



Government of Odisha

BUDGET

2018-19

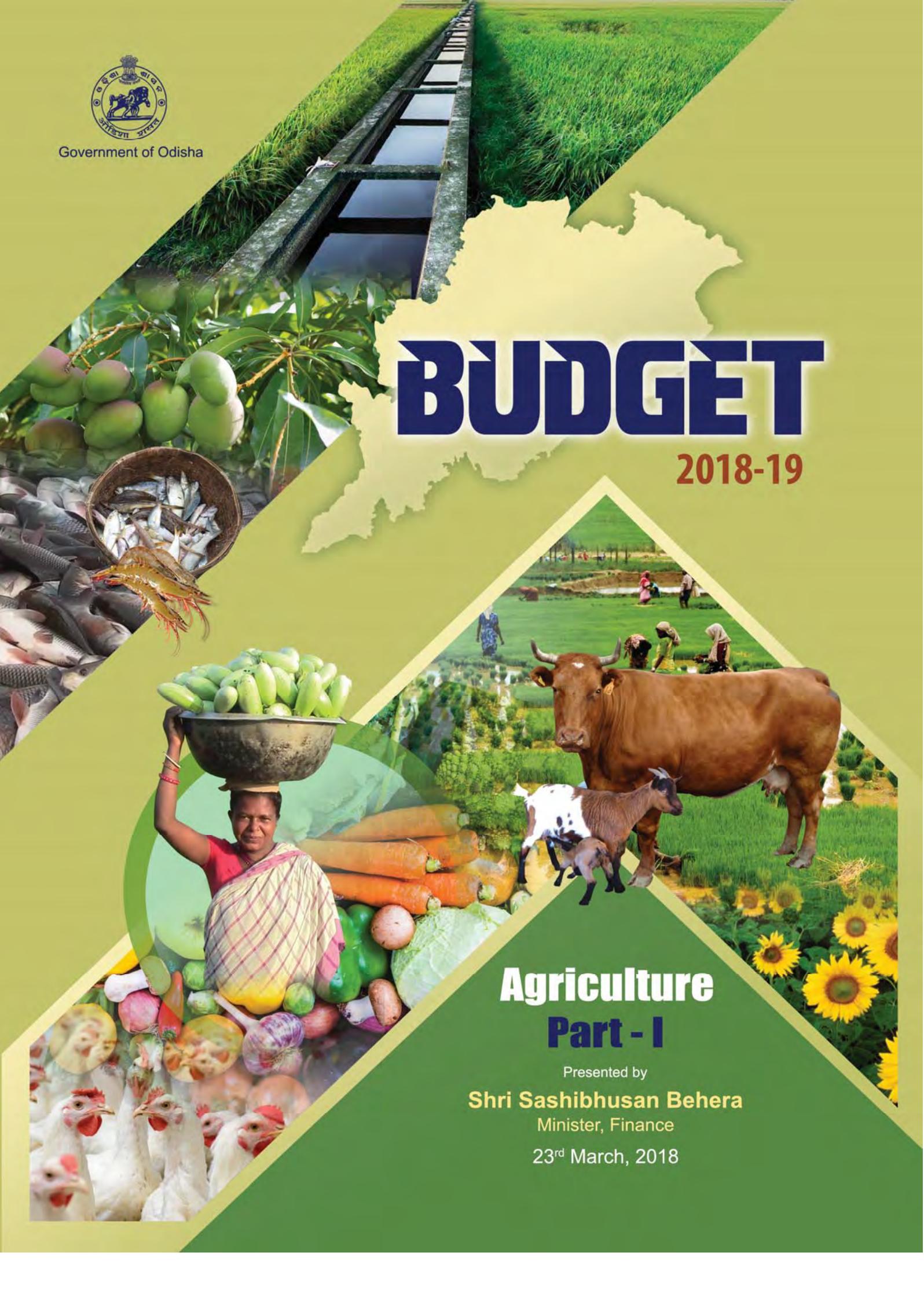
Agriculture Part - I

Presented by

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Minister, Finance

23rd March, 2018



Hon'ble Speaker Sir,

I rise to present the **Budget** for the year **2018-19**.

2. About four years ago, the people of Odisha reposed their faith for the fourth term in a row in the astute leadership of our visionary Chief Minister Shri Naveen Patnaik. We wholeheartedly committed ourselves to provide an honest and pro-active Government with focus on poverty reduction, food security, inclusive development, effective service delivery and empowerment of farmers, workers, SC and ST communities, women, children, youth and elderly citizens. Our strategy and hard work has yielded remarkable results. Odisha has made rapid progress in irrigation, agriculture production & productivity, food security, pucca houses for all, safe drinking water, sanitation, electricity, road connectivity, education, skills, health care, livelihood opportunities, social security and urban development. We are today an attractive global destination for tourism as well as manufacturing, information technology, service industries and start-ups. Significantly, Odisha is now a global sports hub with world-class infrastructure capable of successfully holding international sporting events. Our sportspersons are making their presence felt in important national and international events. Our capital city Bhubaneswar now ranks, as the only Indian city, among the first twenty global smart cities. These achievements have been made despite vulnerability of our State to frequent natural calamities. As a matter of fact, Odisha has come a long way in its ability to respond to the natural disasters and has received global

recognition from the United Nations for the effective management of the 'Phailin' cyclone.

3. Effective fiscal management, clear development strategy and the good governance mantra of **3Ts – Teamwork, Transparency & Technology** of our beloved Chief Minister Shri Naveen Patnaik are the key factors behind all-round development of Odisha. We would like to march forward with the same commitment and present the Budget Estimates for 2018-19 which would be pro-people and pro-development. As a participative process, we held pre-budget consultations with experts, representatives of different sections and people at large. 1930 suggestions were received through various modes across a range of subjects. We have carefully considered the suggestions while preparing the Budget.

4. Like previous years, this Budget is in two parts. The first part is the Agriculture Budget, which not only covers the outlay and programmes relating to Agriculture and allied activities, but also presents the macro-economic outlook as well as the economic context in which this Budget is being presented. The second part is the General Budget.

Macro-Economic Outlook

5. The global economic prospects for 2018 look brighter and is on a path of broad-based cyclical recovery. Although there are considerable uncertainties, both International Monetary Fund (IMF) and the World Bank have made upward revision of growth in global output. Odisha's real GSDP growth is expected to grow at the rate of 7.14 per cent in real terms in 2017-18 surpassing all India

growth rate of 6.5 per cent. This comes on top of a robust 10.4 per cent growth in 2016-17. Higher growth in the State economy is mainly contributed by higher growth in manufacturing, energy and service sectors. Going by the trends in the external and domestic economic environment the State economy can be expected to grow in the range of **8 per cent to 8.5 per cent** during 2018-19.

In the above context, I now proceed to present the **Agriculture Budget**.

Agriculture Budget – Background

Hon'ble Speaker Sir,

6. Although Agriculture, including livestock and fisheries, contributes less than 20 per cent to the GSDP, it still provides employment and livelihood to more than 50 per cent of State's population. Higher growth in agriculture has, therefore, been an important development objective of our Government. As a pioneering initiative of our Hon'ble Chief Minister Shri Naveen Patnaik for holistic, focused and accelerated development of agriculture, a separate Agriculture Budget has been prepared since 2013-14. The outcome of this step has been positive. The productivity gain in agriculture in our State has been recognised at the National level with conferment of '**Krishi Karman Award**' for four times during last six years. The food grain production during 2016-17 reached a level of 117 lakh Metric Ton.

7. During the year 2017-18, however, there were three adverse calamities affecting agriculture in several regions of our State. Crops were damaged due to drought, pest

attack as well as untimely rains. State Government immediately provided support to the affected farmers from the State Disaster Response Fund. This support is over and above the insurance amount due to them under the Prime Minister Fasal Bima Yojana, for whose premium the State Government separately contributes 50 per cent share.

Hon'ble Speaker Sir,

8. Reducing vulnerability of agriculture in the face of climate change, increasing production and productivity and ensuring procurement and Minimum Support Price are important issues which need to be addressed by all stakeholders to raise the income levels of the farmers.

9. This august house has deliberated at length on the need to raise the **Minimum Support Price (MSP)** for farm produce and also sought time for House Committee to discuss the matter with Hon'ble Prime Minister. We have been repeatedly demanding the Government of India to increase the MSP. We are happy that Government of India have announced it in the Union Budget of 2018-19 to enhance MSP to one and half times the cost of production. We welcome the step. However, we demand that the cost of production needs to be assessed on realistic basis for fixing the MSP. Further, we urge the Government of India to devise credible mechanism for ensuring MSP for different crops.

10. I would now touch upon the main programmes and schemes which form the package of services for our industrious farmers across the entire agricultural cycle.

Soil Health

11. The outlay for soil conservation organisation to carry out these activities has been enhanced to **Rs.602 crore**. For efficient management of the soil health, the Government have established 30 static and 17 mobile Soil Testing Laboratories enabling the issue of around 23 lakh Soil Health Cards annually with recommendations for balanced fertiliser use. The **PMKSY- Watershed Development** will have an outlay of about **Rs.155 crore** to help restore degraded natural resources. Organic farming is being promoted in around 10,000 hectares under 'Paramparagat Krishi Vikash Yojana' for which a budget provision of **Rs.30 crore** has been made in 2018-19.

Inputs, Farm Mechanisation and Extension

12. **Rs.100 crore** is proposed for continuation of the Corpus Fund with **Odisha State Seeds Corporation, Odisha Agro Industries Corporation** and **Odisha Cashew Development Corporation** for procurement and distribution of quality seeds to the farmers. Seed Replacement Rate which is one of the key contributors to higher production and productivity along with technology input has increased to an ideal of 35% for paddy. In order to ensure availability of fertilizers for the farmers during the cropping season, a revolving fund with a corpus of **Rs.100 crore** would be placed with **Odisha State Co-operative Marketing Federation Ltd. and Odisha Agro Industries Corporation Ltd.** The fertiliser consumption which was 57 kg per hectare during 2016-17, is estimated to reach 67 kg by 2017-18. A majority of 2708 Primary Agriculture Cooperative

Societies (PACS) are pre-positioning and distributing fertilizers and certified seeds to farmers.

13. Adoption of modern machineries like precision seeders and planters practices like System of Rice Intensification (SRI), direct seeded rice, zero tillage, etc. would lead to efficient farming and productivity gains. It will make agriculture viable and lucrative and attract the young generation to farming. **Farm Mechanisation Programme** of the State Government with an outlay of **Rs.450 crore** is playing a key role in modernisation of agriculture. A strong agricultural extension system will enable delivery of appropriate technology, nutrition sensitive agricultural interventions and improved agronomic practices to the farmers. OUAT is one of the leading agriculture universities of the country and has so far released 152 high yielding crop varieties and developed several agriculture technologies. It plays a key role in extension and demonstration through a network of Krishi Vigyan Kendras (KVKs). The University will be further strengthened in terms of faculty and infrastructure. **National Mission on Agriculture Extension and Technology** with an outlay of **Rs.350 crore** will promote extension through IMAGE and district level ATMA. To promote horticulture, floriculture and spices, an outlay of about **Rs.104 crore** has been proposed under **National Horticulture Mission**.

14. To prevent leakages in transfer of input subsidies to the farmers, **Direct Benefit Transfer** (DBT) is being implemented for seeds, farm mechanisation, Janani Scheme and need-based inputs. About 18 lakh farmers

have been registered for this purpose. Odisha has been recognised as the first State in the country to implement such a programme for farmers. The scope of DBT will be progressively extended to other farmer-oriented schemes.

Irrigation

Hon'ble Speaker Sir,

15. Our beloved Chief Minister's vision is to give topmost priority to irrigation. In the last four years, about 6.5 lakh hectares of irrigation facilities have been created. The projects for more than 4 lakh hectares are at various stages of implementation.

16. Our strategy is to complete the on-going major, medium and minor irrigation projects and also take up short gestation projects. An outlay of **Rs.2629 crore** has been provided in 2018-19 for 8 on-going AIBP Projects for which funding has been tied up from Long Term Irrigation Fund (LTIF) under NABARD.

17. As a part of our commitment to accelerate the pace of irrigation development, we have taken up **Gangadhar Meher Lift Canal system** with an estimated cost of about **Rs.1247 crore** and **Nabakrushna Choudhury Secha Unayana Yojana** with proposed investment of **Rs.635 crore** for modernization of old irrigation projects.

18. A sum of **Rs.1802 crore** is proposed to be spent for **Parbati Giri Mega Lift Irrigation Scheme**. Under this Scheme, 170 Mega Lift Irrigation Projects have been taken up with a potential to create 2.33 lakh hectares of

irrigation, out of which **26 projects** have been completed so far. It is proposed to commission additional **80 projects** having an irrigation potential of 1 lakh hectares during 2018-19.

19. Check Dam construction has been taken up on a massive scale to recharge ground water and to meet domestic needs and incidental irrigation. So far construction of 12,375 Check Dams has been completed. Further construction of 2,000 Check Dams will be taken up under **Mukhya Mantri Adibandha Tiyari Yojana - MATY** with an outlay of **Rs.344 crore** during 2018-19.

20. Hon'ble Members have always raised their concern about revival of defunct lift irrigation projects in the State. 4046 defunct lift irrigation projects have been revived by December, 2017. It has been targeted to revive 690 defunct lift irrigation points during 2018-19 with a proposed estimate of **Rs.120 crore**.

21. The on-going **Jalanidhi** scheme has been allocated **Rs.178 crore under RIDF** in 2018-19. Deep Bore Well Scheme has received huge demand from farmers in the State and a sum of **Rs.540 crore** is being provided for this purpose in 2018-19. Under **Biju Krushak Vikas Yojana**, **Rs.290 crore** is proposed for community lift irrigation projects. A sum of **Rs.250 crore** will be provided for the Agriculture Department to take up **micro-irrigation under PMKSY** with a State Share of 40 per cent.

22. To improve water use efficiency and to provide last mile irrigation through field channels and pipes an outlay of **Rs.200 crore** has been provided in Command Area

Development Programme for Field channels and Field Drains. To minimize conveyance loss in canals, a sum of **Rs.130 crore** is being proposed under **Canal Lining and System Rehabilitation Programme (CLSRP)** to complete about 150 km of canal lining work.

23. An outlay of **Rs.1000 crore** has been proposed for flood control and drainage work. The **Dam Rehabilitation and Improvement Programme (DRIP)** is being implemented with assistance from the World Bank. It is proposed to take up construction of an additional spillway of Hirakud Dam for enhanced safety.

24. Odisha is the first state in the country to get a project from Green Climate Fund (GCF) by the name "**Ground Water Recharge through Community Ponds**". A grant of about 35 Million US Dollars would be available to the state over five years. To address climate related challenges, we have proposed to take up a new scheme "**Odisha Integrated Irrigation Project for Climate Resilient Agriculture**" with funding from the World Bank. Under this scheme, renovation and restoration of 8 medium irrigation projects and 638 MIPs will be taken up.

Credit

Hon'ble Speaker Sir,

25. Timely and affordable credit is critical to modern agriculture. We have kept our promise to provide interest subvention on crop loans in order to make available credit at an effective interest rate of 1 per cent to the farmers for loans up to Rs.50,000 and 2 per cent for loans above

Rs.50,000. A sum of **Rs.470 crore** has been proposed to be provided in 2018-19 towards **Interest Subvention**.

26. The Cooperatives provide about 65% of the total crop loans dispensed to the farmers in the State as against the national average of 17%. In accordance with the RBI Regulations, Odisha State Cooperative Bank (OSCB) and the 17 Central Cooperative Banks (CCBs) are required to achieve the Capital to Risk Weighted Assets Ratio (CRAR) of 9 per cent. Keeping in view this requirement, I propose to provide **Rs.35 crore** to **Odisha State Cooperative Bank and CCBs** and an additional **Rs.7 crore** to the selected weak **Primary Agriculture Cooperative Societies (PACS)**.

27. By the end of December 2017, about 46 lakh Kisan Credit Cards have been issued by the State Cooperative Bank through PACS. The State Government have taken steps for conversion of all the Kisan Credit Cards to Ru-Pay Kisan Cards to enable the farmer members to access their sanctioned loans through all types of ATMs and PoS networks in the PACS functioning in the State. In order to empower the landless/ oral lessees/ share croppers/ tenant farmers and rural women to access hassle free credit from the Banks without any collateral security, it is proposed to provide credit linkage to 50,000 JLGs through Cooperative Banks and PACS with funding support from NABARD.

28. In order to transform PACS as **ONE STOP SHOP** for the farmers to meet all their requirements and bring about transparency and efficiency in their operations, computerisation of 2708 PACS has been taken up.

Risk Mitigation

29. Agriculture is highly vulnerable in our State, being prone to frequent natural calamities. Crop insurance is a tool for mitigation of risks of the farmers. In 2018-19, 25 lakh farmers in the State will be covered under crop insurance. I propose to provide **Rs.400 crore** towards the State's share for the premium, which is an increase of about 50 percent over the previous year. To popularize enrolment by non-loanee farmers, capacity building and awareness generation will be taken up.

Procurement and Post- harvest Management

30. PACS have been doing paddy procurement as agents of Odisha State Civil Supply Corporation (OSCSC) since Kharif Marketing Season (KMS), 2009-10 through P-PAS, which is an online transparent, prompt and widely-appreciated procurement platform. During KMS 2016-17, 2522 PACS have procured 54.27 lakh MT of paddy from 8.48 lakh farmers, which constitutes more than 99% of paddy procurement in the State. At present, a total godown capacity of 13.8 lakh MT is available under Cooperation Department that includes 3.56 lakh MT at PACS level. These godowns will help in prepositioning of fertilizers, pesticides and seeds and also in storing agriculture produce.

31. To provide remunerative price to millets growing farmers and promote nutritional security, 55 blocks of 11 Districts will be covered under the **Odisha Millets Mission**. As per the directions of our beloved Chief Minister, we will procure millets worth **Rs.100 crore** next year to be utilised in

Government schemes. This will benefit about 5 lakh farmers, especially in rain deficit areas mainly inhabited by tribals.

32. The scheme for construction of **Concrete Drying Platform-cum-Threshing Floors** has become quite popular. To attract private investment in warehousing capacity in the KBK region for non-paddy crops, assaying, grading and sorting will be promoted. 10 selected RMC markets have been integrated with **National Agriculture Market (NAM)** through E-platform. More such markets will be taken up under NAM. 3 wholesale markets under RMC will be functional soon in Koraput, Baripada and Banki. Modern wholesale markets will be taken near Bhubaneswar and Rourkela cities.

Allied activities

Fisheries

33. Fisheries have an enormous potential in generating employment, income and nutritional security in our State. Keeping this in view Odisha Fisheries Policy, 2015 has been formulated to enhance the productivity and production of fish from inland, brackish water and marine sources so as to double the fish production in five years and bridge the gap between demand and supply. District-wise action plan for fisheries development in all Districts of the State have been initiated. 32 clusters have been identified to enhance production of brackish water shrimp.

34. To increase fish productivity and production a provision of **Rs.73 crore** has been proposed for

development of Brackish Water Aquaculture, Marine Fisheries Intensive Aquaculture and Inland Fisheries. A State Sector Scheme “**Matsya Pokhari Yojana**” was introduced in 2017-18 for creating new water bodies with a unit cost of Rs.8.50 lakh/Ha with 50% subsidy assistance and fingerling production with a unit cost of 2.50lakh/Ha with 50% subsidy for doubling production of fresh water fish. **Rs.2 crore** will be provided for promotion of reservoir fisheries development in open water bodies. A provision of Rs.70 lakh has been made for “Training, Skill Development & Capacity Building to Fish Farmers”. Development of Fisheries Cooperatives, Fish-on-Wheel and Dry Fish Market will also be taken up. With a view to significantly enhance marine exports from Odisha, ORSAC has been asked to prepare a GIS based coastal area mapping so that expansion of brackish water area in accordance with Coastal Aquaculture Authority Act can be taken up.

35. 25 per cent subsidy is provided to marine fishermen for Boat and Net units. With the assistance from Rural Infrastructure Development Fund of NABARD and from our own resources, we propose to take up development of infrastructure for the Fisheries Sector including Farms, Fishing Harbours, Fish Landing Centres, construction of cement concrete road to shrimp clusters for which an outlay of **Rs.20 crore** is proposed. Besides, funds to the extent of **Rs.3 crore** is proposed to be provided for dredging of river mouth, berthing places in fishing harbour, fish landing centre as well as jetties in the State.

36. In collaboration with “**World Fish**”, technology will be obtained for various activities including Carp-mola

Polyculture and GIFT Tilapia demonstration. To encourage private investment in value addition and marketing in the Fisheries Sector, MoUs have also been signed with 14 companies for an investment of **Rs.1940 crore** during **Make-in-Odisha conclave**. An outlay of **Rs.5 crore** is proposed for transfer of technology and increasing the knowledge base of the officials and fish farmers.

37. A provision of about **Rs.51 crore** has been made for integrated development & management of fisheries through different activities such as fish seed rearing centres, integrated development of reservoirs, rejuvenation of water bodies and capacity building of fish farmers under the umbrella scheme called "**Blue Revolution**", which includes a provision Rs.20 crore for development of fishing harbour at Balaramagadi.

Animal Husbandry & Dairying

38. Animal husbandry and dairying are important sources of income for millions of rural families and provide safety net during crop failure. These two sectors have immense potential for rural self-employment and women empowerment.

39. Mobile Veterinary Units are being operated in all the blocks of the State for 20 days in a month in order to supplement the veterinary services through the hospitals and dispensaries. We propose to provide about **Rs.14 crore** for the purpose. 100 per cent vaccination of all eligible bovines will be taken up against Foot & Mouth disease. Mobile advisory would be provided to one lakh livestock farmers with an outlay of about **Rs.4 crore**.

40. The scheme '**Feed and Fodder Production in different Agro-Climatic Zones**' was launched in 2017-18 in order to provide quality feed and fodder for increasing the yield of milch animals. An outlay of about **Rs.9 crore** is proposed under the scheme during 2018-19.

41. For development of dairying and livestock management, under the umbrella scheme of '**White Revolution**', we propose to provide **Rs.88 crore** under the scheme. A provision of **Rs.53 crore** has been made for installation of 5 lakh LPD Dairy Plant near Bhubaneswar for quality processing of milk. Backyard poultry will be promoted and landless, marginal and small farmers will be supported for goat/sheep units.

42. Infrastructure development and strengthening of the **State Referral Laboratory for Disease Control** would be taken up with assistance from Rural Infrastructure Development Fund of **NABARD**. An outlay of **Rs.7 crore** will be provided for the purpose.

Welfare of Farmers and Fishermen

43. Our Government under the leadership of our esteemed Chief Minister is committed to the cause of farmers' and their welfare. We are proposing a sum of **Rs.250 crore for the welfare of farmers** in 2018-19. Agriculture & Farmers' Welfare Department will work out the details in due course.

44. **Biju Krushak Kalyan Yojana** has been designed with the objective of providing health security to farmers and their families by way of cashless treatment through a

network of 100 hospitals. We will continue to take care of the health needs of the farm families. I propose to provide **Rs.90 crore** towards health insurance cover for about 57 lakh farmers' families.

45. To provide livelihood support to the marine fishermen during the ban period for turtle conservation, a sum of about **Rs.4 crore** is being proposed. A provision of **Rs.7 crore** has been made for scholarship to the meritorious students of fishermen community and assistance to Women Self-Help Groups under the **Matshyajibi Unnayana Yojana**. Mobile advisory services are also provided to the fishermen.

RKVY

46. **Rashtriya Krishi Vikas Yojana (RKVY)** is an overarching scheme for development of agricultural and allied sector. The outlay for this Scheme is **Rs.750 crore**. Various projects for agriculture, animal husbandry, fisheries, co-operation and irrigation sectors will be taken up under RKVY.

Hon'ble Speaker Sir,

47. We started a separate Agriculture Budget in 2013-14 with an outlay of Rs.7,162 crore. However, under the leadership of our Hon'ble Chief Minister, I am happy to inform that this outlay has increased to **Rs.16,765 crore** in 2018-19, which is an increase of over 130 per cent. Further, about **Rs.8,000 crore** are invested through extra budgetary resources every year for making timely payment to farmers' towards paddy procurement.

48. Agriculture remains the lifeline of our economy. It contributes to our food security and provides livelihood to a vast majority of our people. Our famous poet, **Swabhaba Kabi - Gangadhar Meher** has glorified agriculture in the following words.

“ବାରମାସ କ୍ଷେତେ ମୋ ଲାଗିଥାଏ କାମ,
ମାସେ, ପକ୍ଷେ କେବେ ହେଁ ନଥାଏ ବିଶ୍ରାମ,
କ୍ଷେତ ମୋର ଲକ୍ଷ୍ମୀର ବିପୁଳ ଭଣ୍ଡାର,
ଦେଉଅଛି ଅଶନ ବସନ ଇତ୍ୟାଦି
ବାରମ୍ବାର ହେ ।”

With these words, I dedicate this Agriculture Budget to the growth and development of agriculture and empowerment of the farming community.

**Vande Utkal Janani
Jai Hind**