

Hon'ble Speaker Sir,

I rise to present the Budget for the year 2016-17. This year, the year 2016-17 is momentous and memorable in many ways. It is the first year following the *Nabakalebara*, the festival of renewal of Lord Jagannath, the presiding deity of our State, the ever flowing eternal source of our energy, the mast head of our multicultural identity as a people of distinct merit.

2. It is also the year that marks 80 years of our existence as a modern State of this great nation, for that matter the first linguistically reorganised State of India. I indeed, deem it as a privilege and feel humbled and honoured to present the Budget of the 80th Year of Odisha.

3. It is the Birth Centenary Year of Biju Patnaik, the legendary icon of leadership, dedication and commitment who devoted his life to uplift the teeming millions of this great soil.

4. It is indeed a benchmark year to introspect, explore and march ahead towards new milestones, new goals and new dreams and chalk out a new course for 2036 that would mark the 100 years of Odisha.

5. I thank Honourable Chief Minister for giving this historic opportunity to me to present this Budget. I take this opportunity to thank Honourable Speaker, Honourable Chief Minister, the Leader of Opposition and the leaders of all political parties for taking an unanimous

decision to present the State Budget after the presentation of the Union Budget.

6. On this occasion of 80th year of Budget, I also gratefully recall the contribution of Chief Ministers, Finance Ministers, Speakers and members of Legislative Assembly for their collective legislative wisdom in building the State.

7. The Budget for 2016-17 is in two parts. The first part is the Agriculture Budget and the second part is the General Budget.

AGRICULTURE BUDGET

8. Odisha is among few States that present a separate Agriculture Budget. As a step forward, the State has formed a separate “**Agriculture Cabinet**” as a Committee of the Cabinet. Agriculture Department has been renamed as **Department of Agriculture and Farmers’ Empowerment**. Let me assure this august House that, it is not a mere symbolic exercise but a strategic step towards a farmer centric development. Odisha cannot completely eliminate poverty and address the challenging issue of regional disparity without increasing the household income in the Agriculture and allied sectors.

9. This Agriculture Budget is prepared separately since 2013-14 for the Departments dealing with irrigation, agriculture, co-operation, fisheries and animal resources development. The newly formed Agriculture Cabinet has deliberated on the funding requirement for these sectors. Accordingly, it is proposed to provide **Rs.13,181.89 crore**

under Non-Plan and Plan for these Departments which is about **20.89 per cent** more than the outlay for the previous year. The outlay for the Agriculture Budget is about **14.02 per cent** of the total outlay proposed to be provided in the Budget Estimates for 2016-17.

10. We have prepared this Agriculture Budget in the background of drought due to deficit monsoon in the country that has restrained agricultural performance. It has impacted the lives of agricultural labourers, small and marginal farmers. However, due to the hard labour of our farmers the state has bagged the '**Krishi Karman Award**' for the fourth time in last five years.

11. Our Government has taken a number of measures to mitigate the difficulties of the farming community through compensation and relief, provision of inputs, protective irrigation and a number of other supportive policy and programme interventions. We are also redesigning our strategy for agriculture to reduce drought vulnerability and increase farm income through higher investment in irrigation, access to institutional credit, provision of quality inputs like seeds, fertilisers and pesticides. Simultaneously, we are taking steps for crop diversification from cereals to pulses and millets, revitalising the extension system for transfer of advanced technology, strengthening of market linkages through financing, storage and transportation, risk mitigation and value addition.

12. To promote value addition in Agriculture we need to promote entrepreneurship in the field. We propose a start-

up fund for promotion of entrepreneurship in agri-business, agro-based industries and enterprises.

13. Convergence is the language of future. We need to create convergence of resources natural, financial and human. A beginning has been made for convergence between Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Watershed Development Programme, Pradhan Mantri Krishi Sinchai Yojana and Command Area Development Programme.

Water Resources :

14. Irrigation is the lifeline of Agriculture. It reduces the vulnerability of the farmers to the vagaries of monsoon and also increases productivity and income through multiple crops. There is also a need to reduce the gap between the potential created and the actual area irrigated. With improvement in water use efficiency we can increase the area under irrigation and conserve water.

15. A significant part of the areas under cultivation are not covered under irrigation. We have planned for providing irrigation to additional 10 lakh hectares of cultivable land over a period of five years - 2014-2019. So far, additional two lakh hectares have come under irrigation. During the year 2016-17, we propose to provide irrigation facilities for another 2.57 lakh hectares. The focus will be on completion of on-going major, medium and minor irrigation projects along-with installation of Mega Lift, Shallow and Deep Bore Wells and Micro Irrigation facilities to optimise water use efficiency. It will

open up opportunities for change in cropping pattern and mitigation of risks through assured and protective irrigation.

16. During 2016-17, Rukura and Lower Indra Major Irrigation Projects taken up under Accelerated Irrigation Benefit Programme would be completed despite non-release of Central Assistance under the Scheme since 2012-13. In the Minor Irrigation Sector 213 Minor Irrigation Projects were identified for completion out of which 30 projects have been completed during the current financial year and the remaining 183 will be completed during the Financial Year 2016-17. Two Medium Irrigation Projects-Kusumi and Bankatira have been identified for implementation over a period of three to five years. In order to avoid large scale submergence and diversion of forest land for these two projects, it is proposed to build up pressure pipe based distribution network. With marginal investment, we propose to take up ayacut extension of Harabhangi, Bagh and Manjore Medium Irrigation Projects so as to bring additional area under irrigation at a least cost.

17. We have successfully commissioned the first Megalift Project of the State at Laitara in the District of Kalahandi. This project was implemented in EPC mode under a turnkey contract. During 2016-17 we propose to complete 40 Megalift Projects. In order to utilise the untapped ground water potential of water deficit areas 17500 deep and shallow tube wells will be installed along-with 1900 Micro River-lift Irrigation Points on the River Banks during 2016-17. These Lift Irrigation Points will

provide quick irrigation benefit and will act as a drought-proofing measure. These lift points will irrigate 1.19 lakh hectares.

18. Construction of check dams, which are in-stream storage structures, has been taken up on a massive scale to recharge ground water, meet domestic needs and provide incidental irrigation to nearby villages. It has become a demand driven popular programme of the State Government. We have constructed 7481 check dams by December, 2015 and created irrigation potential of 72418 hectares. The check dams have been helpful in saving crop from drought. We propose to construct 4000 check dams during 2016-17.

19. In keeping with our strategy for convergence of extra budgetary resources with budgetary resources, Water Conservation Fund has been created with contribution from industries. It is proposed to construct barrages, weirs and minor irrigation projects in up-stream areas to conserve water for utilisation during lean seasons. It is also contemplated to make the use of sprinklers and drip irrigation methods in all lift irrigation projects by way of convergence with the micro irrigation scheme being implemented by Agriculture Department.

20. Around thirty per cent of the irrigation potential and ayacut created over the years has been lost owing to siltation of reservoirs, deterioration of distribution system and drying up of the water sources of lift irrigation points. It is proposed to restore the lost ayacuts and utilise the designed irrigation potential through Extension,

Renovation and Modernisation (ERM) of medium and minor irrigation projects and '**Revival of defunct Lift Irrigation Projects**'.

21. Every drop of water is valuable. We have to be more responsible and efficient in water use so that, we can maximise productive output with the existing level of availability of water resources. In order to achieve the objective of '**Per Drop More Crop**' we need to educate the water users. Accordingly, capacity building of the members of Water Users' Associations also known as Pani Panchayats will be taken up in a massive scale to educate them about modern irrigation techniques, crop diversification and rotational irrigation water supply. We are also taking up cement lining of canals of twelve major and medium and thirty nine minor irrigation projects in order to minimise conveyance loss. The Command Area Development activities have been scaled up in recent years to facilitate judicious and equitable distribution of water in the irrigation command through participatory irrigation management.

22. We will also continue our activities for flood control and improvement of drainage in water logged areas, dam safety and rehabilitation of major and medium irrigation projects, ground water survey and investigation for overall management of surface and ground water.

23. We propose to enhance the provision for Water Resources Department from Rs.6212.15 crore in 2015-16 under both Non-Plan and Plan to **Rs.7241.66 crore** in 2016-17 which is an increase of about **16.57 per cent**.

Agriculture :

24. The contemporary policy debate on agriculture in our country is focused on production target versus market demand. The public expenditure policy and research interest has been hitherto driven by physical production targets. It has influenced farmers' choices to continue with low value cereal crops instead of diversifying to income enhancing crops. Therefore, there is a need to re-orient our policies and institutional mechanism to create an enabling environment for enhancing farm income and make agriculture more profitable, sustainable and resilient. This is without undermining our focus on food security.

25. In sync with the strategy for promoting a virtuous cycle of crop diversification, post-harvest value addition and market linkage for agriculture and allied produce, we have lined up a number of initiatives.

26. It is now felt that, crop diversification from paddy to other cereals like maize and millets, pulses, oilseeds and other high value crops is a pre-requisite for increasing agricultural productivity and farm income. Large tracts of land in the state are left fallow, special efforts for providing protective irrigation through dug wells etc. and taking up appropriate crops like pulses will be made.

27. Maize and millet are cultivated across varied agro-climatic zones in rain-fed areas and cultivated throughout the year in both kharif and rabi seasons. Both are used as

food grain with high nutritional content, fodder, poultry and fish feed and have industrial use. We propose to improve the post-harvest management practices like storage, sorting and grading and facilitate value addition through processing of maize produced in the State. Similarly, we are also taking steps to bring back millet to our food basket.

28. The minor millets once formed the staple diet of tribal heartland and our countryside. Slowly these millets have gone out of our routine menu. Oats which is mostly imported is strangely found even in our remote grocery shops. Minor millets represent our ancient roots and deserve our focused attention and patronage. We propose to bring the minor millets back on track. It is just a beginning. The minor millets will receive a major push. A **'Special Programme for Millet in Tribal Areas'** is to be implemented in order to enhance production and productivity of millets in tribal areas. Another programme **'Support to Integrated Farming System in Tribal Districts'** for enhancement of income of farmers in watershed areas of the tribal districts will be launched during 2016-17.

29. The success of Green Revolution is attributable to the effectiveness of the agricultural research institutes at National and State level as well as the dedication of the scientists and agricultural extension workers. We therefore propose to revamp the extension system. It will be based on regular training to the extension workers and their periodic visit to the farmers. It will provide problem

oriented guidance to farmers taking into consideration their feedback.

30. In order to obtain technical support of National and International Agricultural Research Organizations like Indian Council of Agricultural Research (ICAR), International Rice Research Institute (IRRI), International Centre for Agricultural Research in Dry Areas (ICARDA) and International Potato Centre (CIP) on knowledge sharing basis and for transfer of latest technology developed for the Agriculture sector in the State, a new programme titled “**Development of Agriculture in collaboration with International Institutions**” will be launched. It will facilitate transfer of latest farming practices from Lab to Land.

31. Value addition has been increasingly recognised as an important area for boosting farmers’ income. It will not only add value to the products but also generate employment and help in shifting a part of the agricultural labour force from the on-farm to non-farm activities. Keeping this in view, efforts will be made for setting up agro industrial estates and food parks in 2016-17.

32. Women constitute a significant portion of the agricultural labour force and they directly contribute towards physical output. Their skill upgradation and empowerment is one of the critical factors for raising efficiency of the agricultural farms and productivity. We propose to launch a special programme for ‘**Promotion of Gender Friendly Tools for Farm Women in Odisha**’ so

as to relieve them of drudgery and improve their work efficiency.

33. Seed, Fertiliser and Pesticides are three critical inputs for increasing agricultural production. There is a direct correlation between crop yield and quality of seeds as well as use of proper fertiliser according to soil types. To streamline distribution of fertilizer a scheme, “**Grant to State procurement agencies**” will be implemented to assist the procurement agencies to meet the handling charges so as to enable them to make available adequate quantity of different fertilizers at fair price. Besides, revolving Corpus Fund of Rs.100 crore each for seed and fertiliser has been created for pre-positioning of the State level procurement agencies to maintain adequate stock of quality seeds and fertiliser ahead of each cropping season.

34. An integrated and well-functioning supply chain is particularly beneficial to small farmers by reducing the cost of marketing by linking them more closely to processing firm and consumers. It will help them in getting a better price for the farm produce. Several new initiatives are proposed for providing market linkages to the farmers of the State.

35. A new scheme ‘**Support to Farmer Producers’ Organization**’ with the objective of mobilization of farmers into members owned producer organizations or FPOs, to enhance production, productivity and profitability of farmers, especially small farmers in the State will be launched. These will be linked to mandis which will be modernised as e-markets. Further, it is

proposed to establish a floriculture market in PPP mode at Bhubaneswar so as to provide proper linkage between the producer community and the entrepreneur. Similarly, it is also proposed to set up a Company for marketing of fruits & vegetables.

36. We also propose to launch an Agri start-up programme to complement the efforts put in for promotion of agri-entrepreneurship in the State under the capital investment and farm mechanization programmes. Unemployed graduates in Agriculture & Allied sectors will be motivated to start agro-based enterprises.

37. We propose to enhance the provision for Department of Agriculture and Farmers' Empowerment from Rs.3124.38 crore in 2015-16 under both Non-Plan and Plan to **Rs.3438.91 crore** in 2016-17 which is an increase of about 10.07 per **cent**.

Cooperation :

38. Cooperative credit and crop insurance play critical roles in meeting the credit needs for farming operations and in providing risk cover in the event of natural disasters.

39. We are providing interest subvention for both short term and long term loans availed for meeting the working capital and capital investment needs. The interest subvention of Rs.227.38 crore is to be provided over a period of three years for conversion of short term loan to medium term loan in the aftermath of the drought during

the year 2015-16. There is a proposal to issue at least two lakh Kisan Credit Cards in 2016-17. Besides, it is proposed to provide Rs.435.48 crore towards interest subsidy/subvention to the farmers through the Banks/PACS. Farmers taking crop loan upto Rs.50000.00 will have to pay only 1% interest on timely repayment.

40. In view of the small size of the farm holdings the risk bearing capacity of the farm households is very low. Therefore, there is need for quick relief through adequate compensation and insurance cover to mitigate their financial hardships. It is proposed to provide Rs.800.00 crore towards the State share of the premium for the existing National Agricultural Insurance Scheme and its modified version being implemented in our State. Besides, it is proposed to provide Rs.300.00 crore towards the State share of the premium for the recently launched “**Pradhan Mantri Fasal Bima Yojana**” which will come into effect from khariff 2016 i.e. from April, 2016 in place of the existing scheme.

41. It is proposed to construct godowns at PACs and LAMPs level under the Warehousing Infrastructure Fund (WIF) of NABARD. NABARD will provide 90% of the cost as loan from WIF. Panchayati Raj Department will be the executing agency for the construction of these godowns. **Rs.100.00 crore** has been kept in the budget for this year.

42. It is proposed to enhance the outlay for the Cooperation Department from Rs.892.27 crore in 2015-16

under Non Plan and Plan to **Rs.1821.73 crore** in 2016-17 which is an increase of about **104.17 per cent**.

Fisheries and Animal Resource :

43. Activities like fisheries, dairying, poultry and animal husbandry provide higher return. Given the high incidence of poverty among the small and marginal farmers adoption of mixed farming will enable them to come out of poverty.

44. Fisheries and Animal Husbandry are going to assume greater importance in future in view of their increasing contribution to economic growth. Therefore, a shift to these higher-value commodities offers an important avenue to enhancing farm productivity, employment and income.

45. In the fisheries sector, road connectivity to 107 brackish clusters covering a road length of 468.50 kilometres is being provided to facilitate faster transportation of products. Besides, fish landing centres and fishing harbours are being constructed with assistance from the Rural Infrastructure Development Fund.

46. A new Odisha Fisheries Policy, 2015 has been put in place with an objective to increase the productivity and production of fish from inland brackish water and marine resources. This sector specific policy targets total fish production of 7.15 lakh tonne by the end of 2019-20 as against the present level of 4.79 lakh tonnes. The fresh

water productivity is proposed to be increased from 2.63 lakh tonnes at present to 5.30 lakh tonnes in 2019-20. It is proposed to develop new tanks and ponds over 15000 hectares for fresh water aqua culture in 30 Districts. It will create employment opportunity for 60000 persons.

47. During this year the State Government has also adopted a new “**Poultry Development Policy, 2015**” to create an enabling and conducive environment for commercial and backyard poultry farming in the State to produce 100 lakh egg per day and 1 lakh metric tonne broiler meat per annum by 2020.

48. The Department is also working on a “Small Animal Development Policy” to address various concerns of small animal sector to boost meat production. Support is being provided for establishment of low capacity goat farms. It is also proposed to support farmers under NLM.

49. In order to increase the yield potential of dairy animals in the State it is proposed to provide certified seeds for cultivation of nutritious fodder for the milch animals. To provide better health care facilities for livestock resources of the State, mobile veterinary units have been made operational in all 314 Blocks of the State.

50. The outlay for the Fisheries and Animal Resource Department has been increased from Rs.624.80 crore in 2015-16 under Non Plan and Plan to **Rs.679.60 crore** in 2016-17, which is an increase of about **8.77 per cent**.

Conclusion :

The road ahead is clear and well defined. The most decisive response to the challenges of rural poverty and regional disparity revolves around agriculture. Our policies and programmes are constantly fine-tuned to meet this end. I hope this budget articulates our aspirations and reflects our proposed actions.

The lines of noted Odia Poet Late Gangadhar Meher comes to my mind at this point which I quote –

“କୃଷି ସିନା ସଂସାରେ ସଭ୍ୟତାର ମୂଳ
କୃଷି ଏକା ସକଳ ଜୀବିକାର ତୁଳ”