

**Government of Odisha
Cooperation Department**

No.COOP-CR1-CRB-0013-2019 6964 /Coop., dated: 02/07/2024

To

All Collectors

Sub: Kharif 2024 Campaign.

Madam /Sir,

With the commencement of Kharif 2024 Crop Season from 1st April 2024, seasonal agriculture operations (SAO) in the State has commenced. Agriculture is the main stay of State's economy. Over 60% of the population of the State depend on agriculture for their livelihood.

1. In order to raise farm income, production and productivity in agriculture need to be augmented. This will necessitate infusion of adequate working capital in agriculture in addition to bringing more and more area under cultivation.
2. The farming community in Odisha comprises predominantly small and marginal farmers, tenant farmers, oral lessees and share croppers with small and fragmented land holdings. They need to be provided with institutional financial support for their agricultural operations. Hence, provision of timely, adequate and hassle free credit support to farmers is critical for development of agriculture in the State and thereby ensuring higher production and productivity leading to enhanced farm income.
3. The Short Term Cooperative Credit Structure (OSCB, DCCBs, PACS/ LAMPCS) having a share of around 50% in crop loan dispensation in the State are mandated to ensure provision of timely credit through PACS/LAMPCS as per requirement of the farm families of the State. During last Kharif 2023 season, the Cooperatives have disbursed crop loans of Rs.9718.04 crore to 1898648 farmers against the target of Rs.9500.00 crore which is an all time high. During Rabi 2023-24, the Cooperatives have

disbursed an amount of Rs.8888.24 crore loans for cultivation of Rabi crops against the target of Rs.8500.00 crore.

2. The crop loan investment programme for ensuing Kharif 2024 season has been fixed at Rs.11,000.00 crore for the Short Term Cooperative Credit Structure. The DCCB-wise and the district-wise allocation of the target will be communicated by the OSCB soon.

In this back drop, the Co-operative Credit Structure (OSCB, DCCBs & PACS) should strive to achieve crop loans disbursement target of Rs.11,000.00 crore. Meticulous planning and a well structured credit programme is required to be drawn up for provision of crop loans to farmer-members of PACS/ LAMPCS and members of Joint Liability Groups in order to cater to their credit needs.

In case of Commercial Banks and Regional Rural Banks, the target may be given separately by the State Level Bankers Committee (SLBC).

2.1. Crop loans sanctioned to farmers has a large interest subvention component which is provided by the Government of India and the State Government. Hence it is required to obtain valid AADHAR numbers of the beneficiary farmers to link it to their KCC and the Loan/ Savings Bank Accounts opened in the District Central Cooperative Banks/ PACS/ Commercial Banks/ RRBs so as to ensure that genuine farmers have access to the subsidized crop loans disbursed through Banks. The DCCBs/ PACS/ LAMPS have to ensure this at the time of sanction & disbursement of loans. All crop loans sanctioned must be credited directly to Savings Bank Accounts of the farmers held with the banks. Any disbursement of loan in deviation of these instructions will be considered illegal and the loan sanctioning/disbursing authorities shall be responsible for such illegal loan disbursement.

2.2. The State Government has declared for disbursement of Crop loan to the farmers at 0% (zero) rate of interest up to Rs.1.00 lakh through Cooperative Banks/ PACS/ LAMPCS, Commercial and Regional Rural Banks in the State w.e.f. 01.04.2022 by providing interest subvention for prompt paying farmers. In respect of Crop loan above Rs.1.00 lakh to Rs.3.00 lakh, the effective rate of interest will be 2% for prompt paying farmers.

All crop loans sanctioned must be credited directly to the Savings Bank Accounts of the farmers by the Banks.

2.3 As per Government of Odisha, Cooperation Department's Order No. 8903/ Coop. dated 16.12.2019 issued in exercise of power conferred under section 123-A of the Odisha Cooperative Societies Act, 1962, the PACS/FSCS/LAMPCS are allowed to sanction and disburse Short-Term Agricultural Loans through on-line mode only. The PACS/ FSCS/ LAMPCS not doing such loan transactions on-line

will not be eligible to get refinance for Kharif-2024. Refinance facility to them will be restored only when they come to the online platform and sanction credit through online mode.

2.4 In all the districts, the District Level Technical Committees have held their meetings and recommended the Scale of Finance for different crops for the year 2024-25. The same has already been approved by the State Level Technical Committee. The Scale of Finance for 2024-25 has been circulated after finalisation by SLTC for implementation which should be adhered strictly by all Cooperative Banks, Regional Rural Banks and Commercial Banks.

2.5 Government of Odisha, Cooperation Department in their letter No.COOP-CRI-CRB-0001-2020/3234/Coop. dated 12.03.2020 have approved the repayment period in respect of Kisan Credit Cards (KCCs) based Short Term Seasonal Agriculture Operation (STSAO) loans for three-tiers of Co-operative Credit Structure as under.

- a. **At the PACS level-** The due date for the loans drawn shall be fixed after 12 months from the date of first drawal against each of the sub-limits sanctioned for Kharif and Rabi for short duration crops and up to 18 months in case of long duration crops. **To illustrate, if a farmer member prefers first drawal during Khariff 10th April, due date of the entire loan drawn during Kharif that year would be fixed on 9th April next year. Hence, there would be two due dates one each for Kharif and Rabi.**
- b. **At the DCCB level –** For each of the drawals by the PACS, the due dates shall be fixed after 12 months from the date of the drawal. The due date for drawals in respect of long duration crops shall be fixed on the basis of the repayment period of loans for such crops or maximum up to 18 months.
- c. **At OSCB level-** The existing facility of fixation of due dates of 12 months from each of the drawals shall continue. Fixation of due dates for drawals in respect of long duration crops up to maximum 18 months may be considered.
- d. In case of long duration of crops like sugarcane, banana etc., due date shall be fixed on the basis of harvesting and marketing period of the crop season for the specified long duration crops subject to a maximum period of 18 months.

2.6 Crop loans would be made available to the farmer-members of PACS at the concessional rate of interest of 4% p.a. to the borrowers availing loans up to

Rs.1,00,000/- and at 5% interest p.a. to the farmers availing loans from Rs.1,00,001/- to Rs. 3,00,000/- for which interest subvention is provided by Government. However, effective rate of interest for crop loan up to Rs. 1,00,000/- will be 0% (zero percent) taking into account the interest incentive of 3% admissible to the prompt paying farmers, who repay their loans on or before the due dates along with availability of 1% interest subvention under the Scheme of KALIA as per the decision of the Government communicated vide Notification issued by Agriculture and Farmers Empowerment Department vide No 23130 dated 22.12.2018 and Government of Odisha, Cooperation Department Notification No. 6435 dated 21.07.2022 to provide crop loan up to Rs1.00 lakh at 0% rate. As per Cooperation Department, Govt. of Odisha Notification no.8565 dated 25.07.2023, the interest subvention under KALIA Scheme has been merged with Crop loan Interest Subvention Scheme. Further, after allowing the admissible interest incentive of 3% for the prompt paying farmers, the effective rate of interest for crop loan amounting to Rs. 1,00,001/- to Rs.3,00,000/- will be 2%. Loans over and above Rs. 3.00 Lakh shall be provided at commercial rate, which would be decided by the Banks concerned. Since interest subvention is to be provided to the Commercial Banks and Regional Rural Banks in addition to the Cooperative Banks, you are requested to ensure that these Banks should take initiatives to disburse crop loans to the intending farmers as per the Scale of Finance fixed for the Districts. **Any decision of the Government on modification of interest rate/ Subvention on crop loans will be intimated from time to time. This Interest Subvention will be applicable to the farmers who have e-KYC compliant active bank accounts.**

2.7 The responsibility for fixation of crop-wise target has been given to the officers of the Agriculture and Cooperation Departments working at the base level so that there will be coherence in planning for cultivation of various crops, availability of inputs like seeds and fertilizers followed by output marketing.

2.8 Pradhan Mantri Fasal Bima Yojana will continue in Kharif, 2024 crop season as per the operational modalities approved by the State Government. The details of premium on all food grains and oil seed crops (all cereals, millets, pulses and oil seeds crops) cultivated during Kharif, 2024 will be communicated after notification of the PMFBY guidelines by the State Government. Similarly, for annual commercial/ annual horticultural crops, the insurance premium will be fixed and communicated in the notification.

Though, there is an option for opting out of the scheme by the loanee farmers, the field functionaries of Cooperation/Agriculture Department should be impressed upon

on to encourage all loanee farmers to get themselves enrolled under the scheme with payment of only the token money of Rs 1.00 per application and avail the benefit extended by the State Government. **No loanee farmer should be left uncovered under the insurance scheme.**

Notification for implementation of PMFBY in the State along with detailed guidelines for Kharif 2024 season will be issued separately by the State Government.

- 2.9 The following aspects should be ensured while advancing crop loans during Kharif, 2024.
- (i) The DCCBs/ Divisional DRCSs/ Deputy Director, Agriculture of the District are required to prepare action plan to cover the left-out agricultural families under cooperative credit network by issuing fresh Kisan Credit Cards and extending crop loans for their Kharif operations with emphasis on small and marginal farmers. Fresh credit limits should be sanctioned and KCC be issued within a period of 15 days from the date of submission of application.
 - (ii) The target for quantum of loan to be disbursed and the number of farmers to be covered under Kharif finance should be fixed PACS-wise and village-wise to ensure extensive coverage. **Thrust should be given for providing credit to the small and marginal farmers.**
 - (iii) Flow of credit to the tenant farmers, share croppers and oral lessees should be encouraged through formation of Joint Liability Groups (JLG) under BALARAM scheme as per guidelines of NABARD and State Government. As such adequate steps should be taken to cover maximum number of share croppers under crop financing through group approach. **The PACS/ LAMPCS should be advised to dispense at least 10% of the crop loan in favour of tenant farmers, share croppers and oral lessees through BALARAM Scheme and SHGs including women members .**
 - (iv) Priority should be given towards financing of non-paddy crops like pulses, oilseeds, potato and other remunerative cash crops.
 - (v) Financing of remunerative commercial crops and seasonal horticultural crops for which market is readily available should be given priority and a special drive may be taken for the purpose.
 - (vi) Farmer members should be sensitized to use the in built facilities in the Kisan Credit Card Scheme to make frequent operations on the credit limit fixed for them by making frequent drawals and deposits within the limit. Sanction of credit limit in case of new farmers and renewal of the expired limits be ensured within 15 days from the date of application. Cash remittance to the Branch level by the DCCBs should be ensured keeping in view the demand in the areas.
 - (vii) Productive utilization of the crop loans provided by the Cooperative Banks and Commercial Banks, supply of inputs like fertilizers, pesticides and improved seed

under the kind component (B-component) of the loans should be ensured. The PACS should be sensitized for preposition of fertilizers in their godowns sufficiently ahead so that there would not be shortage of fertilizers at the time of need of the farm families.

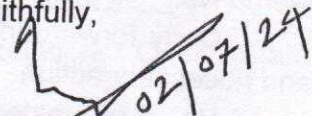
- (viii) MARKFED has been advised to take adequate steps for pre-positioning of adequate stocks of fertilizers at their godowns / depots at the District / Block level to facilitate supply of fertilizers to the PACS of the required varieties and quantities well in time. Government has provided a Corpus Fund of Rs. 90.00 crores to the MARKFED to ensure timely positioning and supply of fertilizers. The Divisional DRCS, Secretaries of the DCCBs and the Area Managers of MARKFED should prepare detailed programme for distribution of fertilizers to the loanee farmers through the PACS. Cash sale for the non-loanee farmers in the PACS may also be allowed, in case of necessity.
- (ix) The Seeds Sale Centres of the PACS should be activated for supply of quality seeds provided by the Odisha State Seeds Corporation to loanee-farmers. The Agriculture Department will continue to directly credit the subsidy on the seeds to the farmers' accounts during the current Kharif season.
- (x) Creation of assets through agriculture term loans like financing of tractor, power tiller, pumpset, minor irrigation, farm mechanization, plantations / horticulture and allied agriculture activities like dairy, poultry and fisheries should be given due emphasis. In the meantime, the Department has amended the guidelines for interest subvention under ATL financing, the benefit of which should be extended to the farmers. The Banks should continue to keep close coordination with other line Departments so that farmers can take the advantage of the welfare schemes and interest subvention meant for the Agricultural Term Loans from the Government. The details of revised operational guidelines on modalities for sanction and disbursement of Agricultural Term Loan (ATL) vide notification no. 3681 dated 16.3.2024 of Cooperation Department, Government of Odisha should be followed for financing Agriculture Term Loan. A target of Rs. 1000.00 crores has been fixed for term loan finance in cooperative sector. OSCB will distribute this target district/ DCCB wise and intimate accordingly.
- (xi) The Field Officers of both Agriculture Department (including Horticulture) and Cooperation Department should conduct joint tours within their area to ensure that the crop loans are utilized for productive purposes and the term loans for creation / development / acquisition of assets are not misutilized.

3. The Kharif-2024 crop loan target may be discussed with the field level functionaries of the Agriculture, Horticulture, Fisheries and other line Departments as well as other related Organizations and an integrated approach

is required to be adopted for implementation of the programme. This will ensure hassle free, timely and adequate credit flow to farm families through PACS and also Commercial Banks including Regional Rural Banks to enable them to adopt appropriate cropping pattern, make use of farm inputs and advanced practices to increase production, productivity and income from farming operation. The meeting of the District Consultative Committees (DCC) may be convened under your chairmanship to discuss the above issues with field level functionaries and the bankers.

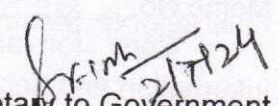
Government hope that you would take sincere and expeditious steps to ensure implementation of the Programme for Kharif-2024 in right perspective in the interest of the farming community of the state.

Yours faithfully,


02/07/24
Commissioner-cum- Secretary to Govt.

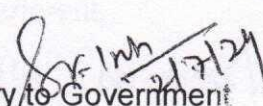
Memo No. 6965 /Coop., Date: 02/07/2024

Copy forwarded to the P.S to Minister, Cooperation for kind information of Hon'ble Minister.


2/7/24
Special Secretary to Government

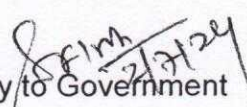
Memo No. 6966 /Coop., Date: 02/07/2024

Copy forwarded to the P.S to Chief Secretary/ P.S to Development Commissioner-cum-ACS / P.S. to Agriculture Production Commissioner, Odisha for kind information of Chief Secretary/ Development Commissioner-cum-ACS/ Agriculture Production Commissioner.


2/7/24
Special Secretary to Government

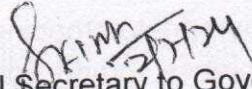
Memo No. 6967 /Coop., Date: 02/07/2024

Copy forwarded to the P.S to Principal Secretary to Government, Department of Agriculture & farmers' Empowerment for kind information of Principal Secretary.


2/7/24
Special Secretary to Government

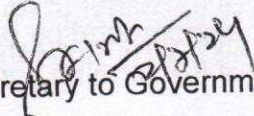
Memo No. 6968 /Coop., Date: 02/07/2024

Copy forwarded to the RDC, Northern/ Central/ Southern Division for information and necessary action.


Special Secretary to Government

Memo No. 6969 /Coop., Date: 02/07/2024

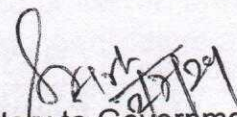
Copy forwarded to RCS, Odisha/ Engineer-in-Chief, Water Resources/ All Divisional DRCSS/ Secretaries of all DCCBs for information and necessary action.


Special Secretary to Government

Memo No. 6970 /Coop., Date: 02/07/2024

Copy forwarded to the Managing Director, OSCB, Bhubaneswar for information and necessary action.

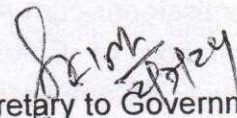
He is requested to distribute the revised ST loan and ATL target among the DCCBs/ Districts and intimate the field functionaries.


Special Secretary to Government

Memo No. 6971 /Coop., Date: 02/07/2024

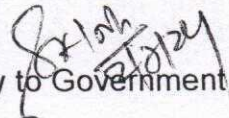
Copy forwarded to the Managing Director, MARKFED, Bhubaneswar for information and necessary action.

He is requested to instruct all the Area Managers to finalize the indent for the different types of fertilizer for each District in consultation with DRCS, DDA/ DAO and Secretary, DCCB well in advance.


Special Secretary to Government

Memo No. 6972 /Coop., Date: 02/07/2024

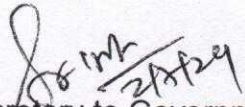
Copy forwarded to Director, Institutional Finance, Finance Department/ Chief General Manager, NABARD, Regional Office, Bhubaneswar/ Director, Agriculture & Food Production, Odisha/ Director, Agricultural Marketing, Odisha/ General Manager, OSAM Board for information and necessary action.


Special Secretary to Government

Memo No. 6973 /Coop., Date: 02/07/2024

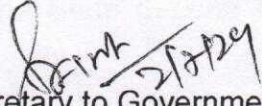
Copy forwarded to the General Manager-cum-Convenor, SLBC, UCO Bank, Ashok Nagar, Bhubaneswar for information and necessary action.

He is requested to advise the Commercial Banks and Regional Rural Banks for their active participation during this Kharif Season 2024 and these Banks should take all possible steps to achieve the target assigned to them with regard to providing ST(SAO) Finance to the Farmers.


Special Secretary to Government

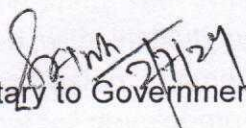
Memo No. 6974 /Coop., Date: 02/07/2024

Copy forwarded to the Director, Information and Public Relations/ Orissa State Cooperative Union for information and necessary action.


Special Secretary to Government

Memo No. 6975 /Coop., Date: 02/07/2024


Copy forwarded to the FA-cum-Additional Secretary to Government, Cooperation Department for information and necessary action.


Special Secretary to Government

Memo No. 6976 /Coop., Date: 02/07/2024

Copy forwarded to the IT programmer of Co-operation Department, Government, Cooperation Department for information and necessary action.

He is requested to publish the circular on the website of the Department.


Special Secretary to Government