



Government of Odisha



BUDGET

2019-20



Agriculture Part - I

Presented by

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Minister, Finance

28th June, 2019

Hon'ble Speaker Sir,

I rise to present the Budget for the year 2019-20.

2. The people of Odisha have once again reposed their faith in the leadership of our visionary Chief Minister Shri Naveen Patnaik for successive fifth term with a massive mandate. We express sincere thanks to our people and wholeheartedly commit to live up to their expectation to provide a clean, transparent and pro-active Government.

3. The extremely severe cyclonic storm "**FANI**" has caused large scale damage to a sizeable portion of the coastal Odisha. We could demonstrate our ability to respond to the natural disaster and minimize the loss of life. But, the damage caused by the cyclone to the property, public infrastructure and the environment is colossal. It has also affected livelihood of millions of people living in rural as well as urban areas of coastal Odisha. We have to Build Back Better (BBB) to reduce vulnerability to future disasters. Restoration of livelihoods would be one of the focus areas of this budget.

4. Agriculture and farmers' welfare, poverty reduction, food security, inclusive development, effective service delivery and empowerment of farmers, workers, SC and ST communities, women, children, youth and elderly citizens

have been our priorities. The good governance mantra of **5Ts – Teamwork, Transparency, Technology and Time leading to Transformation** of our beloved Chief Minister Shri Naveen Patnaik coupled with the effective fiscal management and clear development strategy are the key factors behind all-round development of Odisha. We would like to march forward with renewed commitment and present a pro-development and Pro-People Budget for 2019-20.

5. As a participative process, we held Pre-Budget consultations with experts, representatives of different sections and people at large. More than **4000** suggestions were received through various modes across a range of subjects. We have carefully considered the suggestions while preparing the Budget.

6. As a green initiative, this year we have reduced physical printing of budget documents from 500 sets to 200 sets and would distribute budget documents in electronic form to stakeholders. By this, we have reduced printing of about 57 lakh pages of paper which saved about 700 large trees. In coming years, we intend to switch over to complete paperless electronic budgeting.

7. We are committed to empowerment of women as well as rights and development of the children. The State

Government has been preparing Gender Budget Statement for last 7 years. This year, we are going to introduce Child Budget Statement with support from UNICEF. A separate document on “**Gender and Child Budget**” with analysis is prepared and placed along-with the budget documents.

8. 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

9. Odisha’s economy is expected to grow at the rate of 8.35 per cent in 2018-19 surpassing all India growth rate of 7.2 per cent. This comes on top of a robust average growth of more than 8 per cent in last six years compared to national average of about 7.1 per cent. 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 2019-20. Further economic outlook of the State has already been presented in this august house in the Economic Survey Report for the year 2018-19.

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

Agriculture Budget – Background

Hon'ble Speaker Sir,

10. Odisha is primarily dependent on the agriculture sector for employment as it provides livelihood, directly or indirectly, to more than 60 per cent of the population. However, Agriculture including livestock and fisheries, contributes about 18 per cent to the GSDP. Therefore, higher growth in agriculture has been one of the major policy priorities of our Government. As a pioneering initiative of our esteemed Chief Minister Shri Naveen Patnaik for holistic, focused and accelerated development of agriculture, a separate Agriculture Budget is being prepared since 2013-14. The productivity gain in agriculture in our State has been recognised at the National level with conferment of '**Krishi Karman Award**' for five times during last seven years.

Hon'ble Speaker Sir,

11. We are the only State in the country to have doubled farmers' income in real terms during 2003 to 2013. To further accelerate agricultural prosperity, reduce poverty and to bring about all-round development of the farmers through

different welfare measures, the State has introduced **“Krushak Assistance for Livelihood and Income Augmentation” – KALIA during the financial year 2018-19.**

12. This Scheme is a commitment of the State Government to provide financial support to about 75 lakh farmer families. The scheme covers small and marginal farmers and landless agricultural labourers including share croppers. All the benefits under KALIA are being transferred to the beneficiary bank account directly through DBT. Further, we have announced KALIA Scholarship to assist children of KALIA beneficiaries to pursue professional courses such as medical, engineering, agriculture, nursing and other technical courses in Government Colleges. It will usher in rural prosperity infusing huge amount of money directly in the agricultural economy. We have proposed a sum of **Rs.5611 crore** for the current financial year 2019-20 for the purpose.

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

Soil Health and Conservation

14. Soil is the critical and vital component of living ecosystem. The most important step for soil management is

to know the soil health to ascertain the productivity level of soil for a given crop. For efficient management of soil health, the Government have established 30 static and 17 mobile Soil Testing Laboratories enabling issue of around 15 lakh Soil Health Cards annually with recommendations for balanced fertiliser use. The **Pradhan Mantri Krishi Sinchai Yojana (PMKSY)** has an outlay of about **Rs.218 crore** to treat an area of 1.12 lakh hectares and create irrigation potential of 6720 hectares. Organic farming is being promoted in around 10,000 hectares under '**Paramparagat Krishi Vikash Yojana**' for which budget provision of **Rs.31 crore** has been made in 2019-20.

Inputs, Farm Mechanisation and Extension

15. Seed is a basic input in agriculture which is the prerequisite for production of good quality crop. Seed Replacement Ratio is one of the key contributors to higher production and productivity along with technology input. Seed Replacement Ratio has increased to an ideal of 35 per cent for paddy. A corpus fund had been created with the objective of extending interest free loan to Odisha State Seeds Corporation and Odisha Agro Industries Corporation for procurement of seeds. We have proposed an outlay of **Rs.60 crore** for the purpose. A revolving fund

with a corpus of **Rs.100 crore** would be placed with **Odisha State Co-operative Marketing Federation Ltd. (MARKFED) and Odisha Agro Industries Corporation Ltd.** so as to ensure availability of fertilizers for the farmers during the cropping season.

16. 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. Effective farm mechanisation will make agriculture viable and lucrative and attract the young generation to farming. A sum of **Rs.182 crore** is proposed to popularise agricultural implements/equipment so as to help the farmers to take up timely agricultural operations.

17. A strong agricultural extension system enables 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 with a provision of **Rs.30 crore** for **Agricultural**

Research, Education & Infrastructure. Sub-Mission on Agriculture Extension with an outlay of **Rs.150 crore** will promote extension through IMAGE and District level ATMA. To promote horticulture, floriculture and spices, an outlay of about **Rs.100 crore** has been proposed under **National Horticulture Mission**.

18. Odisha Farmer Producer Organisations Policy, 2018 has been formulated to create a conducive environment for Farmer Producer Organisations (FPOs) by integrating and promoting the activities involved in the field of Agriculture and Allied sectors, Food Processing, Agri-business, Warehousing and Logistics sectors through focused attention and necessary infrastructure facilities. A Memorandum of Understanding (MOU) has been signed with NABKISAN Finance Limited, a subsidiary of NABARD to provide guarantee for the eligible FPOs to avail loans from banks. An allocation of **Rs.5 crore** has been proposed to support **Farmer Producer Organisations (FPOs)**.

Irrigation and Water Use efficiency

Hon'ble Speaker Sir,

19. Increase in agricultural production and productivity depends, to a large extent, on the availability of water. Insufficient, uncertain and irregular rain causes uncertainty

in agriculture in the State. Our beloved Chief Minister's vision is to give topmost priority to irrigation. In the last five years, about 9 lakh hectares of irrigation facilities have been created. During the current Financial Year 2019-20, we have fixed a target to create additional irrigation potential of 2.65 lakh hectares.

20. Our focus will be on completion of on-going major, medium and minor irrigation projects and taking up of short gestation projects. A sum of **Rs.1861 crore** has been proposed for completion of incomplete **AIBP Projects** implemented through **PMKSY** and a sum of **Rs.1565 crore** has been proposed under state funded **Water Sector Infrastructure Development Programme (WSIDP)** for other ongoing and new projects.

21. 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**. A sum of **Rs.100 crore** is proposed for the purpose during the current year. We have also taken up **Nabakrushna Choudhury Secha Unayana Yojana** with proposed investment of **Rs.635 crore** for modernization of old irrigation projects. A sum of **Rs.146 crore** has been proposed under this scheme during 2019-20.

22. A sum of **Rs.1777 crore** has been proposed under **Parvati Giri Mega Lift Irrigation Scheme** during 2019-20. Under this scheme, 208 Mega Lift Irrigation projects have been taken up with potential to create 2.65 lakh hectares of irrigation, of which 80 projects have been completed. It is proposed to complete additional 83 projects having irrigation potential of about 1 lakh hectares during 2019-20.

23. Check Dam construction has been taken up on a massive scale to recharge ground water by reducing channel erosion and to meet domestic needs and incidental irrigation. 14,588 Check Dams have been completed so far. We have proposed a sum of **Rs.334 crore** under **Mukhya Mantri Adibandha Tiyaari Yojana - MATY** for construction of 2,000 more Check Dams during 2019-20.

24. We have allocated a sum of **Rs.180 crore** under RIDF in 2019-20 for the on-going **Jalanidhi** scheme. Keeping in view the demand of the farmers in the State, I propose a sum of **Rs.540 crore** for completion of 20,000 Deep Bore Wells under **Deep Bore Well Scheme** during 2019-20. A sum of **Rs.400 crore** has been proposed under **Biju Krushak Vikas Yojana** with a target to install 1000 community lift points.

25. An outlay of **Rs.314 crore** has been proposed in **Command Area Development Programme** for field channels and field drains to improve water use efficiency and to provide last mile irrigation through field channels and pipes. Further, to reduce seepage losses in distribution system and to ensure water availability at farm level, a sum of **Rs.210 crore** is being proposed under **Canal Lining and System Rehabilitation Programme (CLSRP)**.

Farm Credit

Hon'ble Speaker Sir,

26. Farm credit is an important instrument, which increases agricultural productivity. We had 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/-. Now, State Government has reduced the interest rate on crop loan up to Rs.1,00,000/- from present 1 per cent to 0 per cent for the farmers making repayment of loan in time. Thus, crop loan up to **Rs.1,00,000/-** is now interest free. A sum of **Rs.800 crore** is proposed under the scheme for **Interest Subsidy/Subvention on crop loan** during 2019-20.

Risk Mitigation & Insurance

27. Agriculture in our state is highly vulnerable on account of erratic and deficient monsoon, flood, cyclone, un-seasonal rain and hailstorm. It is necessary to protect the farmers from loss of income and livelihood. Crop insurance is a tool for mitigation of the risks of the farmers. An allocation of **Rs.400 crore** has been proposed under **Pradhan Mantri Fasal Bima Yojana (PMFBY)** to provide quick relief and adequate compensation to the farmers. 27 lakh farmers including 5 lakh non-loanee farmers in the State are likely to be covered under crop insurance scheme during 2019-20.

Procurement and Post-Harvest Management

28. Procurement of food grains serves the broad objectives of ensuring MSP to the farmers and availability of food grains to the weaker sections at affordable prices. PACS have been doing paddy procurement as agents of Odisha State Civil Supply Corporation since Kharif Marketing Season, 2009-10 through P-PAS, which is an on-line transparent procurement platform. During KMS-2017-18, 2487 PACS have procured 49.09 lakh MT of paddy from 7.98 lakh farmers. In the on-going KMS-2018-19, 51.47 lakh MT paddy has been procured from 8.63 lakh farmers

during Kharif season and procurement of rabi crop paddy for KMS-2018-19 is being made. The entire paddy procurement proceeds are being directly credited to the farmers' accounts within 3 days through P-PAS portal linked with Core Banking Solution System of Odisha State Cooperative Bank, which is a unique example in the Country.

29. Millets, mainly grown in the tribal areas of the State, are extremely nutritious and good for health. To ensure lucrative price for millets growing farmers and promote nutritional security, at present **72** blocks of **14** Districts, especially in tribal pockets are being covered under the **Odisha Millet Mission**. A sum of **Rs.50 crore** has been proposed for the programme.

Allied activities

Activities like fisheries, dairy, poultry and animal husbandry provide higher returns and are major contributors in doubling the farmers' income.

Fisheries

30. With long coast line, major river systems and plenty of inland water bodies, fisheries have an immense 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. To increase fish productivity and production a provision of **Rs.54 crore** has been proposed for **development of Brackish Water Aquaculture, Marine Fisheries, Intensive Aquaculture and Inland Fisheries.**

31. 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 per hectare with 50 per cent subsidy assistance and fingerling production with a unit cost of 2.50 lakh per hectare with 50 per cent subsidy for doubling production of fresh water fish. **Rs.1 crore** will be provided for promotion of reservoir fisheries development in open water bodies. 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.

32. We have proposed an outlay of **Rs.83 crore** under the umbrella Centrally Sponsored Scheme called ‘**Blue**

Revolution' for different activities such as fish seed rearing centres, integrated development of reservoirs, rejuvenation of water bodies and capacity building of fish farmers.

Animal Husbandry & Dairy

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

34. We propose to provide **Rs.65 crore** under the umbrella scheme of '**White Revolution**' for development of dairying and livestock management. An amount of **Rs.6.30 crore** has been provisioned under RIDF for establishment of 5 lakh **LPD Dairy Plant by OMFED** for quality processing of milk. Further, backyard poultry is being promoted and landless, marginal and small farmers are also being supported for goat/sheep units.

35. In order to supplement the veterinary services through the hospitals and dispensaries, Mobile Veterinary Units are being operated in all the blocks of the State for 20 days in a month. We propose to provide Rs.12 crore for the purpose. An outlay of **Rs.18 crore** has been proposed for **100 per cent vaccination of all eligible bovines against the**

Foot & Mouth disease.

Hon'ble Speaker Sir,

36. We started a separate Agriculture Budget in 2013-14 with an outlay of Rs.7,162 crore. However, under the dynamic leadership of our Honourable Chief Minister, I propose an outlay of **Rs.20,714 crore** which is about three times the size of Agriculture Budget in 2013-14. Further, about **Rs.8,000 crore** are invested through extra budgetary resources every year for making timely payment to farmers' towards **paddy procurement**.

37. MGNREGA is an overarching employment generation scheme under which a plethora of agriculture and allied activities such as water conservation & water harvesting, horticulture and plantation, livestock, poultry shelter, goat shelter, fisheries, provision of irrigation facility, renovation of traditional water bodies, rural connectivity, drinking water, sanitation works, construction of anganwadi centres etc. can be taken up. Hence, there is immense potential for utilization of MGNREGA funds for farm and non-farm activities in terms of taking up agriculture, horticulture, fishery and livestock related programmes on a large scale. Therefore, emphasis will be on accessing MGNREGA through convergence mode to enhance allied activities in the Agriculture sector.

38. Agriculture is our wisest pursuit because in the end it contributes most to real wealth, good morals and happiness. Agriculture remains the lifeline of our economy contributing to our food security and providing livelihood to a vast majority of our people. Our famous poet, **Swabhaba Kabi - Gangadhar Meher** has glorified agriculture in the following words :

“ କୃଷି ତୋର ବେଦରେ କୃଷି ତୋ’ ପୁରାଣ
କୃଷି ବିନା ରହି ନପାରଇ ପରାଣ
କୃଷି ଘେନି ନୃପତି କୃଷି ଘେନି ସଭ୍ୟ
କୃଷି ବଳେ ଆତ୍ମ ଶ୍ରୀ ସମ୍ପଦ ସକଳ
ହୁଏ ଲଭ୍ୟ 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**