

(2) The Government of India do not propose to enact a Legislation to ban its cultivation.

(3) However, under Rule 44-A of Prevention of Food Adulteration Act-1955, it has been provided that no person in any State shall sell or offer or expose for sale or have in his possession for the purpose of sale under any description or for use as an ingredient in the preparation of any article of food intended for sale 'Kesari Dal' and its products in any form. Notification giving effect to the aforesaid prohibition are required to be issued by the State Governments. All the States except Madhya Pradesh, Bihar and West Bengal have prohibited the use of 'Kesari Dal' for human consumption.

(4) As regards payment of wages in the form of Kesari Dal, the Government of Madhya Pradesh have issued notification according to which the wages are payable in cash to the agricultural labour is.

(5) The remedial measures to reduce the toxic effect of Kesari Dal are as under :—

(i) A simple method by which the toxin content of the Kesari Dal can be easily removed has been evolved by the National Institute of Nutrition, Hyderabad. The toxin is soluble in water and if the 'dal' is soaked in ordinary water for one night, the water drained, it can be consumed without any harmful effect. (ii) The State Governments have been advised to cultivate low neuro-toxin varieties of Kesari Dal evolved by the Indian Council of Agricultural Research in order to replace the existing high neuro-toxin varieties. (iii) During 1983-84 the Government of India have provided funds to the Government of Madhya Pradesh for replacement of Kesari Dal by pulses and oilseeds.

#### Crop Insurance Scheme

288. SHRI K.T. KOSAIRAM : Will the Minister of AGRICULTURE be pleased to state :

(a) the details of experimental crop insurance scheme that has been introduced

in the country and the results thereof ; and

(b) when the crop insurance scheme is likely to be introduced all over the country ?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI YOGENDRA MAKWANA) : (a) An area based Pilot Crop Insurance Scheme is being operated by the General Insurance Corporation of India in collaboration with the State Governments since 1979, details of which are at Statement I. The scheme has since been adopted by twelve States, namely, Andhra Pradesh, Bihar, Haryana, Himachal Pradesh, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Tamil Nadu, Uttar Pradesh and West Bengal. Details of State-wise coverage since 1979 are given in Statement II.

(b) It is for the State Government to adopt the insurance scheme. So far only 12 States have adopted the scheme. All the State Governments were impressed upon to adopt the scheme in a National Workshop on Crop Insurance which was held during February, 1983 where they participated.

#### Statement-I

*General Insurance Corporation of India  
Pilot Crop Insurance Scheme (1978-79)  
(as amended upto 5.5.1983)*

The General Insurance Corporation of India offers to introduce from Kharif 1978 Crop Season and on Pilot basis for 2-3 years, Crop Insurance Scheme as outlined hereunder in such of the States which agree to :—

- (a) Participate as Co-insurers sharing claims as well as premiums to the extend of atleast 25%.
- (b) provide all necessary technical and administrative assistance particularly by furnishing accurate data of crop cutting experiments (conducted by the State Governments from time to time) as per mutually agreed time schedule and also by directing the State Revenue and Agriculture Department to provide such assis-

tance as may be needed by GIC for work relating to these pilot schemes ;

- (c) accept the proposition that if the scheme has to continue beyond the Pilot State (i.e., after 2-3 years) the State Government would take over the responsibility either directly or through appropriate institutional arrangements.

## 2. Pilot Crop Insurance Scheme—Salient Features.

- (i) *Homogeneous Area Approach* : General Insurance Corporation's experience from 1973 to 1976 of Experimental Crop Insurance scheme has shown that Schemes based on individual approach would be uneconomic and unsuitable for implementation on a large scale. Hence this scheme will be based on Homogenous Area Approach. Under this approach, basic unit of area will be Taluka/ Tehsil/Revenue Circle. Premium rate as well as rate of indemnity for any given crop will be uniform for all farmers within each such area whatever is their actual yields.

- (ii) *Group Insurance* : In general, policies will be issued in the first phase in favour of District Co-operative Banks (in areas where co-operative Credit system is not effective they will be in favour of commercial banks) covering crops of their farmer members. In the case of such policies GIC will not deal with farmers. The financial institutions will be responsible to pay premium to GIC and also to discharge claims paid by GIC.

- (iii) *Crops* : Only one or two major food crops will be covered in each selected area in the first year. There will be no objection to cover non-food crops also, if adequate crop cutting data is available for such crops for the preceding 10 years. The insistence on 10 years data may be waived by GIC at its discretion.

- (iv) *Coverage to be crop-wise and season-*

*wise* : There will be a separate scheme for each crop and for each season.

- (v) *Selection of Area for the Pilot Schemes* : Selection of areas will be done by GIC in consultation with State Governments.
- (vi) *Schemes voluntary or compulsory* : Schemes would be on voluntary basis.
- (vii) *Scope of cover* : All Risks which operate during the insured crop season except the following :—
- (a) War and allied risks.
- (b) Nuclear risks.
- (viii) *Statistical Base* : Premium and Indemnity rate for each selected crop and season in each selected area will be determined on the basis of data of crop cutting experiments conducted by the State Governments for the preceding 10 or lesser number of years at the discretion of GIC.
- (ix) *Premium and Indemnity Tables* :—

- (a) Calculation is made on the basis of crop cutting data in respect of Andhra Pradesh, Gujarat, Maharashtra and 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 farmer will bear a portion of loss, which is called non-indemnifiable limit, varies from 20% to 50%. On this basis there will be a number of areas where premium rate will be well within 5% and many other areas where premium ranges from 5% to 10% of sum insured. Premium and Indemnity Tables for all States will be worked out after receipt of

complete data of crop cuttings from State Governments. It is proposed to select for the Pilot Scheme only such areas, where the non-indemnifiable limit does not exceed 40% and premium does not exceed 7½%.

(b) Indemnity to any farmer becomes payable only if the assessed yield in the insured areas is less than the guaranteed yield.

(c) *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 the maximum indemnifiable limit.

(x) *Overall limit of liability* :—

(a) The overall liability under all pilot schemes will be limited to Rs. 12 crores per annum. This will be achieved by limiting the total sum insured per State, per farmer and, if necessary per area also, which would ensure maximum possible spread of risks.

(b) The overall liability will be shared as under :—

GIC's maximum limit	Rs. 9 crores
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Minimum Aggregate liability of State Governments	Rs. 3 crores
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Rs. 12 crores  
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(c) If any State Government wants risks to be assumed in excess of the limits/sub-limits allotted by GIC, such excess shall be borne entirely by the State Government Crop Insurance Fund or the State Government's Insurance Deptt. as the case may be.

(xi) *Crop Insurance Business* shall be Direct Business. No Commission will be payable on such business.

(xii) *Collaboration with other Institutions* :

(a) *State Governments* : In addition to sharing premium and losses and furnishing crop cutting data and providing technical and administrative assistance as outlined in para 1 above the State Governments should link their agricultural extension programmes with crop insurance and undertake publicity for Crop Insurance through their existing media.

(b) *District Co-operative Banks and other Financing Institutions* : They would be responsible to pay crop insurance premium to GIC along with Crop Insurance proposals and normal credit eligibility statements and also to receive indemnities, when they become payable and credit proportionate indemnity amounts to the accounts of their insured members.

(xiii) The maximum sum insured per farmer shall not generally exceed per annum

(a) In case of irrigated crops either 150% of crop loan or Rs. 10,000/- whichever is less and

(b) in the case of unirrigated crops either 150% of crop loan or Rs. 5,000/- whichever is less.

However, this limit may be relaxed by GIC in the case of any individual area depending upon the crop and scale of finance.

(xiv) *GIC's role in relation to Crop Insurance* : GIC proposes to implement Pilot Schemes upto 31.3.85 only as part of its pioneering research work, aimed at devising in due course viable schemes of crop insurance which are suitable for implementation on a

large scale. If these schemes are to be extended or continued, the Central/State Governments have to take them over entirely. At that stage

GIC's role would be limited to providing technical expertise and assistance.

### Statement-II

*Statement Showing Details of Coverage under the Pilot Crop Insurance Scheme during 1979-80, 1980-81, 1981-82, 1982-83 and 1983-84 (Kharif Season)*

Sl No.	State	Area covered (Hect.)	No. of farmers
(1)	(2)	(3)	(4)
1979-80			
1.	Gujarat	1,361.68	1,057
2.	West Bengal	6,731.89	8,246
3.	Tamil Nadu	5,087.49	6,965
		13,181.06	16,268
1980-81			
1.	Gujarat	1,328.92	1,487
2.	West Bengal	13,927.21	17,915
3.	Tamil Nadu	3,446.88	4,040
		18,703.01	23,442
1981-82			
1.	Andhra Pradesh	5,865.23	5,482
2.	Haryana	1,187.40	809
3.	Himachal Pradesh	79.05	161
4.	Karnataka	356.44	318
5.	Maharashtra	4,031.72	6,096
6.	Orissa	2,569.08	2,434

(1)	(2)	(3)	(4)
7.	Tamil Nadu	5,941.57	3,649
8.	West Bengal	4,522.28	5,882
		<u>24,552.77</u>	<u>24,831</u>
1982-83			
1.	Andhra Pradesh	13,009.95	10,351
2.	Himachal Pradesh	204.92	44
3.	Karnataka	1,091.01	449
4.	Maharashtra	7,595.81	8,776
5.	Tamil Nadu	11,046.42	5,796
6.	Orissa	7,948.00	5,558
7.	West Bengal	9,960.86	12,455
8.	Madhya Pradesh	15,813.18	5,381
9.	Bihar	4,058.81	2,045
		<u>70,728.96</u>	<u>50,855</u>
1983-84 (Kharif Season)			
1.	Andhra Pradesh	5,504.84	4,701
2.	Bihar	5,698.75	3,364
3.	Haryana	117.00	18
4.	Karnataka	8,609.74	2,966
5.	Madhya Pradesh	5,087.52	2,405
6.	Maharashtra	5,944.09	7,913
7.	Orissa	8,329.68	6,447
8.	Tamil Nadu	8,741.03	3,637
9.	Uttar Pradesh	2,890.00	3,487
10.	West Bengal	2,119.48	3,441
		<u>53,642.13</u>	<u>38,379</u>