



GOVERNMENT OF ODISHA



BUDGET

2014-15

Part-I Agriculture



PRESENTED BY
SHRI PRADIP KUMAR AMAT
MINISTER, FINANCE

17th June, 2014

Hon'ble Speaker Sir,

It is a great privilege on my part to present the Budget for the financial year 2014-15 in this august House. I am going to present the Budget in two parts. The first part contains the Agriculture Budget and the second part contains the General Budget proposals. Now I start with the Agriculture Budget.

Part-I

Agriculture

Last year, Agriculture Budget was prepared and placed in the House for the first time in the state under the advice and guidance of our beloved Chief Minister, Shri Naveen Patnaikji. In fact Odisha was the second State in the country to present a separate Agriculture Budget. It showed our commitment to agriculture and the importance and the overwhelming stress this Government places on agriculture sector. This year also we have held meetings with the stake-holders and consulted various organizations in formulating this agriculture budget.

2. Our State has achieved the highest food grain production and productivity in 2012-13. This achievement was recognized by the Government of India who awarded us the prestigious "Krishi Karman Award" for the second time in 3 years. We feel immensely proud of that achievement but unfortunately the year 2013-14 was not as healthy, due to cyclone 'Phailin' that caused widespread devastation of the agriculture crops, fruit and vegetable cultivations. In addition to the

loss to the crops and plantations the disaster caused damages to the infrastructure facilities including nurseries and protected structures. In spite of the heavy losses suffered during the cyclone 'Phailin' and subsequent floods in 2013-14, we could still achieve one of the highest ever production of food grains. This State has achieved a consistently high rate of growth in agriculture in the 11th Five year period. It shall be our endeavour to continue the momentum and growth in the 12th Five year period too. This achievement establishes the fact that the agriculture sector in Odisha has become robust in the past decade.

3. The farm sector in Odisha faces several challenges like low investment, low return, low availability of institutional credit, inadequate irrigation facility, small landholding, rising cost of inputs, recurrence of natural calamities like drought, flood and cyclone. Apart from that, the farmers are not getting sufficient return from their produce due to inadequate post-harvest facilities like warehousing, storage, processing, marketing and effective insurance cover against crop loss. While the share of agriculture in GSDP is declining, the number of people depending on agriculture continues to be same.

4. Agriculture sector contributes about 15% to our Gross State Domestic Product (GSDP) but it employs 60% of the total workforce and is the only source of livelihood for 70% of our population. The net income of the farmer tends to decline owing to high cost of input, labour, reduced soil fertility and emergence of pesticide-resistant insects and pests on one hand and low rate of return from the crop due to low prevailing market price on the other. As per the Arjun Sengupta Commission Report (2007), the real income is ₹2115/- per family per

month compared to the average expenditure of ₹2770/- which speaks of the condition and quality of life of the farmer. The farmers are also bearing the brunt of sharp inflationary spiral both as the growers and consumers.

5. 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. On the supply side, 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. There is need for increasing farm productivity and investment in infrastructure through superior water management, soil nutrient management, quality seeds, pesticides management, and development of dairy farming, livestock rearing and fisheries.

6. To underscore the importance of agriculture, this Government has formulated, its new State Agriculture Policy in 2013. Our endeavour under this policy is to improve production and productivity with sustainable agricultural practices and fostering inclusive growth to strengthen agricultural economy and income of the farmers with higher investment, efficient production technology, post-harvest solutions, effective value addition and remunerative market options.

The critical issues of making available quality seeds of appropriate varieties in adequate quantities, fertilizers and other agri-inputs, enhancing irrigation potential and adoption of efficient water use with appropriate extension support will be accorded high priority.

7. In the recently concluded General Election, we have gone to the people with a promise to create additional irrigation facility of 10 lakh hectares, cheaper access to the institutional credit, supply subsidized quality inputs like seed, fertilizer and pesticide, and creation of adequate storage facility at the door step of farmer. We have also committed to every citizen of this state for ensuring food security and health security.

8. Recognizing the challenges facing the agricultural sector and our commitment to the people of the State, we need policy orientation and approach to farm sector. We have to focus on the economic wellbeing of the farmer in addition to production and productivity. The high rate of inflation in the food items is a matter of concern for all. We want to establish equilibrium between the consumer food price and income of the farmer on a sustainable basis. Our beloved Chief Minister Shri Naveen Patnaikji 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. and the Socio-economic wellbeing of the farmer.

9. With these objectives in view, we have decided to substantially enhance the public investment in agriculture and allied sectors in this

Budget from ₹7161.84 crore in 2013-14 to ₹9542.22 crore in 2014-15. There is increase of about 33% in budget outlay compared to last year.

10. Budgetary outlay for Agriculture Department

10.1. The State Government, during the year 2014-15, have undertaken a number of reform measures and also want to intensify and consolidate the efforts already made in the areas of Irrigation, provision of quality seed and planting material, insurance and extension activities in the agriculture sector to accelerate the pace of socio-economic development of the farmers. With this in view, the budgetary allocation for the various agriculture activities in the State is also proposed to be enhanced.

10.2. The outlay of Agriculture Department under Plan and Non Plan has been enhanced from **₹1823.77 crore** in 2013-14 to **₹2727.99 crore** in **2014-15**, thereby resulting in an increase of about 50%. The Non Plan outlay has been enhanced from **₹426.53 crore** in 2013-14 to **₹493.07 crore** in 2014-15. The plan outlay which was **₹1397.24 crore** in 2013-14 has been enhanced to **₹2234.92 crore** keeping in view our commitments to the farmers. The provision of **₹493.07 crore** under Non Plan covers the cost of human resources and operational obligation of the institutional mechanism in place for planning, monitoring and implementation of agriculture schemes and projects, maintenance of Agricultural Education and Research Institutes, Agricultural extension services, development and maintenance of farms and nurseries, Seed Certification Agency, etc.

10.3. The plan outlay of **₹2234.92 crore** includes proactive interventions in various agricultural activities like Crop husbandry, Horticulture, Soil and Water Conservation, Agriculture Research and Education and other agricultural interventions. Substantial budgetary outlays have been provided for the following programmes:

10.4	Sustainable Harnessing of Ground water in Water Deficit Areas	₹520.00 crore
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The programme of Sustainable Harnessing of Groundwater in Water Deficit Areas was introduced in 26 districts of the State in 2010-11. Under the scheme, deep bore wells are being set up in clusters in the farmers' fields. The major components of the project includes installation of bore well, power supply and energisation with provision of transformer, establishment of pumping units and thereafter handing over of the completed project to the beneficiary, with responsibility for operation and maintenance. An additional component of the project is its convergence with Sprinkler Irrigation System provided under National Mission on Micro Irrigation (NMMI) through Directorate of Horticulture. The beneficiary bears 10% of the project cost subject to a maximum of ₹20,000. In case of SC/ST beneficiary belonging to BPL category, the beneficiary contribution is limited to ₹10,000 only. However, project cost of each unit comes to more than 3 lakh rupees. Under each deep bore well project approximately 5 hectares of land is being covered under assured irrigation in Khariff season and 2 hectares in Rabi. A sum of ₹165.00 crore was provided in the year 2013-14 for the scheme which is now proposed to be enhanced to **₹520.00 crore** in 2014-15.

10.5. Jalanidhi (RIDF)**₹160.00 crore**

Irrigation facility during the Khariff season is available to only 34 percent of cultivated land of the State. Keeping this in view, the State Government have been taking loan from National Bank for Agricultural and Rural Development (NABARD) under Rural Infrastructure Development Fund (RIDF) for providing subsidy to farmers so as to encourage them for sinking shallow tube wells, dug wells, bore wells, river lift/ surface lift on their own field. The subsidy is up to 50 percent on shallow tube wells, dug wells, bore wells, river lift/surface lift projects limited to ₹20,000, ₹50,000, ₹50,000 and ₹40,000 respectively. The Scheme has been designed into two types i.e. Jalanidhi-I (for individual projects) and Jalanidhi-II (for cluster shallow tube well and micro river lift). During this year, it has been targeted to install 12200 nos of projects under Jalanidhi-I and 3180 nos under Jalanidhi-II with a budgetary allocation of ₹160.00 crore.

10.6. Rashtriya Krishi Vikas Yojana (RKVY)**₹550.00 crore**

The Rashtriya Krishi Vikas Yojana (RKVY) is in operation in the State from the financial year 2007-08 as an Additional Central Assistance State Plan Scheme which aims at increasing annual growth in Agriculture and allied sectors. The scheme promotes development of Agriculture, Horticulture and other allied sectors like Animal Husbandry, Dairy Development, Fisheries, Agriculture Research and Education, Minor/Lift Irrigation, Command Area Development, Watershed Development, etc. Special schemes (Sub-schemes of RKVY)

like Bringing Green Revolution in Eastern India (BGREI), Vegetable Initiative in Urban Clusters (VIUC) and National Mission for Protein Supplement (NMPS) are also being implemented in the State of Odisha. As a result of these interventions, there has been remarkable increase in growth in crop husbandry, animal husbandry, dairy and fisheries. A large number of infrastructure and assets have been created. The outlay for Rashtriya Krishi Vikas Yojana (RKVY) for the financial year 2014-15 is ₹ 550.00 crore.

10.7.	Popularisation of Agriculture Implements, Equipment & Diesel Pump sets	₹150.00 crore
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Farm Mechanization brings a significant improvement in the Farm Productivity in a number of ways like timeliness of intercultural operations, quality and precision of operations and saving the money and time at the critical juncture of the life of the crop apart from reducing the drudgery of the farmer. Mechanized harvesting has been proved to save the harvestable crop from cyclone, flood and high intensity precipitation. In order to popularize use of Agriculture implements and machineries including manual and bullock drawn implements, tractors, power tillers, reapers, rotavators, transplanters, combined harvesters, pump sets and power operated implements, the subsidy provided under the scheme is in addition to the subsidy provided under RKVY and other CSS schemes. The outlay for the scheme has been enhanced from ₹100.00 crore in 2013-14 to ₹150.00 crore in 2014-15.

10.8. Input Subsidy in Seeds, Fertilizer, Bio-fertilizer, etc. (Agril.)	₹60.91 crore
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Farm productivity depends upon good quality and disease free seed and timely application of inputs. Keeping other inputs of production constant, the quality seeds alone can increase the production by nearly 20%. The State Agriculture Policy, 2013 targets to achieve the seed replacement ratio (SRR) of 33% in self-pollinated crops, 50% in cross pollinated crops and 100% in hybrids. We have also promised in our manifesto to enhance the SRR to 34%. In view of the rising cost of the inputs and low income base of the farming community in the state, we are providing subsidy on seed, pesticides, bio-fertilizer and micro nutrients for this purpose. We propose to provide ₹60.91 crore in 2014-15 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 ₹42.00 crore provided for the purpose in 2013-14.

10.9. Promotion of SRI	₹10.52 crore
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Optimum plant population and proper management of irrigation water are the objectives of the System of Rice Intensification (SRI) method which reduces the cost of inputs in one hand and enhance the productivity on other. System of Rice Intensification (SRI) method of paddy cultivation is gaining acceptance in the State over the past few years on account of lesser requirement of inputs like seeds and irrigation water. This results in substantial increase in productivity

levels. In order to popularize SRI method of paddy cultivation, massive demonstration programme will be taken up during 2014-15. An amount of **₹10.52 crore** has been provisioned during 2014-15 for this purpose against last year's outlay of ₹5.00 crore.

10.10. Development of Potato and Spices	₹10.00 crore
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Our State is deficient in production of potato and Onion. Long term plans have been formulated to improve the productivity as well as increase the area under cultivation of Potato and Onion to make the State self sufficient. Emphasis is also being laid on boosting the production by supplying Seed Potato and Tubers at subsidized rates and other inputs to the farmers. A provision of **₹10.00 crore** has been made for the year 2014-15 under the scheme.

10.11. Horticulture Mission Plus	₹23.47 crore
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The returns from Horticulture crops are much higher as compared to those from the grains. More and more farmers are going for fruit orchards, hybrid vegetables cultivation and protected cultivation. It is estimated that about 30%-40 % of the fruits and vegetables are lost every year due to improper post-harvest management and lack of value addition. In order to check the post-harvest losses and provide proper remuneration to the farmers thrust is being given for improvement of post-harvest management infrastructure.

Under post-harvest management activities, steps are being taken to provide cold chain facilities as the produce of the horticulture crops

is very much perishable in nature. Emphasis is being laid on establishment of a large number of cold storages, pack houses, pre-cooling units, refrigerated van, etc. It is being targeted to provide assistance for establishment of 10 numbers of large cold storages with capacity of 5000 MT or more.

For round the year production of different vegetables, flowers and short-term fruits like papaya and banana, protected cultivation is gaining momentum. The product under protected structures like lath house, poly house, green house and shade net house fetches more price in comparison to open condition for its better and uniform quality. Protected cultivation is also the focus area to boost the production of not only high quality fruits and vegetables but also floriculture crops.

For better forward linkage of the horticulture produce, marketing infrastructure plays a pivotal role. Under this, the existing marketing yards are being upgraded with provision of functional infrastructure like sorting, grading and packaging units etc. Market linkage to the farmers will also be provided to ensure better return for their produce. It is proposed to enhance the outlay under NHM plus to **₹23.47 crore.**

10.12. Micro Irrigation

₹24.71 crore

Micro irrigation ensures access to water in larger cropped area than the conventional irrigation and is an efficient method of water use. It is very useful for horticulture crops especially in rain-fed areas. For encouraging use of drip irrigation and sprinkler irrigation, suitable for fruit crops, vegetables, medicinal plants and floriculture crops, subsidy

to the extent of 65% to 90% of the cost is being provided to the farmers. An outlay of **Rs. 24.71 Crore** is proposed for 2014-15 under the State share of On Farm Water Management (OFWM), a Sub-Mission of National Mission on Sustainable Agriculture (NMSA).

10.13.	Integrated Watershed Management Programme (IWMP) Other operational cost.	₹12.52 crore
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A robust and effective institutional mechanism is the key for realizing the desired outcomes of IWMP. Odisha Watershed Development Mission has been designated as the State Level Nodal Agency (SLNA) to plan, supervise and coordinate implementation of the programme. In order to strengthen implementation and increase fund utilization of IWMP, State Government have supported positioning of technical experts at district and Project Implementing Agency at cluster level to provide knowledge services and handholding support to the Watershed Committee constituted at micro- watershed level for effective delivery of the programme. Under “IWMP-Operational Cost” it is proposed to provide **₹12.52 crore** for the year 2014-15.

10.14.	Biju Krushak Kalyan Yojana (BKKY)	₹90.00 crore
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Agriculture sector provides employment, both direct and indirect, to 60% the total work force in the State. To provide health insurance to the farming community, State Government had launched a new scheme in the year 2013-14, namely, Biju Krushak Kalyan Yojana. Under the scheme the health insurance coverage is being provided for

up to 5 members of a farmer's family limited to ₹1 lakh per year. During 2013-14, about 52 lakh farmer families were covered under the scheme. A sum of **₹90.00 crore** has been provided for the year 2014-15 to cover about 60 lakh farmer families of the State under the scheme.

10.15. Subsidy under Agriculture Policy ₹20.00 crore (Capital Investment)

Establishment of Commercial Agri-enterprises is being encouraged to make agriculture more profitable so as to attract unemployed youth to this sector. With a view to increasing egg production in the State, the Government have enhanced the upper limit of Capital Investment Subsidy from ₹50.00 lakh to ₹ 75.00 lakh for promotion of Poultry Layer units for a period of two years i.e. 2014-15 and 2015-16. It is programmed to utilize **₹20.00 crore** of subsidy for establishment of CAEs during 2014-15 under State Agriculture Policy, 2013.

10.16. Intensive Extension Campaign on Agriculture ₹4.05 crore

Extension plays a vital role in bridging the gap between scientific know how and field level do how. This knowledge deficit needs to be overcome speedily to enhance the farm productivity and profitability. The technology transfer will act as a catalyst in bringing the desired change in cropping pattern, package of practices, introduction of new technologies, providing market information and other required information to enhance the income of the farmers. Agriculture Technology Management Agencies (ATMA) which are designed as the

Knowledge centres for the farmers are operating in all thirty districts of the State. Apart from the ATMA, KVKs, NGOs, Agriculture Graduates, PRIs, Cooperatives, and Agri-clinics are being motivated to disseminate technologies developed by OUAT, CRRI, CIFA and other central institutes operating in the State. Opening up of the Information Kiosks by the Agri-Entrepreneurs are being encouraged. An outlay of **₹4.05 crore** is proposed for 2014-15 for this scheme.

10.17.	Establishment of Agro- Polytechnics under OUAT	₹6.00 crore
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Keeping in view 10 agro-climatic Zones of the State and regional needs of the farmers and to create middle level skilled technical manpower (agro-technicians) in the field of Agriculture and allied fields of Horticulture, Animal Science and Fishery Science through practical oriented Agricultural and agro-based technological education, 10 Agro-Polytechnic Centres have been established in the districts of Ganjam, Dhenkanal, Bhadrak, Deogarh, Boudh, Sundergarh, Bolangir, Keonjhar, Sambalpur and Koraput under OUAT. A budget provision of ₹6.00 crore is proposed during 2014-15 for this purpose.

Sir, we are introducing the following new schemes and programmes during the year 2014-15.

10.18.	Corpus Fund for Fertilizers	₹100.00 crore
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With a view to supplying fertilizers to the farmers in time as per their demand, pre-positioning of fertilizers is required both for Khariff and Rabi seasons. The State agencies namely Odisha State Cooperative Marketing Federation Ltd (MARKFED) and Odisha Agro Industries

Corporation Ltd (OAIC) are involved in procurement and supply of fertilizer to the farmers. In order to ensure timely availability of fertilizers to the farmers in requisite quantity through these State level PSUs, it is proposed to provide interest free short term loan amounting to ₹100.00 crore to OAIC and MARKFED. This fund will be operated through Escrow Account mechanism.

10.19. Corpus Fund for Seeds	₹25.00 crore
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High yielding varieties and hybrid seeds and Quality Planting Material (QPM) play an important role in increasing the productivity of agricultural and horticultural crops. In order to ensure that adequate quantity of quality seeds and planting materials are made available to the farmers in time and also to increase seed replacement rate of various agricultural crops, it is proposed to provide an interest free short term loan amounting to ₹25.00 crore to Odisha State Seeds Corporation Ltd (OSSC). This fund will also be operated through Escrow Account mechanism.

11. Co-operation Department

11.1. Agriculture credit is a critical factor affecting agricultural productivity particularly where savings are low among the small and marginal farmers. It affects the selection of crop, cropping pattern and adoption of newer technology in terms of input use, mechanized farming and marketing of the produce. Timely and adequate availability of institutional credit at low rate of interest 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. Apart from that, agriculture being a high risk economic activity, insurance coverage is a necessity to protect farmers by minimizing the impact of such losses starting from sowing to post harvest operations.

11.2. Cooperatives play a vital role in banking, insurance, input supply, marketing, agro-processing and other agribusiness. In addition to overseeing the functions of the cooperative societies, the Co-operation 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 enhance the budgetary outlay of the Co-operation Department in 2014-15 by 55% which has gone up from ₹716.44 crore in 2013-14 to ₹1106.46 crore in 2014-15. The Non Plan outlay of Co-operation Department has been enhanced from **₹108.44 crore** in 2013-14 to **₹111.90 crore** in 2014-15. The outlay under plan which was **₹608.00 crore** in 2013-14 has been enhanced to ₹994.45 crore which is higher by 64% with an aim to provide more affordable loan, insurance and creation of storage facility.

11.3.	Interest subvention on short term crop loan	₹426.38 crore
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The Co-operative Banks provide about 66% of the total crop loan dispensed to the farmers in the State while the remaining 34% is being provided by the Commercial Banks and Regional Rural Banks taken together. To encourage more farmers to avail of the benefit of institutional finance for seasonal agricultural operations, short term

crop loan is provided to the farmers of the State @ 5% interest for which the State Government provides 2% interest subvention to the Co-operative Banks and PACS. Government of India provide another interest incentive of 3% for timely repayment of the loan. Resultantly, the effective interest rate becomes 2% per annum for timely repayment of loans. During the year 2013-14, 28.77 lakh farmers availed the interest subvention benefit and it has been proposed to extend the facility to 30 lakh farmers during the year 2014-15.

An amount of ₹426.38 crore has been provided in the Annual Plan as interest subvention for the year 2014-15 against the last year's provision of ₹306.00 crore.

11.4. Interest Subvention on Term Loan by Co-operative and Commercial Banks	₹10.00 crore.
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Long term credit is required 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 about per cent. An amount of ₹10.00 crore is proposed to be provided under State Plan in 2014-15 for the purpose. The scheme will benefit all types of agro entrepreneurs including Self Help Groups, Scheduled Caste and Scheduled Tribe and Women entrepreneurs.

11.5. Indemnity for Crop Insurance	₹160.00 crore.
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In order to insulate our farmers against crop loss due to natural calamities and adverse weather-conditions and to help stabilize farm income, we propose to provide insurance coverage to at least 14.46 lakh farmers under the Modified National Agricultural Insurance Scheme (MNAIS), which will be implemented in all the 30 districts of the state in Khariff -2014. During the year 2014-15, a provision of ₹160.00 crore towards State's Share of Liability under these Schemes has been made in the State Plan in 2014-15 against last year's provision of ₹30.00 crore.

11.6. Creation of Warehousing Facilities under RIDF	₹150.00 Cr.
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The PACS have taken up construction of 298 godowns of 300 MT capacities each with funding support from RKVY. In addition, we have taken up creation of 544 godowns of 3.36 lakh MT capacity at the PACS level under RIDF funding since 2013-14. The State Government had made a provision of ₹83.00 crore during 2013-14 and there is a budget provision of ₹150.00 crores for 2014-15 to complete all the projects.

11.7. Computerisation of Primary Agricultural Co-op. Societies (PACS)	₹33.77 crore
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The Primary Agricultural Cooperative Societies (PACS) are in urgent need of technological up-gradation to cater to the banking needs of their members in an efficient and hassle-free manner. With an aim to provide modern banking services to the members of PACS, an outlay of ₹33.77 crore has been envisaged under the State Plan during 2014-15 against the last year's provision of ₹15.00 crore.

11.8. Establishment of Agro Service Centres and Soil Testing Laboratories in Primary Agricultural Co-op. Societies	₹10.00 crore
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Financial assistance has been 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 ₹10.00 crore is proposed for the year 2014-15 for the two Schemes.

11.9. Free Mobile Phones to Farmers to access Market Information under the Digital Mandi Scheme :	₹2.50 crore.
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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 instantly through Mobile Phones. It is, therefore, proposed to provide Mobile Phones costing about ₹1000/- per phone

to farmers registered under the above scheme to be implemented by the Regulated Market Committees (RMCs) in the State.

Accordingly, a provision of ₹2.50 crore is proposed under the scheme for 2014-15.

11.10. Establishment of Market Yards at Block Level	₹15.00 crore
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The Thirteenth Finance Commission has 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 Market Yards during 2014-15.

11.11. Share Capital, Loan and subsidy to ICDP	₹8.15 crore
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The State Government has made a budget provision of ₹8.15 crore for the year 2014-15 for providing financial assistance to the PACS under the NCDC funded Integrated Co-operative Development Project (ICDP) in the shape of Share Capital, Loan and Subsidy for development of infrastructural facilities, raising working capital and manpower development of the PACS in Dhenkanal and Angul districts of the State.

11.12. Financial Assistance to PACS for Establishment of Agri-Clinics	₹3.00 crore
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Under this new Scheme, an Agri-clinic Cell will be established in selected PACS to provide consultative support to the farmers for maintaining proper health of their Crops through dissemination of

latest technology, knowledge and other agriculture related services. Accordingly, an amount of ₹3.00 crore has been provided for the purpose.

12. Fisheries & Animal Resources Development Department

12.1. Livestock and Fisheries are integral parts of agricultural activity and play multifaceted roles in providing livelihood support to the rural population. These sectors provide employment generation opportunities, asset creation and coping mechanism against crop failure and social and financial security. Odisha being a coastal 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. The Animal Husbandry has the potential to overcome migration, malnutrition and suicide among the farmers. We have to bring 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.

12.2. We are on the final stage of formulating the State Fisheries policy with the objective to double the inland fish production, export of fish, shrimp, etc. and employment generation and to enhance the income in the Fisheries Sector for upliftment of socio-economic condition of the fishing community.

12.3. The budgetary outlay of Fisheries and Animal Resources Development Department has been enhanced to ₹520.09 crore in 2014-15 from ₹447.09 crore in 2013-14. The outlay under Non-Plan

has increased from ₹246.34 crore to ₹259.25 crore. However, there has been increase in the Plan outlay from ₹200.75 crore to ₹260.83 crore. So there is an increase of 30% under Plan Outlay. The Non-Plan outlay of ₹259.25 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.

12.4. Promotion of intensive aqua culture and fresh water fish seed hatchery	₹12.50 crore
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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 has been provided for the Scheme.

12.5. Interest subsidy on Short term credit to Fish Farmers	₹7.00 crore
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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 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 fish farmers availing the short term credit are effectively charged interest @ 4% only. 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 ₹7.00 crore for the purpose in the budget for 2014-15.

12.6. Interest subsidy on Long term credit to Fish Farmers	₹7.99 crore
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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 up to ₹10.00 lakh 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 about 7% per cent. We have provided ₹8.00 crore for the purpose in the budget for 2014-15.

12.7. Establishment of Fisheries Hub at Kausalyaganga	₹2.00 crore
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There is a proposal for setting up of one State-of-the-Art Fisheries Hub over 20.0 acres of land at the existing biggest Government farm at Kausalyaganga. In the 1st phase, 5 acres will be developed having interpretation centre, Audio Visual Hall, Boating Complex, aquarium, museum, Food Court, etc. The project will be run in PPP mode. For initial work there is a provision of ₹2.00 crore in the budget of 2014-15.

12.8. Infrastructure Development under RIDF	₹9.44 crore
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For development of cement concrete road connecting Guddupahi Shrimp culture Cluster and from Nuanai Ghat Bridge to Bhimpurpahi square an amount of ₹9.44 crore is provided in the budget 2014-15.

12.9 Empowering fishermen through mobile advisory services and Establishment of toll free call centre for fisheries extension service	₹4.60 crore
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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. During 2013-14, it was proposed to provide one lakh SIM Cards. We have targeted to distribute one lakh SIM card to new fishers during the year 2014-15 with a budget provision of ₹4.60 crore.

12.10. Matshyajibi Unnayana Yojana

₹2.00 crore

Under the scheme meritorious students from the fisherman community are provided scholarship from ₹5000/- to ₹7500/-. The women self-help groups are also provided with ₹5000/- for their business related to the fisheries. During 2013-14 scholarship has been provided to 2940 meritorious students from the fishers’ community. 500 women self-help groups have also been provided with the revolving fund. During the current year 2014-15 ₹2.00 crore is provided in the budget for scholarship to the meritorious students and revolving fund for 500 women self-help groups.

12.11. Matshyajibi Basagraha Yojana

₹8.00 crore

The poor fishermen normally dwell in the natural disaster affected areas and are susceptible to the hazards and need long term solution for housing. We have promised to convert all the kutcha houses of the fishermen to pucca houses within 5 years. Our Government provide ₹75000/- per family for construction of pucca houses under this scheme. ₹8.00 crore has been provided for construction of 1067 houses under the scheme in this budget.

12.12. Infrastructure Development	₹8.00 crore
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For the Development of Infrastructure in the fisheries sector an amount of ₹8.00 crore is kept in the budget for the 2014-15.

12.13. Interest Subvention on Short Term Credit to Dairy Farmers	₹3.5 crore
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Farmers pursuing Dairy Farming as an income generating activity and availing short term loan under Kissan Credit Card (KCC) would now be provided interest subvention of 5% and additional incentive of 3% for timely repayment of loans up to ₹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 inputs. During the Year, 2013-14 under the Scheme Interest Subvention on Short Term Credit to Dairy Farmers, an amount of ₹3.5 crore was provided and 655 farmers had availed the Subvention benefit. In the current financial year 2014-15, budget provision of ₹3.5 crore is made for interest subvention for short term credit.

12.14. Interest Subvention on Long Term Credit to Dairy Farmers	₹4.5 crore
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Dairy farmers avail of term loan from banks for procurement of equipment, shed, procurement of livestock and other activities towards asset creation. In order to increase the off-take of term loan of dairy farming it is proposed to provide interest subvention of 3% on term loans. Further, additional interest subvention of 2% will be provided to the farmers for timely repayment of their loan instalments. With these concessions dairy farmers can access long term loan at about 7%

interest. During the Year 2013-14 under the Scheme Interest Subvention on Long Term Credit to Dairy Farmers, an amount of ₹3.00 crore was provided. In the current financial year 2014-15, budget provision of ₹3.50 crore has been made for benefiting 3000 Dairy farmers.

13. Water Resources Department

13.1. Intensive Agriculture without assured irrigation facility is an impossible proposition. Assured irrigation enhances the level of confidence of the farmer to invest more on HYV/hybrid seeds, Fertilizers and pest control measures. There is a greater need for public investment in creation of higher irrigation potential to increase agricultural productivity. In our election manifesto, we have promised to create an additional irrigation potential of 10 lakh hectares in the next 5 years and to restore and operationalize of all defunct Lift Irrigation Points. 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 projects and installation of bore wells in water deficit areas to provide quick irrigation benefit. Micro irrigation has been dovetailed to above schemes. It has been planned to install 1.25 lakh deep bore wells, 10000 shallow tube wells, 5000 micro river lift projects, 175 mega lift projects. It has been decided to complete 14 major and medium ongoing irrigation projects within five years to bring at least additional 10 lakh hectares under irrigation coverage which is about 16% of the total cultivated land in the state.

13.2. The budgetary outlay for Water Resources Department has been enhanced from ₹ 4024.23 crore in 2013-14 to ₹5087.69 crore in 2014-15. The outlay under Non-Plan has increased from ₹ 993.53 crore in 2013-14 to ₹1147.81 crore in 2014-15. The provision under State Plan has been substantially stepped up from ₹3031.00 crore in 2013-14 to ₹3939.88 crore in 2014-15.

13.3. The outlay of ₹1147.81 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. The State Plan outlay of ₹3939.88 crore proposed to be provided in the budget for 2014-15 is meant for the development of Major and Medium Irrigation Projects, Flood Control and Drainage, Minor Irrigation works and Command Area Development Programme including participatory irrigation management. A programme has been made to create additional irrigation potential of 2.04 lakh hectares during 2014-15 with the utilization of State Plan outlay.

We propose to introduce the following new schemes to create additional irrigation potential and infrastructural facility as a part of election manifesto and commitment to the people for a better life.

13.4. Revival of Defunct Lift Irrigation Projects	₹5.00 crore
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To restore and operationalize the defunct lift irrigation projects of the state, a new scheme would be launched during current financial year. Budgetary outlay of ₹5.00 crore has been proposed.

13.5. Drainage Improvement Programme (DIP)	₹95.00 crore
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The programme is formulated with proposed investment of ₹1000.00 crore in five years to address the drainage congestion and water logging problem of the state. Budgetary provision of ₹95.00 crore has been proposed during 2014-15.

13.6. Irrigation Road Construction and Improvement Scheme.	₹64.00 crore
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The scheme is formulated with proposed investment of ₹500.00 crore in five years aiming to upgrade embankment and canal bank roads with high traffic intensity to improve its overall efficiency. Budgetary provision of ₹64.00 crore has been proposed during 2014-15.

13.7. Water Sector Infrastructure Development Programme.	₹40.39 crore
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The scheme is formulated with proposed investment of ₹1000.00 crore aiming to take up new major and medium irrigation projects and to expedite completion of last mile untied medium irrigation projects. Budgetary provision of ₹40.39 crore has been proposed during 2014-15.

13.8. Rooftop Rainwater harvesting and Groundwater recharge in urban areas	₹1.00 crore
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The scheme is formulated to sensitize urban people to adopt rooftop rainwater harvesting and ground water recharge practice to meet their domestic water needs. It is proposed to spend ₹100.00 crore under this scheme in five years. The scheme will be implemented on a pilot basis in two cities viz. Bhubaneswar and Berhampur. Government buildings will also be taken up under this scheme. Besides, Private buildings up to three storied with roof area less than 200 square meters are also eligible under this scheme. Incentives to the extent of ₹45000/- and technical assistance will be provided to private building owners interested to implement the scheme. Budget provision of ₹1.00 crore has been proposed during 2014-15.

Apart from that we have also substantially enhanced the budgetary provision of the following on-going schemes compared to last year.

13.9. Major and Medium Irrigation Projects	₹1985.00 crore
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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 ₹1985.00 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.

13.10. Minor Irrigation Projects:	₹1166.95 crore
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Minor Irrigation has two important components that are flow and lift irrigation. These projects are less capital intensive and have short gestation period for creating additional irrigation facilities. It is proposed to provide ₹1166.95 crore for development of minor irrigation works in 2014-15 by accessing funds from the multilateral aid agencies 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, and Accelerated Irrigation Benefit Programme (AIBP); NABARD under RIDF for Biju Krushak Vikas Yojana (BKVY); and State's own Plan funds for construction of check dams and mega lift irrigation projects. The outlay of ₹1166.95 crore includes :

- **₹257.00 crore** for construction of 2000 check dams during the year 2014-15 to conserve water at the end of monsoon for domestic needs;
- **₹202.00 crore** for Repair, Renovation and Restoration (RRR) of water bodies;
- **₹325.00 crore** for Mega Lift Irrigation Projects to provide irrigation to the farmers in upland areas by lifting water from rivers and reservoirs;
- **₹203.00 crore** under Biju Krushak Vikas Yojana (BKVY) for sinking 25000 bore wells in the hard rock areas in 26 districts to irrigate 1.25 lakh hectares of the cultivable land;
- **₹60.00 crore** for Odisha Community Tank Management Programme (OCTMP);
- **₹90.00 crore** under Canal lining and System Rehabilitation programme to increase water use efficiency in canal system; and
- **₹40.00 crore** for AIBP and RIDF works.

13.11. Flood Control and Drainage

₹529.20 crore

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, 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. Last year, the severe cyclonic storm "Phailin" followed by incessant rain have caused large scale damage to the irrigation infrastructure. For this purpose we have earmarked an amount of ₹90.20 crore in this budget 2014-15. Apart from that, it is proposed to provide ₹300.12 crore for Flood Control Works and ₹138.88 crore for Drainage works in 2014-15 totalling to ₹529.20 crore.

13.12. Command Area Development:	₹257.73 crore
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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 at present are being undertaken in nine major and four medium irrigation projects with matching financial assistance from Government of India. Construction of Field channels for 83486 hectares and field drain for 23467 hectares are targeted during 2014-15. Accordingly a sum of ₹257.73 crore has been provided in the budget for this scheme.

13.13 Assured Power Supply for Mega Lift Projects ₹84.00 crore

The mega lift irrigation scheme of the Water Resources Department which is being implemented in several clusters across the State requires assured power supply. For this purpose, the power transmission and distribution infrastructure is being upgraded at 5 nos. of existing EHT Grid Substations at a cost of ₹9.00 crore and 2 nos. of new EHT Grid Substations are being set up at a cost of ₹75.00 crore by Odisha Power Transmission Corporation Ltd., the state transmission utility of Energy Department.

14. Energy Department

14.1. Odisha Dedicated Agriculture and Fishery Feeder (ODAFFP) ₹100.00 crore

Agriculture Sector requires reliable and quality power for the purpose of energizing lift irrigation points, bore-wells and shallow tube wells. Such irrigation points are being set up under various schemes of Agriculture Department and Water Resources Department. In order to provide reliable and quality power to these irrigation points spread across the State in several clusters, a new scheme for setting up dedicated power distribution feeders was initiated in the Financial Year 2013-14. Under this scheme known as the Odisha Dedicated Agriculture and Fishery Feeder Project (ODAFFP), 111 nos. of clusters for dedicated agriculture feeders and 18 nos. for dedicated fisheries feeder have been identified. These dedicated power distribution feeders are programmed to be set up in the financial year 2014-15 for which an outlay of ₹100.00 crore has been provided in the budget of

the energy Department in 2014-15. Once completed, these dedicated feeders shall serve to increase the coverage under assured irrigation as well as provide protective irrigation during the periods of moisture stress.

15. Conclusion:

Sir, our state has been endowed with fertile land, congenial agro-climatic condition and adequate rainfall. In such an ambience, my government have duly emphasised on harnessing the irrigation potential, supply of quality seed and planting materials and other inputs and installation of post-harvest and marketing facilities with a motto to make the state self-reliant and self-sufficient in Food Grain, Vegetable, Fish, Meat, Egg and Milk. Our effort is to make the farming, an economically viable occupation by providing low interest institutional credit and crop insurance, so that the young generation can be attracted to this activity.

Let us work together to make the farmers of our State happy and thereby ensure food security and inclusive growth in the state.
