



## KALIA : How Odisha new scheme supports farm community with payments

This article is related to General Studies- Paper III (Indian Economy).

Indian Express

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16 Jan., 2019

**"Although the scheme is not linked to the amount of land owned, the government insists it will "greatly benefit" sharecroppers and cultivators, most of whom own little or no land."**

Among a number of farmer-specific schemes, announced or planned, across the country ahead of the Lok Sabha elections, the Odisha government has come up with a support scheme whose primary targets are small farmers, cultivators and landless agricultural labourers. Called KALIA, the scheme involves payments to encourage cultivation and associated activities.

### The scheme

Short for Krushak Assistance for Livelihood and Income Augmentation, KALIA was launched last month and completed its first phase of registration Tuesday. Under the scheme, Rs 10,180 crore will be spent over three years until 2020-21 in providing financial assistance to cultivators and landless agricultural labourers. At the Krushi Odisha 2019 event in Bhubaneswar Tuesday, Chief Minister Naveen Patnaik claimed the scheme will benefit 92% of the cultivators in the state and include every category from big farmers to landless cultivators.

### Farmers, big or small

All farmers will be provided Rs 10,000 per family as assistance for cultivation. Each family will get Rs 5,000 separately in the kharif and rabi seasons, for five cropping seasons between 2018-19 and 2021-22.

Although the scheme is not linked to the amount of land owned, the government insists it will "greatly benefit" sharecroppers and cultivators, most of whom own little or no land. "The scheme has been made equitable, looking at the best-case/worst-case scenario problems of a small farmer. At the same time, we don't want to target only certain farmers and leave out others; whether you own one acre or five acres, you get the same financial assistance," said an Agriculture Department official.

### Work for landless

This targets 10 lakh landless households, and specifically SC and ST families. They will be supported with a unit cost of Rs 12,500 for activities like goat rearing, mushroom cultivation, beekeeping, poultry farming and fishery. "The beneficiary is encouraged to choose an activity with which he is familiar because these trades require some skill and network. The idea is to identify an existing capacity and build on it. We are working on a skilling component to be added to this form of assistance," an official said.

"This is also going to be an area-specific scheme in the sense that an input support for a particular trade, say mushroom cultivation, will be provided if it is prevalent throughout that locality so that there is aggregation of produce. A critical trade, dairy production, has deliberately been kept out because keeping a cow is more expensive, while milk production needs to have a collection route or agency that processes and refines this low shelf-life product. On the other hand, poultry farming and fishery do not need a strong ecosystem to survive and has a ready market of consumption or cheap method of preservation. Similarly, beekeeping is done by many self-help groups, so they are already familiar with the networks of that trade," the official added.

### Sick & elderly

One of the interventions will assist the elderly, sick and differently-abled population who are unable to take up cultivation, by providing Rs 10,000 per household per year. This is meant to be used for sustenance.

"This is a component that will not be implemented immediately. Odisha already offers free healthcare under the Biju Swasthya Kalyan Yojana. The state disburses old-age pensions and other forms of assistance, for which this additional component will have to be better tailored," an official said.

The KALIA scheme includes a life insurance cover of Rs 2 lakh and additional personal accident coverage of the same amount for 57 lakh households. Crop loans up to Rs 50,000 are interest-free.

### Why not a waiver

The BJD government was facing pressure to match its rivals which have announced or promised farm loan waivers. While the Centre is planning interest-free loans among various moves, the Congress in Odisha has been highlighting the loan waiver announced in states where the party has recently come to power, and the BJP has promised that if it wins in Odisha, it will waive existing loans and provide interest-free loans.

In his press conference announcing the KALIA scheme, Patnaik had criticised the Congress for demanding a loan waiver. "The Congress demand will be a ridiculous repetition of their (state) government from 1995-1999... You will remember how the treasury was bankrupt, how salaries could not be paid, how infrastructure suffered... It (loan waivers to farmers) hasn't paid in the past. It will not pay in the future."



An Agriculture Department official said: "Unlike a loan waiver, (through which) banks appease a few farmers, KALIA's main targets are rural activities as a whole. We will support farming on a small scale, sharecropping, fishing, animal herding, which are not covered under bank loans, but are caught in debt traps set up by local moneylenders. Also, a farm loan waiver will reduce credit available to farmers in the long term, while income support can be used to make a repayment or at least activate a bank account which can then receive a loan."

## GS World Team...

### Krushak Assistance for Livelihood and Income Augmentation (KALIA) Scheme

#### What is it

- Recently, the Odisha Cabinet has given approval to the Krushak Assistance for Livelihood and Income Augmentation (KALIA) Scheme for the development of farmers of their state.
- This scheme will cost 10,000 crores.

#### Main Points

- In the beginning of both Kharif and Rabi seasons, each farming family will be provided financial assistance of Rs. 5,000 in each season (Total Rs 10,000).
- This will help the farmers unable to start farming due to old age, disability, disease or other reasons.
- The scheme also focuses on the livelihood of landless families. This scheme will benefit especially the Scheduled Castes and Scheduled Tribes families.
- The Gram panchayat will choose and identify which family will get the benefit of this scheme.
- Under this scheme, ten lakh households will be

provided assistance in two years.

- There is also provision for life insurance in the plan. This insurance covers two lakhs, apart from this, Rs 2 lakh is arranged for personal accident.
- This insurance will be given to farmers and landless agricultural laborers. Thus, it will benefit 74 lakh households.

#### Importance

- It is a historic initiative that will help the poor in the state of Odisha and reduce poverty.
- Its scope is huge and the economic investment made by it will be direct economic benefits to those farmers and laborers who need money.
- These money will be given through direct benefit transfers to them.
- There is also a provision in this scheme, according to which the ten lakh landless families of the state will be given Rs 12,500 financial assistance for the following activities at per-unit cost - goat rearing, duck rearing, fishery, poultry production and honey farming.

### Expected Questions (Prelims Exams)

1. **1. Consider the following statements regarding Krushak Assistance for Livelihood and Income Augmentation (KALIA)-**
  1. This scheme will play an important role in the development of farmers.
  2. This scheme will cost 10,000 crores.
  3. There is a provision of life insurance of farmers in this scheme.

Which of the above statements is/are correct?

(a) Only 1                      (b) 1 and 2  
(c) 1 and 3                      (d) 1, 2 and 3
2. **2. Consider the following statements regarding KALIA scheme-**
  1. Gram panchayat will choose who will be benefitted from this scheme.
  2. This scheme will also help the farmers incapable of starting farming due to old age, disability, disease or other reasons.

Which of the above statements is/are incorrect?

(a) Only 1                      (b) Only 2  
(c) Both 1 and 2              (d) Neither 1 nor 2

### Expected Questions (Mains Exams)

- Q. How will recently Started Krushak Assistance for Livelihood and Income Augmentation Scheme by Odisha proved to be beneficial especially for marginal farmers along with landless farmers? Explain. (250 Words)**

**Note:** Answer of Prelims Expected Question given on 15 Jan. is 1(c), 2 (c).

