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DEPARTMENT OF AGRICULTURE & FARMERS' EMPOWERMENT

NOTIFICATION

The 22nd December, 2018

Sub: Package for Farmers' Welfare - Krushak Assistance for Livelihood and Income Augmentation (KALIA).

No. 23130-AP-I-247/2018/A&FE.— The State Cabinet in their 65th meeting held on 21st December, 2018 have approved the proposal for Package for Farmers' Welfare - Krushak Assistance for Livelihood and Income Augmentation (KALIA) to further accelerate agricultural prosperity and reduce poverty in the State. This scheme is progressive and inclusive. It covers 92% of the cultivators, loanee as well as non-loanee farmers, share croppers (actual cultivators) and landless agriculture labourers. It also specifically takes care of vulnerable agricultural families identified through Gram Panchayats, and makes crop loans available at 0% interest.

Introduction

Agriculture remains a prime mover of the socio-economic well-being of a majority of the population in the State with more than 60% work force depending on it for their livelihood.

Odisha has achieved sharpest decline of 24.61 % in poverty levels among major States in the Country between 2004-05 and 2011-12. Nearly 8 million households have been brought above the poverty line during this period. Further reduction in poverty would require concerted efforts to bring vulnerable households engaged in the primary sector out of poverty. This would entail direct attack on poverty by way of massive investment in this sector and making benefits reach the most needy through Direct Benefit Transfer (DBT) mode.

Background

From being a State doing subsistence agriculture Odisha has made rapid strides in becoming a progressive State in agriculture. The production and productivity of rice has more than doubled since 2001-02. Similar achievements have been noticed in case of other crops, vegetables and fruits. The annual milk and egg production in the State

has increased more than 2.8 times and 3.2 times respectively between 2001-02 and 2017-2018. Similarly, the meat production has increased about 5 times and fish production has increased more than 2.5 times during this period. Total annual shrimp and sea food export from Odisha has also increased more than 4.2 times over this period. It is the only State in the country which has doubled the farmers' income in real terms over a decade. The productivity gains in agriculture in our state has been recognised at the national level with conferment of 5 Krishi Karman Awards in 7 years.

The Government has consistently been proactive for the cause of the farmers and development of agriculture in the State. In fact, Odisha is one of the first States to have an exclusive budget for agriculture and farmers' empowerment since 2013-14. The outlay for this sector has increased over 2.5 times since then. We have also constituted an Agriculture Cabinet to deliberate and decide on critical issues concerning the agriculture sector. The new Agriculture Policy formulated in 2013 provides for attractive incentives for agriculture and allied sector activities.

The State Government is providing loans at 1% interest for farmers. More than 1 lakh Joint Liability Groups comprising mainly share-croppers have been provided institutional credit. Odisha had targeted to cover 10 lakh hectares of additional agriculture land under irrigation over a period of 5 years. Odisha is well on way to achieve this target by March 2019. Among the recent initiatives, Odisha Millets Mission has been launched to cover rainfed areas in 14 tribal dominated districts; and the Organic Farming Policy has been formulated for undertaking certified organic cultivation in over 2 lakh hectares.

Farmers Data: As per the census 2011, there are 32.80 lakh cultivators & 24.20 lakh agricultural labourers who are dependent on agriculture as their main occupation, having worked for the major part of the reference period i.e. 6 months or more in the agriculture/ allied sectors. Out of the total cultivators about 30.1 lakh (92%) are small and marginal farmers.

Direct Benefits Transfer The experience of direct transfer of subsidies to the accounts of beneficiaries was analysed. It was seen that this would make funds immediately available to the farmers. It ensures that the targeted beneficiaries get the funds, and the farmers have the freedom to utilize the cash in the most appropriate manner as they decide to do. A

larger number of families can be assisted in the process since it is no longer restricted to only those who have taken loans. This will be more progressive since landless farmers, and farmers having no access to banks (eg- share croppers) can also be covered. It is in this context that the following scheme namely, KALIA, is formulated with various components.

Key features of the Scheme - KALIA - Krushak Assistance for Livelihood and Income Augmentation

1. **Support to cultivators for cultivation**

In order to ensure that the farmers don't fall again into the debt trap, this component of the Scheme will be implemented from the year, 2018-19 Rabi onwards to take care of the initial investment needs of every small & marginal farmer. Under this component, support will be provided for cultivation to the small & marginal farmers by way of a grant of Rs. 5000/- per farm family per season for purchase of inputs like seeds, fertilizers, pesticides, towards labour & other investments in the field operations based on the farmers' choice for the crop season. Thus in a year, all the small and marginal farmers will receive Rs. 10,000/- for Kharif & Rabi, combined. This component is not linked to the extent of land owned and thus is more progressive in favour of all the small & marginal farmers. Out of the 32.46 lakh cultivators dependent on agriculture, 92% (i.e. 30.176 lakh) are small & marginal farmers. It is important to note that this assistance for five cropping seasons spanning 2018-19 to 2020-21 so as to ensure comprehensive coverage. About Rs. 3016 crores will be required annually for this component of the Scheme.
2. **Livelihood support for landless agricultural households**

Livestock & fishery based activities are the key drivers of economic growth in rural areas particularly for landless households as the income from wage labour alone is insufficient. Agriculture allied sector assumes immense significance in promoting goat, sheep, poultry farming, mushroom cultivation, bee keeping and fishery activities as additional activities in rural area, which contribute substantially in enhancing their income and overall wellbeing. Hence, it is proposed to assist 10 lakh landless households under agriculture allied activities over 3 years from 2018-19 to 2020-21. In addition to others, this will particularly benefit the Scheduled Castes and Scheduled Tribe population of our State. The activities are; i) Small goat rearing units, ii) Mini layer units, iii) Dual purpose Low Input Technology bird units, iv) Duckery units, v) Fishery kits for fishermen, vi) Mushroom cultivation and Bee keeping. Sheds as required will be constructed in convergence

with other schemes and poultry cage for mini layer units will be constructed. It is targeted to cover 7 lakh households with animal resource sector activities, 1 lakh households with fishery sector activities and 2 lakh households with horticulture sector activities.

The landless households will have the option of selecting any one of the livelihood units as per their choice. The unit cost for each of these activities is Rs. 12,500 for each household. The total cost of this component for 10 lakh households over the entire period of the disbursement of 3 years will be Rs.1250 crores.

3. Financial Assistance to vulnerable agricultural households

While support for cultivation has been proposed for small & marginal farmers and livelihood support for land less agricultural labourers, some of the farmers may not be able to take up cultivation and some of the landless agriculture labourers may not be able to avail livelihood options due to old age, disability, disease or any other reason. It is, therefore, proposed that for such vulnerable cultivators / land less agricultural labourers a lumpsum financial assistance of Rs.10,000/- per family be provided to take care of their sustenance. Deserving families will be identified and selected by Gram Panchayats. It is estimated to cover 10 lakh such beneficiaries in the next two years. However, no individual would receive more than any one of the benefits i.e. either cultivation support or livelihood support or financial assistance to vulnerable households. Thus, the annual requirement for this component will be about Rs.500 crores.

4. Life insurance support to cultivators & landless agriculture labourers

The life of the farmer has the risk of death and disability. Insurance support will reduce these uncertainties and provide financial support for their families. The main objective is to provide financial relief and security to the family members & dependents of the deceased in case of those uncertainties.

Life Insurance Corporation (LIC) offers pure Life Insurance cover of Rs.2,00,000/- at a very nominal annual premium of Rs. 330/- for all savings bank account holders aged between 18 and 50 years. Government of Odisha will bear the farmer's share of annual premium of Rs.165/-.

Similarly, LIC is also offering personal accident cover of Rs. 2,00,000/- at a very nominal annual premium of Rs. 12/- for all savings bank account holders aged between 18 and 50 years. Out of Rs. 12/- towards premium Rs. 6/- is the farmer's share, which will be borne by the Government of Odisha. From age 51-70 years the entire amount of Rs. 12/- towards premium will be borne by the Government of Odisha.

This component will cover both cultivators & landless agricultural labourers, who are primarily dependent on agriculture as the main activity, which comes to 57 lakh individuals. Those farmers already insured under similar schemes will be excluded. The total annual cost towards this component will be about Rs. 85 crores.

**5. Interest free
Crop loan**

It is proposed to reduce the interest rate on crop loans upto Rs. 50,000 from the present 1% to 0%, thus making them interest free, from the year, 2019-20. Since about Rs. 11,000 crores of crop loans in this category are given every year, the expected cost of interest subvention will be Rs. 110 crores annually.

**Modalities for
implementation**

- i. The farm family constitutes of the farmer and his or her spouse along with their dependent children. The farmer must be a permanent resident/domicile of Odisha
- ii. The farmer or his/ her spouse should neither be an income tax payee nor a Government/PSU sector employee.
- iii. The amount will be transferred online directly to the account of the head of the farm family, wherever possible. However, the first payment will be made, wherever possible, through cheques in camp mode for greater transparency.
- iv. The actual numbers indicated may vary based on the implementation.
- v. An MIS portal shall be developed for monitoring the scheme.
- vi. The SLBC will furnish the technical details for transmitting the fund in a secured format.
- vii. The scheme will be implemented by the Department of Agriculture & Farmers' Empowerment, Department of Fisheries & Animal Resources Development and Cooperation Department under the supervision of concerned Collector-cum-District Magistrate at the field level. The detailed modalities for implementation will be worked out by the concerned Department.
- viii. A State Level Committee under the chairmanship of Chief Secretary, Odisha & District Level Committee under the chairmanship of Collector-cum-District Magistrate shall be formed to review & monitor the implementation of the scheme and to suggest changes that may be required.
- ix. An implementation committee will be set-up under the Chairmanship of Principal Secretary, Agriculture & Farmers' Empowerment comprising of the Principal Secretary / Secretary

of Departments of Cooperation, Fisheries & Animal Resources Development and Panchayati Raj & Drinking Water to ensure smooth implementation of the scheme. They will meet as often as required.

**Financial
Implications**

The component-wise details of the financial involvement at initial phase are as follows:—

Sl. No.	Component	No. of beneficiaries	Scale of Assistance (In. Rs.)
(1)	(2)	(3)	(4)
1	Support to cultivators for cultivation	30.176 lakh cultivators	Rs. 5000.00 per farm family per season
2	Livelihood support for landless agricultural households	10 lakh landless agricultural labourers over 3 years	Rs.12,500 per household
3	Financial Assistance to vulnerable agricultural households	5 lakh households each year	Rs.10,000 per household
4	Life insurance support to cultivators and landless agricultural labourers	32.80 lakh cultivators and 24.20 lakh landless agricultural labourers	Rs.171.00 per beneficiary (18-50 years age group). An additional amount of Rs.12.00 for (50-70 years age group).
5	Interest free Crop loans	20 lakh farmers	Rs. 110 crores per year towards additional interest subvention.

**Funds
Requirement**

The total requirement of funds for each component will be as follows:—

Sl. No.	Component	Rs. in crore
(1)	(2)	(3)
1	Support to cultivators for cultivation	7540
2	Livelihood support for landless agricultural households	1250

(1)	(2)	(3)
3	Financial Assistance to vulnerable agricultural households	1000
4	Life insurance support to cultivators and landless agricultural labourers	170
5	Interest free Crop loans	220
	Total requirement	10,180

N.B: While 2% administrative cost will be provided during the first year viz. 2018-19; 1% such cost will be provided during the subsequent 2 years.

Review

The scheme will be reviewed during 2020-21 to examine the learnings from its implementation and to suggest modifications keeping in view the overall objective of enhancing farmer's welfare.

ORDER

Ordered that the notification be published in the Extraordinary issue of *Odisha Gazette*.

By Order of the Governor

Dr. SAURABH GARG

Principal Secretary to Government