an integral part of our monsoon dependent agriculture. Irrigation remains the most dominant component of overall investment in agriculture. Without proper use of water, it is difficult to get good returns with high yielding seeds and higher doses of fertilizers. Water is the most critical input for agriculture. Compared to some other states, we have very low acreage under irrigation for which there is a greater need for public investment in creation of more irrigation potential to increase agricultural productivity. The current efficiency levels of public surface irrigation schemes needs improvement through appropriate institutional reforms, better management and incentive environment since there is a gap between irrigation potential created and utilized. It requires efficient and effective management and maintenance of irrigation works through engagement of water user's associations or some other groups and agencies by way of participatory irrigation management and inter-departmental co-ordination. Our current strategy for development and management of water resources is designed to address these concerns and lay emphasis on creation of additional irrigation potential through short gestation projects like construction of check dams, mega lift irrigation project and

installation of bore wells in water deficit areas to provide quick irrigation benefit.

19.2 The total budgetary outlay for Water Resources Department has been enhanced from ₹ 3466.42 Crore in 2012-13 to ₹ 4024.53 Crore in 2013-14. The outlay under Non-Plan has increased from ₹894.90 Crore to ₹993.53 Crore. The provision under State Plan has been substantially stepped up from ₹2571.52 Crore in 2012-13 to ₹3031.00 Crore in 2013-14.

19.3 The outlay of ₹993.53 Crore under Non-Plan is primarily meant to cover the cost of establishment and operation and maintenance of the Public Irrigation System of the State. Out of the total Non-Plan provision ₹589.93 Crore is for operation and maintenance of the irrigation and flood control system. It constitutes about 60% of the total Non-Plan provision. We have been continuously trying to increase the provision of funds for operation and maintenance of irrigation works in order to provide better irrigation facilities. Apart from this grants to Water User's Associations and Odisha Lift Irrigation Corporation for maintenance of the minor and sub-minor segment of the surface irrigation system and development of the lift irrigation facility for the agriculture sector are also provided out of the Non-Plan outlay.

19.4 The State Plan outlay of ₹3031.00 Crore proposed to be provided in the budget for 2013-14 is meant for the development of Major and Medium Irrigation Projects, Flood Control, Drainage, Minor Irrigation works and Command Area Development Programme including participatory irrigation management.

19.5 Major and Medium Irrigation Projects: ₹1712.27 Cr.

The State Government are committed to accelerate the development of irrigation through creation of additional irrigation potential and their proper management. Although Major and Medium projects are capital intensive in nature and have long gestation period, it can cater to the irrigation needs of vast areas. Construction of new projects as well as renovation, modernization and stabilization of the irrigation potential of existing major and medium irrigation projects are being taken up through funding from external Aid agencies like World Bank, Japan International Co-operation Agency (JICA), Asian Development Bank (ADB) and Government of India through Accelerated Irrigation Benefit Programme (AIBP), NABARD through Rural Infrastructure Development Fund (RIDF) and State's own plan funds. It is proposed to provide an outlay of ₹1712.27 Crore for the purpose. This includes provision for execution of seven Major Irrigation Projects namely, Anandpur Barrage Project, Upper Indravati Barrage Project, Kanpur Irrigation Project, Lower Indra Irrigation Project, Lower Suktel Irrigation Project, Rengali Irrigation Project (left bank and right bank) and Subarnarekha Irrigation Project and ten Medium Irrigation Projects.

- A new scheme for canal lining and system rehabilitation programme is proposed to be taken up with the objective of increasing water use efficiency of canal system and enhancement of water availability at farm level from Major and Medium Irrigation projects for which a sum of ₹62.95 Crore has been earmarked during 2013-14. Steps would be taken for lining of all canal systems in a phased manner.

- **Outlay of ₹25.00 Crore has also been specifically provided for construction of check dams in the Major and Medium Irrigation Projects.**

19.6 Flood Control and Drainage : ₹305.45 Cr.

Almost every alternate year vast areas of the State are inundated due to heavy rainfall and vast areas are affected by floods. The delta areas of the five major rivers experience high floods. The State Government are taking various steps to manage and mitigate the flood problem through construction of flood control structures, protective embankments, anti-sea erosion measures and clearance of river mouths etc. Funds are being provided under Flood Management component of Accelerated Irrigation Benefit Programme (AIBP), Rural Infrastructure Development Fund (RIDF) and State's own plan funds. The coastal areas of the State suffer from poor drainage and water logging problem. Proper drainage is a pre-requisite for sustained production from irrigated agriculture. Drainage works are also being taken up through Flood Management component of Accelerated Irrigation Benefit Programme (AIBP), Rural Infrastructure Development Fund (RIDF) and State's own plan funds. It is proposed to provide ₹213.95 Crore for Flood Control Works and ₹91.50 Crore for Drainage works in 2013-14 totaling to ₹305.45 Crore.

19.7 Minor Irrigation Works: ₹923.28 Cr.

Minor Irrigation has two important components that is flow and lift irrigation. These projects are less capital intensive and have short gestation period for provision of additional irrigation facilities. It is proposed to provide ₹923.28 Crore for development of minor irrigation works in 2013-14 by accessing

funds from the multilateral aid agency like World Bank, in respect of the Odisha Community Tank Management Programme, Central Government funds under the scheme Repair, Renovation and Restoration (RRR) of water bodies, Accelerated Irrigation Benefit Programme (AIBP), NABARD under RIDF for Biju Krushak Vikas Yojana (BKVY), State's own Plan funds for construction of check dams and mega lift irrigation projects.

- The outlay of ₹923.28 Crore includes ₹241.14 Crore for construction of check dams to conserve water at the end of monsoon for domestic needs, ground water recharge and incidental irrigation,
- ₹100.00 Crore for Repair, Renovation and Restoration (RRR) of water bodies,
- ₹200.00 Crore for Mega Lift Irrigation Projects to provide irrigation to the farmers in upland areas by lifting water from rivers and reservoirs,
- ₹193.00 Crore for Biju Krushak Vikas Yojana (BKVY) and
- ₹42.00 Crore for Odisha Community Tank Management Programme (OCTMP).
- It also includes outlay of ₹30.00 Crore for the newly launched Canal Lining and System Rehabilitation Programme for increasing efficiency of water use.

19.8 Command Area Development: ₹ 90.00 Cr.

The objective of the Command Area Development programme is to reduce the gap between irrigation potential created and actual utilized. It aims at enhancing agricultural production and productivity in irrigated commands by judicious and equitable distribution of irrigation water through participatory irrigation management. Command area development activities are at

present being undertaken in nine major and four medium irrigation projects with matching financial assistance from Government of India. Construction of Field channel for 40498 hectare and field drain for 14963 hectares are targeted during 2013-14. Accordingly a sum of ₹90.00 Crore has been provided in the budget for this scheme.

20. Energy Department

20.1 **Dedicated Agriculture Feeder :** ₹150.00 Cr.

Lift Irrigation points for the farmers and the cold chain for the fisheries sector require continuous reliable power supply during their operation. In order to cater to these specific needs for reliable power supply to the agriculture and fisheries sectors, it has been decided to provide separate dedicated feeders under a new scheme. An outlay of ₹150.00 Crore has been provided in the budget of Energy Department for the purpose in 2013-14.

21. **Health Insurance for Farmers under Biju Krushak Kalyan Yojana:** ₹100.00 Cr.

Illness is a threat to the income and earning capacity of the farmer households. Besides rising out of pocket expenditure on medical treatment is one of the major reasons for indebtedness of their households which puts the family members in distress. There being no facility for availing credit from formal credit structures like Banks and Co-operative Societies for this purpose, the poor farmers fall into the hands of money lenders and find it difficult to escape from the debt trap. It is indeed ironic that millions of farmers who toil day in and day out, to feed us are left in the lurch and are compelled to fend for themselves when episodes of serious illness strike any member of

their households. In order to avoid such tragic outcomes, the State Government have decided to launch a new Scheme titled “**Biju Krushak Kalyan Yojana**” to protect the farmer and their families from health shock and also to provide them relief in the event of accident and disability. The health insurance cover will be for thirty thousand rupees as available under Rashtriya Swasthya Bima Yojana (RSBY) for most of the diseases that requires hospitalization to all farmers including diary and fish farmers. The benefit will be available to five members of the family including the head of the household, his spouse and three dependents. We propose to provide ₹100.00 Crore for this. This welfare scheme will benefit all medium, small and marginal farmers of the State. Unlike RSBY this scheme will ensure universal coverage and will not be restricted only to the BPL households. In case of critical illness, assistance over and above this insurance coverage will also be available from Odisha State Treatment Fund.

22. Conclusion :

In the words of Dr. M.S. Swaminathan, the renowned Agricultural Scientist, the synergy between scientific know-how, political do-how and farmer’s toil brought about the “green revolution symphony”. According to him, we have to redouble our efforts to help the farmers produce more and more food and other commodities under the conditions of diminishing per-capita availability of arable land and irrigation water. To make this possible, we have to adopt the production technics of the evergreen revolution and assist the farmer with the appropriate public policies to make agriculture, an economically viable occupation. We have to do this in order to attract and retain the youth in farming. According to his prophetic words,

'if agriculture will go wrong nothing else will have a chance to go right'.

Let us work together to make the farmers of our State happy and thereby ensure our food security so as to prove the saying that –

“ ଚାଷ ଅଛି ଯାହାର, କି ଆନନ୍ଦ ତାହାର,
ଚାଷୀଭାଇ ଯୋଗାଉଛି ଦୁନିଆକୁ ଆହାର.
ଚାଲ ଚାଷ କରିବା, କଳ ହଳ ଧରିବା,
ନୁଆ ନୁଆ ବିହନକୁ, ବାଛି ବାଛି ବୁଣିବା ”



