

Crops Insurance Scheme in States

4125. SHRI BALASHEB
VIKHE PATIL :
SHRI CHINTAMANI
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PATEL :

Will the Minister of AGRICULTURE be pleased to state :

(a) whether Government have asked the State Government to introduce crop insurance schemes;

(b) if so, what are the details of the scheme ;

(c) the names of the States which have so far introduced the Crop Insurance Scheme ;

(d) whether any reports have been received from the State Governments about the assessment made by them in respect of the results achieved and the benefits derived by farmers from this scheme ;

(e) if so, what are the details in this respect ;

(f) what are the main crops covered by the scheme ;

(g) what is the amount of Central assistance allotted to each State, amount spent with details showing the profits or loss incurred ; and

(h) the number of farmers benefited by the scheme in each State ?

THE MINISTER OF STATE IN THE MINISTRIES OF AGRICULTURE AND RURAL RECONSTRUCTION (SHRI R.V. SWAMINATHAN) : (a) and (b). The General Insurance Corporation of India had drawn up a pilot crop insurance scheme based on area approach in consultation with the Government of India and the State Governments. The salient features

of the scheme are given in Statement-I. The Government of India commended the scheme to all the State Governments in 1979, for implementation.

(c) Four State Governments, viz., Gujarat, Maharashtra, Tamil Nadu and West Bengal have so far implemented the scheme. Nine more States, namely, Andhra Pradesh, Haryana, Himachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh have decided to implement the scheme during 1981-82.

(d) and (e). It is too early to assess the results of the scheme.

(f) The main crops so far covered by the scheme are cotton, groundnut and paddy.

(g) and (h). No special Central assistance has been allotted to the States under the scheme. The number of farmers covered by crop insurance Statewise during 1979-80 and 1980-81 is given in Statement-II.

Statement-I

THE SALIENT FEATURES OF THE EXISTING CROP INSURANCE SCHEME

1. *Risks covered* : The Scheme provides multi-risk cover i.e. cover against unavoidable loss of production due to (a) climatic risks such as drought, flood, frost and cyclones; (b) pest infestation; (c) plant diseases; and (d) riots and strikes.

(ii) *procedure of the Scheme* : Under the Pilot Scheme, the crop insurance scheme is linked to short-term agricultural loans issued by the credit institutions to facilitate collection of premium and indemnities. The crop insurance policy is issued by the General Insurance Corporation to the institutions giving crop loans. The G.I.C. does not

deal with the farmers directly. The financial institution is responsible to pay premium to General Insurance Corporation and also to discharge the claims made by the G.I.C. A proportion of the loss i.e. non-indemnifiable limit, has to be borne by the farmer himself. The G.I.C. has laid down a ceiling of Rs. 2,000/- for insurance per farmer under the pilot scheme.

(iii) *Selection of Areas* : The areas for operating the scheme are selected by the GIC in consultation with the State Governments. The pilot scheme is operated only in areas where the non-indemnifiable limit is less than 30% and the premium rate is assessed at 5%. The premium rate as well as indemnity for the selected crops is uniform for all insured farmers within each basic unit of area selected irrespective of actual yield per borrower.

(iv) *Basis of premium and Indemnity.*

(a) Premium and indemnity rates for each selected crop and season in each selected areas are determined on the basis of crop cutting experiments for the last 10 years. The Scheme of insurance does not provide 100 per cent compensation in the event of loss of crop and, the farmers are required to bear a portion of the loss. Calculations made on the basis of crop cutting data in respect of Andhra Pradesh, Gujarat, Maharashtra, Kerala have shown that full indemnity in the case of crop losses is not feasible since premium rates for securing full indemnity would be anywhere upto 30% at which rate farmers cannot afford to pay premium. Therefore, premium and indemnity tables have been worked out on the basis that farmers will bear a portion

of loss, which is called non-indemnifiable limit, which varies from 20% to 50%. On this basis there will be a number of areas where premium rate are well within 5% and many other areas where premium ranges from 5% to 10% of sum insured. Past experience in operating crop insurance scheme and the data of 10 years crop yield based on NSS indicated the percentage of 5—10% premium to be sufficient to cover the incidence of indemnity payable. In the first phase, it is proposed to select for the Pilot Scheme only such areas where the non-indemnifiable limit does not exceed 30%.

(b) *Basis of indemnity*—Indemnity payable will bear the same proportion to sum insured, which the indemnifiable shortfall in yield (maximum indemnifiable limit less actual yield as per crop cutting) bears to be maximum indemnifiable limit. Indemnity to any farmer becomes payable only if the shortfall in yield in the insured area exceeds the relevant non-indemnifiable limit.

(c) *Role of the State and Central Government* : The State Governments are co-insurers with G.I.C. and share the premium and indemnity to the extent of 25%. They are also responsible for arrangements for estimation of crop yields through crop cutting experiments. The Government of India has agreed to subsidise the premium payable by the small and marginal farmers in the special programme areas like I.R.D., S.F.D.A. etc. upto 25%, the State Government sharing another 25%.

Statement II

Statewise Coverage of Farmers by Crop Insurance Scheme During 1979-80 and 1980-81.

Sl. No.	State	No. of farmers covered	
		1979-80	1980-81
1.	Gujarat	1,057	1,487
2.	Tamil Nadu	6,965	4,040
3.	West Bengal	8,246	17,915

Production and Requirement of short Staple Cotton

4126. SHRI JANARDHANA POOJARY : Will the Minister of AGRICULTURE be pleased to state :

(a) what is the total production and annual requirement of medium and short stapel cotton ; and

(b) steps taken to boost production in the country ?

THE MINISTER OF STATE IN THE MINISTRIES OF AGRICULTURE AND RURAL RECONSTRUCTION (SHRI R. V. SWAMINATHAN) : (a) Complete figures available for 1978-79 show that the production of short and medium staple cotton (combined) in that year was 15.7 lakh bales and the consumption of these varieties including ex-factory consumption was 15.4 lakh bales.

(b) A Centrally Sponsored Intensive Cotton Development Programme is being implemented for increasing cotton production. The broad strategy being pursued under this programme consists of the following :

(i) Accelerating the spread of improved technology in both the rainfed and established irrigated areas ;

(ii) Bringing in additional areas under irrigated cotton particularly under the command of irrigation projects ; and

(iii) Extension of the area under the high yielding hybrid cottons to the maximum potential.

Scheme for Total Employment from Block Level in the Country

4127. SHRI N.E.HORO : Will the Minister of RURAL RECONSTRUCTION be pleased to state :

(a) whether Government have taken any decision to launch a new scheme for total employment from the block level in the country ;

(b) if so what are the names of the blocks in the country selected, for this purpose ; and

(c) the details of the programme and progress made so far ?