

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE, COOPERATION & FARMERS WELFARE

LOK SABHA
STARRED QUESTION NO. 43
TO BE ANSWERED ON THE 25TH JUNE, 2019

CROP INSURANCE SCHEMES

*43. SHRI MOHANBHAI KALYANJI KUNDARIYA:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) whether the Government has received any request to make the crop insurance optional rather than mandatory for farmers;
- (b) if so, the details thereof and if not, the reasons therefor;
- (c) the details of the claim settlement ratio under the present crop insurance scheme in the country, State-wise;
- (d) whether it is a fact that making crop insurance mandatory for crop loanees has severely affected the farmers economically due to less claim settlements and if so, the details thereof; and
- (e) the corrective steps taken by the Government in this regard?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री

(SHRI NARENDRA SINGH TOMAR)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 43 DUE FOR REPLY ON 25TH JUNE, 2019.

(a) to (e): The objective of launching the new scheme, an yield based scheme, namely, Pradhan Mantri Fasal Bima Yojana (PMFBY) and an weather index based “Restructured Weather Based Crop Insurance Scheme (RWBCIS)” from Kharif 2016, is to provide a simple and affordable crop insurance product to ensure comprehensive risk cover for crops of farmers against all non-preventable natural risks from pre-sowing to post-harvest, to provide adequate claim amount and timely settlement of claims.

Crop insurance is a major risk mitigation tool for the benefit of farmers. Insurance is all about spreading the risk over the period and over the area. As per provisions of the PMFBY/RWBCIS, premium from farmers alongwith Central and State Government share in premium subsidy is paid to the concerned insurance company for acceptance of risk and payment of claims as per provision of scheme. Insurers save premium in good seasons/years and pay high claims, if any in bad years from the savings made in the good years.

Therefore, the scheme is made compulsory for the loanee farmers growing notified crops in notified areas and the scheme is voluntary for non-loanee farmers. Requests/representations have been received from various quarters including farmer organizations, States etc. to make the scheme voluntary/optional for all farmers. The revisions/improvements in the crop insurance schemes is a continuous process and decisions on suggestions/representations are taken from time to time after consultation with various stakeholders.

Inspite of overall good monsoon during first two years of implementation of PMFBY, the claim ratio during 2016-17 and 2017-18 was about 74% and 83% respectively. But the farmers in most affected areas/States received higher claims and the claim ratio was high in these States viz. Kerala 209% and Karnataka-134%, during Kharif 2016, Tamil Nadu – 286% and Andhra Pradesh 172% during Rabi 2016-17. Similarly during Kharif 2017, the higher claim ratio was in the States of Chhattisgarh – 451%, Haryana – 269%, Madhya Pradesh – 161% and Odisha – 216%. During Rabi 2017-18 high claim ratio States were Odisha (226%), Tamil Nadu (122%) and Chhattisgarh (105%). Though complete data for Kharif 2018 season is not available, high Claims ratio has been reported in States of Himachal Pradesh (215%), Haryana (120%), Uttarakhand (115%) and Chhattisgarh (111%) Hence, it is not correct to say that loanee farmers, for whom the Scheme is mandatory, are severely affected economically due to less settlement of claims. State-wise details of claim ratio during 2016-17, 2017-18 and 2018-19 (Provisional for Kharif 2018 season only as complete data is not available for Rabi 2018-19) are **Annexed**.

Statement in respect of Part (c) of the Lok Sabha Starred Question No. 43 for 25.06.2019 regarding Crop Insurance Scheme

Sl. No.	State/UT Name	2016-17			2017-18			2018-19		
		Kharif	Rabi	Total	Kharif	Rabi	Total	Kharif #	Rabi *	Total
1	A & N Islands	Not Implemented	899%	899%	Not Implemented	0%	0%	0%	-	0%
2	Andhra Pradesh	95%	172%	110%	44%	70%	48%	96%	-	96%
3	Assam	73%	8%	60%	5%	34%	9%	0%	-	0%
4	Bihar	26%	19%	25%	56%	14%	42%	Not Implemented	-	Not Implemented
5	Chhattisgarh	49%	50%	49%	451%	105%	379%	111%	-	111%
6	Goa	36%	0%	36%	10%	0%	10%	0%	-	0%
7	Gujarat	56%	59%	56%	33%	14%	32%	72%	-	72%
8	Haryana	92%	57%	81%	269%	60%	198%	120%	-	120%
9	Himachal Pradesh	95%	60%	63%	89%	83%	83%	215%	-	215%
10	Jammu & Kashmir	Not Implemented	Not Implemented	Not Implemented	28%	19%	24%	4%	-	4%
11	Jharkhand	11%	26%	11%	22%	7%	21%	#	-	#
12	Karnataka	134%	96%	117%	45%	75%	46%	#	-	#
13	Kerala	209%	108%	134%	64%	23%	42%	87%	-	87%
14	Madhya Pradesh	72%	13%	54%	161%	21%	119%	#	-	#
15	Maharashtra	52%	38%	50%	76%	61%	74%	93%	-	93%
16	Manipur	55%	Not Implemented	55%	Not Implemented	35%	35%	0%	-	0%
17	Meghalaya	86%	0%	65%	1%	Not Implemented	1%	10%	-	10%
18	Odisha	81%	44%	80%	216%	226%	217%	67%	-	67%
19	Puducherry	Not Implemented	263%	263%	Not Implemented	Not Implemented	Not Implemented	0%	-	0%
20	Rajasthan	83%	48%	75%	91%	52%	80%	60%	-	60%
21	Sikkim	Not Implemented	1058%	1058%	0%	0%	0%	22%	-	22%
22	Tamil Nadu	107%	286%	284%	91%	122%	121%	64%	-	64%
23	Telangana	71%	24%	61%	99%	46%	94%	72%	-	72%
24	Tripura	165%	183%	180%	163%	120%	129%	Not Implemented	-	Not Implemented
25	Uttar Pradesh	66%	24%	49%	36%	19%	27%	54%	-	54%
26	Uttarakhand	66%	67%	66%	78%	38%	58%	115%	-	115%
27	West Bengal	40%	68%	58%	96%	10%	40%	#	-	#
Total	Grand Total	66%	96%	74%	93%	54%	83%	#	-	#

NOTE : Claim Ratios are calculated as Estimated Claims divided by Gross Premium (which includes farmer share, State Subsidy and GOI Subsidy).

Complete yield data for calculation of claims for Kharif 2018 is not fully reported/received from States especially Jharkhand, Karnataka, Madhya Pradesh and West Bengal.

** Business Statistics for Rabi 2018-19 is not available.

