

Press Brief

Department of Cooperation, Government of Odisha

The State Government Approves ₹42 Crore Interest Subvention Scheme to Boost Fertiliser Distribution by Cooperatives

Bhubaneswar 28.06.2026: In a major move to ensure the timely availability of fertilisers and protect farmers from black-marketing, the State Government has approved the implementation of a new scheme by the Cooperation Department for smoothening distribution of fertiliser to the farmers of the State. This decision has been taken following the recommendation of the Standing Finance Committee (SFC), chaired by the Commissioner-cum-Secretary, Cooperation Department, for a new State Sector Scheme: **"Interest Subvention on Cash Credit Loan for Prepositioning of Fertilizer."** The Finance Department has already approved the scheme for implementation from the current financial year.

The scheme tackles a critical bottleneck: cooperative societies (PACS/LAMPCS) often face heavy interest burdens when they lift fertiliser months in advance (prepositioning) to stock up for peak agricultural seasons. By providing **100% interest subvention on Cash Credit (CC) loans**, the State Government is removing this financial hurdle, making advance stocking completely cost-free for cooperatives.

Key Highlights of the Scheme:

- **Targeting 60% Market Share:** The scheme aims to scale up the cooperative sector's share of fertiliser distribution from the current 25–30% to **60% from Kharif 2026 onwards**, significantly curbing illegal diversion by private trade channels.
- **Financial Outlay:** A total budget of **₹42.00 Crore** has been approved for a five-year period (2026-27 to 2030-31), starting with an initial allocation of ₹5.00 Crore for the current financial year.
- **Massive Institutional Footprint:** Approximately **2,700 grassroot cooperative societies (PACS/LAMPCS)** will be covered, receiving tailored Cash Credit limits up to ₹10 Lakh based on their operational capacity.
- **Promoting Digital Payments:** To ensure absolute transparency at the point of sale, the government will actively promote the use of **QR Codes** for fertiliser transactions.

By eliminating credit costs and modernizing transactions, this farmer-centric intervention guarantees that essential agricultural inputs reach Odisha's farmers at government-fixed prices, precisely when they need them most.

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