



GOVERNMENT OF ODISHA



**କାଳିଆ**  
କୃଷି କଲେ ଉନ୍ନତ ସମ୍ବଳ ଉନ୍ନତି

# BUDGET

## Part - I

## 2020-21

# Agriculture

Presented by  
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Minister, Finance  
18th February, 2020



**Hon'ble Speaker Sir,**

I rise to present the Budget for the year 2020-21.

2. As the nation is commemorating the 150<sup>th</sup> Birth Anniversary of Mahatma Gandhi, I am reminded of his talisman

*" ... Whenever you are in doubt, or when the self becomes too much with you, apply the following test. Recall the face of the poorest and the weakest man whom you may have seen, and ask yourself, if the step you contemplate is going to be of any use to him. Will he gain anything by it? Will it restore him to a control over his own life and destiny? In other words, will it lead to swaraj for the hungry and spiritually starving millions? ..."*

*With this Talisman in mind, we have been relentlessly working towards empowerment of people of Odisha.*

*Legendary Biju Babu famously said "We are mere sevaks of People, and people of Odisha are our masters. They are supreme in a democratic set up."*

*This forms the spirit behind our Governance.*

3. The 4.5 crore people of Odisha have blessed our Hon'ble Chief Minister Shri Naveen Patnaik giving the opportunity to serve them and the last 20 years has been the most transformative in the history of Odisha.

*“From a food deficit State to a food surplus State, contributing to the country’s food security. The State which lifted the maximum people out of poverty in the country. Setting global benchmarks in disaster management, attracting maximum investments in the country. Stamping the State’s Agricultural productivity at the national level through five **KRISHI KARMAN** awards. The State that tops the country in providing land rights to forest dwellers. The State which showed the world how to empower people living in the slums through the **JAGA** Mission and got global recognition with the World Habitat Award. When all over forest cover has been decreasing, we are recognized nationally for increasing the forest cover.”*

4. From a Budget size of Rs.11,800 crore to **Rs.1,50,000 crore**, a capital outlay of Rs.799 crore to **Rs.26,513 crore**, from a revenue deficit budget to revenue surplus. A State nationally recognized for fiscal prudence and financial management. A State that has set new benchmarks for Smart Cities and global destinations for Sports; - Odisha has come a long way. The hall mark is people centric governance in letter and spirit – empowering all strata of society with focus on transparency.

As our beloved Chief Minister has stated *“if you love your people, you do not fight for elections..... You fight*

*for change and transformation. If you love your people with every intent, every step, every action, every signature and with every breathe you will work for them".*

5. The mantra of **"5Ts – Teamwork, Transparency, Technology and Time leading to Transformation"** of our beloved Chief Minister Shri Naveen Patnaik coupled with **"Mo Sarkar"** reflects our continued commitment to empower our citizens and truly making them partners in governance, aspiring for a **"New Odisha- Empowered Odisha."**

6. I would like to recite an inspiring thought of famous poet of this soil Kuntala Kumari Sabat :

“ନବ ଆଲୋକେ, ନବ ପୁଲକେ  
ନିଖୁଳ ଅବନୀ ହସିବ  
ପୁଚିବ ପ୍ରସ୍ତୁତ ବନେ ଉପବନେ  
ନବଗାନେ ପିକ ରସିବ ।”

7. We held Pre-Budget consultations with experts, representatives of different sections and people at large. More than 1500 suggestions were received through various modes across a range of subjects. We have carefully considered the suggestions while preparing the Budget.

As a green initiative, we are almost doing away with printing of budget documents through introduction of

**"e-Budget"**. I am grateful to Hon'ble Speaker, Hon'ble Leader of Opposition and other Hon'ble members of House for their support to facilitate this initiative. We have **reduced printing of about 75 lakh pages of paper which saved about 1000 large trees.**

8. Now, the Budget documents are available in electronic form to all of us and after my speech the same would be available to general public as well. **Odisha is the second State in the country to go for complete e-budgeting.**

9. To make the budget documents and other budget related information accessible for all stakeholders, we have launched a **Mobile App for Odisha Budget**. The Mobile App can be accessed by downloading from App store or by **scanning the QR code** printed on the card attached to the Budget Pen drive as well as on the back page of the supplied document **"People's Budget"**.

10. Budget credibility, accountability and transparency is our major Public Financial Management reform agenda. In recently published second report of the Transparency International on **"Transparency in Budget process"**, **Odisha has been ranked third** among all States. To improve our budget credibility, we have introduced **"Strategic Budget**

making process", brought a **Medium Term Fiscal Framework (MTFF)** to the budget making process and communicated advance indicative budget ceilings. **Odisha is the first State in India to introduce such reform** in active partnership with International Monetary Fund (IMF).

11. We propose to introduce a document on "**Climate Budget**" to provide a brief account of tracking climate public expenditure. **Odisha is the first State in the country to bring out such disclosure.**

12. Empowerment of women as well as rights and holistic development of the children is one of the major development agenda of our Government. For the year 2020-21, we have brought out two separate disclosure documents for "**Gender Budget**" and "**Child Budget**".

13. Nutrition for children has remained a challenge across the globe. We are introducing a separate "**Nutrition Budget Statement**" with support from UNICEF. This will cover information and analysis on all nutrition specific and nutrition sensitive schemes across the Departments. **Again Odisha is the first State in the country to introduce such a document.**

14. 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**

**15.** Odisha's economy is consistently growing at a **higher rate compared to the national growth**. During last seven years, the average growth of Odisha has remained about **8 per cent** compared to national average of about 6.9 per cent. In spite of slowdown in global and national economy, Odisha's economy is expected to grow at the rate of **6.16 per cent in 2019-20** well above the all India growth rate of 5 per cent. With the policy of the State Government to promote industries and higher investment in infrastructure sector along with focus on social sector, the State economy is estimated to grow in the range of **7 per cent to 7.5 per cent** during 2020-21.

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

### **Agriculture Budget – Background**

**Hon'ble Speaker Sir,**

**16.** Odisha is predominantly a rural and an agrarian economy. In 16 years since the beginning of this century i.e. from 2000-01 to 2016-17, Odisha's agricultural GDP

nearly doubled in real terms, clocking an average annual growth rate of about **4.5 per cent, higher than the all India average of 3.1 per cent.**

**Hon'ble Speaker Sir,**

**17.** We are one of the few States in the country where income of the farmers has more than doubled during 2002-03 to 2012-13. The State is poised to enhance it further. We have announced **SAMRUDHI-Agriculture Policy 2020**, which is focused on farmers' well-being through continuous and inclusive growth in their income by ensuring sustainable, stable and scalable growth in the next five years. To bring about **transformative change** in the agriculture & allied sector, this budget has given **higher focus on research, development and extension activities.**

**18.** We have introduced "**Krushak Assistance for Livelihood and Income Augmentation**" – **KALIA from the financial year 2018-19.** The commitment of Hon'ble Chief Minister for Farmers' Empowerment can be seen in the KALIA Scheme. This is the biggest ever individual beneficiary scheme in the history of Odisha.

**19.** So far 43 Lakh farmers have been benefitted and an amount of **Rs.5115 crore** has been transferred directly to the Bank Account of farmers.



20. This path breaking scheme has been an eye opener for many States and the Central Government. Food production in the State has multiplied over the years and is sustainable. The hard working farmers of Odisha are responsible for the State getting the prestigious **KRISHI KARMAN** award **five times** since 2013-14.

21. As our Hon'ble Chief Minister has stated "**Not a single eligible beneficiary will be left out of the KALIA Scheme.**" An amount of **Rs.3195 crore** is proposed for this scheme.

22. Further, for promoting organic farming in about 20,800 hectares under "**Paramparagat Krishi Vikash Yojana**" **Rs.40 crore** has been proposed.

23. Similarly, a revolving fund of **Rs.100 crore** for seeds and **Rs.100 crore** for fertilizers is proposed to ensure advance availability of seeds and fertilizers.

24. **Rs.100 crore** is proposed for subsidy for capital investment for establishment of commercial agri-enterprises & **Rs.224 crore** for popularization of agricultural implements and diesel pump sets.

25. It is Hon'ble Chief Minister's dream to transform OUAT into a centre of excellence and set global benchmarks in agricultural research and extension.

26. A record **Rs.150 crore** is proposed for agricultural research, education and infrastructure, which is five times

more than last year's allocation.

27. Further, **Rs.150 crore** to promote extension through District level **ATMA** and **Rs.123 crore** under **National Horticulture Mission** has been proposed.

28. An allocation of **Rs.60 crore** has been proposed to support **Farmers' Producers Organisations (FPOs)** in the field of agriculture and allied sectors, food processing, warehousing and logistics sectors.

### **Irrigation and Water Use efficiency**

**Hon'ble Speaker Sir,**

29. Our beloved Chief Minister's vision is to give topmost priority to irrigation. Insufficient, uncertain and irregular rain causes uncertainty in agriculture in the State. We intend to create additional irrigation potential of **1.84 lakh** hectares during 2020-21.

30. Odisha is endowed with about 11 per cent of water resources of the country. To take a holistic view on the water conservation, water use efficiency, irrigation, piped drinking water and industrial use, we propose for construction of **"In-stream Storage Structures (ISS)"** in all major rivers of the State over a period of five years with total investment plan of **Rs.12,000 crore**. This will be a **transformative initiative** for water conservation and usage.

We have proposed **Rs.1,092 crore for this year.**

**31.** We are focusing on completion of on-going major, medium and minor irrigation projects and taking up of short gestation projects. Despite land acquisition, rehabilitation & resettlement challenges, six major and medium irrigation projects viz. Upper Indravati canal extension, Titilagarh, Ret, Rukura, Baghalati, Telengiri reservoirs and 73 MIPs have been completed in last five years. A sum of **Rs.1811 crore** has been proposed for completion of incomplete **AIBP Projects** implemented through **PMKSY** and a sum of **Rs.910 crore** has been proposed under state funded **Water Sector Infrastructure Development Programme (WSIDP)** for on-going and new projects. Besides, an outlay of **Rs.1060 crore** has been proposed for flood control and drainage work.

**32.** **Parvati Giri Mega Lift Irrigation Scheme** is being implemented since 2013-14 to provide irrigation to upland areas of the state. A sum of **Rs.540 crore** has been proposed under **Parvati Giri Mega Lift Irrigation Scheme** during 2020-21 with a target to complete 33 ongoing projects.

**33.** We have clubbed two water conservation schemes i.e. roof top rainwater harvesting and ground water recharge schemes as a new scheme namely "**Rooftop rain**

**water harvesting and ground water recharge in 27 Urban Local Bodies (ULBs) and 49 water stressed Blocks”** with an estimated outlay of Rs.246 crore for implementation over a period of five years. A sum of **Rs.35 crore** has been proposed in 2020-21 under this scheme.

**34.** An outlay of **Rs.180 crore** has been provided under RIDF in 2020-21 for **Jalanidhi** scheme to create additional irrigation potential. Keeping in view the need of the farmers, I propose a sum of **Rs.459 crore** for completion of 15,000 Deep Bore Wells and **Rs.360 crore** for **Biju Krushak Vikas Yojana** to install 1250 community lift points.

**35.** An outlay of **Rs.300 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. Further, to reduce seepage losses in distribution system, a sum of **Rs.190 crore** is being proposed under **Canal Lining and System Rehabilitation Programme (CLSRP)**. We have also taken up **Nabakrushna Choudhury Secha Unayana Yojana** with proposed investment of **Rs.635 crore** for modernization of old irrigation projects, for which **Rs.90 crore** is proposed.

**36.** “**Odisha Integrated Irrigation Project for climate resilient Agriculture (OIIPCRA)**” has been taken up with financial assistance of World Bank. A sum of **Rs.150 crore**

has been proposed during the year 2020-21 for renovation and restoration of 538 MIPs. "**Ground Water Recharge through Community Ponds**" project will be implemented on convergence mode with funding from Green Climate Fund (GCF), MGNREGA & State's own resources with an estimated cost of **Rs.1098 crore**. About 10000 ponds/tanks in 15 districts are proposed to be renovated under the program.

**37.** Hon'ble Members have always raised their concern about revival of defunct lift irrigation projects. It is targeted to revive 1200 defunct lift irrigation points during 2020-21 with an estimate of **Rs.193 crore**.

#### **Farm Credit**

**Hon'ble Speaker Sir,**

**38.** Timely and affordable credit is critical to modern agriculture. The State Government in consultation with NABARD has prepared **District-wise Potential Linked Credit Plans (PLPs)** for 2020-21 with a **credit potential of an amount of Rs.43282 crore** under agriculture and allied activities to be provided by cooperative institutions and scheduled commercial banks. It is Hon'ble Chief Minister's commitment to provide 0% interest loans to farmers under KALIA and for this I propose **Rs.705 crore** under the scheme **Interest Subsidy/Subvention**.

**39.** The Cooperatives are providing about 65 per cent of the total crop loans dispensed to the farmers in the State as against the national average of 17 per cent. During the year 2020-21, the Cooperative Banks will provide crop loan of about Rs.15,000 crore. I propose to provide **Rs.24 crore** towards financial support to Cooperative institutions, **Rs.40 crore** towards equity supports to Cooperative banks and **Rs.78 crore** as share capital investments in PACS. In spite of our best efforts the flow of agriculture credit/priority sector lending from commercial/nationalized banks has not improved. To motivate them to have a more Pro-farmer orientation, the State Government proposes an award scheme in the following categories covering priority sector lending.

**40.** Chief Minister's Award-Champion Banks for the cause of **Farmers**.

Chief Minister's Award-Champion Banks for the cause of **Small Entrepreneurs**.

Chief Minister's Award-Champion Banks for the cause of **Women SHGs**.

These awards will be given annually by State Government and those pro-poor, pro-farmer and pro-women banks would be supported by the State in all spheres.

## **Risk Mitigation & Insurance**

**41.** An allocation of **Rs.700 crore** is 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 would be covered under crop insurance scheme during 2020-21.

## **Post-Harvest Management**

**42.** 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 through PDS. Paddy procurement proceeds are being directly credited to the farmers' accounts through **P-PAS portal linked with Core Banking Solution System of Odisha State Cooperative Bank, which is unique in the Country.**

**43.** Odisha's Millet Mission is a path breaking initiative to provide remunerative prices for Millet growing farmers basically from tribal areas. The NITI Ayog appreciated initiative has been a reference point for other States and **Rs.106 crore** is proposed for the Mission.

## **Allied activities**

**44.** Non-farm activities contribute substantially to the farmers' income and therefore it is a major focus for our Government. We propose to substantially increase the

allocation for Fisheries and Animal Husbandry sector by more than **35 per cent** to **Rs.1211 crore**.

### **Fisheries**

**45.** To increase fish productivity and production a provision of **Rs.16 crore** has been proposed for **development of Brackish Water Aquaculture, Marine Fisheries, Intensive Aquaculture and Inland Fisheries**.

**46.** For fresh water fish production a separate provision of **Rs.68 crore** has been made in the State Budget for 2020-21 under "**Machha Chasa Pain Nua Pokhari Khola Yojana**". Besides, a provision of **Rs.6 crore** has been made for organisation of skill up-gradation, training and awareness programmes for fish farmers.

**47.** We have proposed an outlay of **Rs.116 crore** under the umbrella Centrally Sponsored Scheme called '**Blue Revolution**' for integrated development & management of fisheries.

### **Animal Husbandry & Dairy**

**48.** Animal husbandry and dairy are important sources of income for millions of rural families providing rural self-employment and safety net during crop failures. We have provided **Rs.10 crore** for establishment of **Centre of**



**Excellence for Veterinary Sciences** to accelerate research and development in these sectors.

**49.** We have provided **Rs.100 crore** under the umbrella Centrally Sponsored scheme of '**White Revolution**' for development of dairy and livestock management. An amount of **Rs.59 crore** has been provisioned under RIDF for establishment of 5 lakh **LPD Dairy Plant by OMFED** for quality processing of milk.

**50.** We propose to provide **Rs.18 crore** for Mobile Veterinary Units in order to supplement the veterinary services through the hospitals and dispensaries in all the blocks of the State for 20 days in a month and **Rs.60 crore** for "**Up-gradation of Livestock Health Care service**".

### **Agriculture and Allied Sector through convergence**

**Hon'ble Speaker Sir,**

**51.** We started a separate Agriculture Budget in 2013-14 with an outlay of **Rs.7,162 crore**. However, under the dynamic leadership of our Hon'ble Chief Minister, I propose an outlay of **Rs.19,408 crore** in 2020-21. Further, around **Rs.12,000 crore** is invested through extra budgetary resources every year for making timely payment to farmers towards **paddy procurement**.

52. There is immense potential for utilization of MGNREGA funds for farm and non-farm activities and emphasis will be on accessing MGNREGA funds through convergence mode to enhance activities in this sector.

53. Further, 4 Watershed Clusters and 1202 Water Harvesting Structures with project cost of about **Rs.140 crore** have been planned to be taken up under OMBADC in 2020-21 in Sundergarh, Mayurbhanj and Koraput District.

54. Similarly, Mega Lift Irrigation projects, Community LIPs, MIPs and Check Dams with a project cost of **Rs.220 crore** will be taken up in the year 2020-21 in convergence with **District Mineral Fund (DMF)**.

55. Agriculture is the lifeblood of our land. This is the juggernaut that moves our State and the world. So it is important to support this noble profession and empower our farmers. Our famous poet, **Swabhaba Kabi - Gangadhar Meher** has glorified agriculture in the following words .....

“ଛାଡ଼ିଦେଲେ କୃଷିକି ସବୁ ହେବ ନାଶ

ନ ମିଳିବ ଗ୍ରାସ ଯେ ନମିଳିବ ବାସ

କୃଷି ତୋର ବେଦ ରେ କୃଷି ତୋ ପୁରାଣ

କୃଷି ବିନା ନ ରହି ପାରଇ ପରାଣ ।”

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