

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE

LOK SABHA
STARRED QUESTION NO. 27
TO BE ANSWERED ON THE 5TH DECEMBER, 2023

CROP INSURANCE SCHEME UNDER PMFBY

*27. SHRI LAVU SRI KRISHNA DEVARAYALU:

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

- (a) the details of farmers who have availed the crop insurance scheme under Pradhan Mantri Fasal Bima Yojana (PMFBY), State-wise;
- (b) whether the Government is aware of the declining share of insured farmers benefiting from crop insurance scheme;
- (c) if so, the measures taken by the Government to ensure that more funds are disbursed to farmers;
- (d) whether the Government has plans to increase the insurance premiums for commercial and horticultural crops, if so, the details thereof and if not, the reasons therefor;
- (e) whether the Government is exploring ways to enhance the responsiveness of insurance companies to local calamities and to make the crop insurance system more dynamic and localized; and
- (f) if so, the details thereof and if not, the reasons therefor?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE
कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) to (f) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO PART (a) TO (f) OF LOK SABHA STARRED QUESTION NO. 27 REGARDING CROP INSURANCE SCHEME UNDER PMFBY FOR REPLY ON 5TH DECEMBER, 2023

(a): The Pradhan Mantri Fasal Bima Yojana (PMFBY) introduced in the country from Kharif 2016 season is voluntary for States and farmers. Comprehensive risk coverage for crops of farmers against all non-preventable natural risks from pre-sowing to post-harvest stages of the crops at very minimum premium for the farmers is provided under the scheme. Actuarial/bidder premium rates are charged by insurance companies but the farmers have to pay maximum 2% for Kharif, 1.5% for Rabi food and oilseed crops and 5% for commercial/horticultural crops and the balance of actuarial/bidder premium is shared by the Central and State Government on 50 : 50 basis and 90 :10 in case of North Eastern States (from Kharif 2020 season) and Himalayan States (from Kharif 2023) as per provisions of the scheme. Based on the experience gained, views of various stakeholders and with a view to ensure better transparency, accountability, timely payment of claims to the farmers and to make the scheme more farmer friendly, Government has periodically revised the Operational Guidelines of the PMFBY comprehensively to ensure that the eligible benefits under the scheme reach the farmers timely and transparently.

State-wise details of the number of farmer applications enrolled from 2020-21 to 2022-23 under the scheme for the States which have implemented the scheme, is **Annexed.**

(b) & (c): Year-wise details of coverage in terms of farmer applications enrolled and area insured along with rate of growth therein during last three years under PMFBY is given below:

Year	Farmer Applications (In Lakhs)	Growth Rate	Area Insured (in lakh ha.)	Growth Rate
2020-2021	622.70	-	469.23	-
2021-2022	830.56	33.4%	443.08	-5.6%
2022-2023	1169.56	40.8%	498.91	12.6%

Further, comparison of coverage in terms of number of farmer applications and area insured along with their growth rates during Kharif seasons is given in the table below:

Season (FY upto November)	Farmer Applications (In Lakhs)	Growth Rate	Area Insured (in lakh ha.)	Growth Rate
Kharif 2021	453	-	236	-

Kharif 2022	606	33.8%	242	2.5%
Kharif 2023	781	28.9%	300	24%

As seen from table above, number of farmer applications has grown by 33.4% and 41% year-on-year during 2022-23 and 2021-22, respectively. There is also significant growth of 28.9% in number of farmer applications and 24% in area insured under the scheme in Kharif 2023 season (upto November 2023) as compared to Kharif 2022.

Due to the various measures like regular monitoring of implementation of the scheme & resultant revision of the Operational Guidelines of the scheme, infusion of improved technology – National Crop Insurance Portal (NCIP), YES-TECH, WINDS, CROPIC, integration of State Land Records with NCIP, increased IEC activities etc. coverage under the scheme has been increasing year-on-year. Since inception of the scheme till Rabi 2022-23, against farmers share of **premium of Rs. 30,800 crore** claims of **Rs. 1,50,589 crore** have been paid to the farmers, which is **about 5 times of the farmers share.**

(d): Payment of premium share as per the provisions of the scheme is the committed liability of the Government and sufficient budget provision is made accordingly. In fact, the budget of the scheme has been increased to Rs. 15,000 crore at Revised Estimates (RE) stage in the current financial year as compared to Rs. 12,375.76 crore in RE 2022-23.

There is no proposal under consideration, at present, to modify the existing premium structure under PMFBY.

(e) & (f): Scheme is implemented by the insurance companies as per Operational Guidelines issued by the Government. Government has taken various steps to make the scheme responsive to farmers and insurance companies in cases like losses due to localized risks of hailstorm, landslide, inundation, cloud burst & natural fire and post-harvest losses due to cyclone, cyclonic/unseasonal rains & hailstorms. Claims due to these localized risks are calculated on an individual insured farm basis and claims are assessed by a joint committee comprising representatives of the State Government and concerned insurance company. Various steps taken by the Government for smooth implementation of the scheme are given below:

- **National Crop Insurance Portal (NCIP)** has been developed for ensuring auto-administration, subsidy payment, co-ordination, transparency, dissemination of information and delivery of services including direct online enrollment of farmers, uploading/obtaining individual insured farmer's details for better monitoring and to ensure transfer of claim amount electronically to the individual farmer's Bank Account.

- **Digicclaim** : For transparent calculation and settlement of claims by insurance companies, a claims management module namely “Digicclaim” has been developed w.e.f. Kharif 2022 season wherein all the claims are worked out through National Crop Insurance Portal (NCIP) and paid to farmers’ accounts using Public Finance Management System (PFMS). This ensures full cycle monitoring of claims right upto the farmer level.
- **Integration of Land Record with NCIP** has been completed for Madhya Pradesh, Chhattisgarh, Andhra Pradesh, Maharashtra, Rajasthan, Karnataka and Odisha, wherein 90% of the insured area is now being validated through e-land records of the states through land record integration.
- With a view to leveraging technology in implementation of scheme, various steps have been taken like capturing of yield data/Crop Cutting Experiments (CCEs) data through CCE-Agri App & uploading it on the NCIP, allowing insurance companies to witness the conduct of CCEs, integration of State land records with NCIP etc. to improve timely settlement of the claims to farmers.

Further, following technology initiatives for Objective Crop Damage & Loss Assessment and transparency have been approved for implementation w.e.f. 2023-24 :

- YES-TECH (Yield Estimation System Based on Technology) for gradual migration to Remote-Sensing based yield estimation to help assess yields as well as fair and accurate Crop Yield Estimation. This initiative has been launched for paddy & wheat crops from Kharif 2023 wherein 30% weightage to yield estimation will mandatorily be assigned to YES-TECH derived yield.
- WINDS (Weather Information Network and Data System) for Network of Automatic Weather Stations (AWS) & Automatic Rain-Gauges (ARG) for collecting hyper-local weather data at GP & Block level. This will be fed into a National unified network of AWS & ARG with interoperability & sharing of data in coordination with India Meteorological Department (IMD). WINDS will provide data not only for YES-TECH but also for effective drought & disaster management, accurate weather prediction and offering better parametric insurance products.
- CROPIC (Collection of Real-time photos and Observations of Crops) for Geo-tagged photographs for validation of sown Crop with Insured Crop and use of pictorial analytics for Objective Crop Damage Assessment & Crop Yield Estimation.

Annexure

State-wise details of number of farmer applications enrolled during 2020-21 to 2022-23 under PMFBY for States implemented the scheme

State/UT	Number of Farmer Applications Enrolled (in lakhs)		
	2020-21	2021-22	2022-23
A & N Islands#	0.00	0.01	0.00
Andhra Pradesh*	NI	0.00	175.40
Assam	16.60	9.96	4.90
Chhattisgarh	51.63	58.39	77.24
Goa#	0.00	0.00	0.00
Haryana	16.51	14.53	14.46
Himachal Pradesh	2.41	2.34	2.67
Jammu & Kashmir	NI	0.91	0.92
Karnataka	16.07	19.34	26.45
Kerala	0.76	0.99	1.47
Madhya Pradesh	84.41	92.67	177.26
Maharashtra	124.06	99.03	107.44
Manipur	NI	0.03	0.04
Meghalaya#	0.00	0.00	0.00
Odisha	97.52	81.70	80.06
Puducherry	0.11	0.36	0.31
Rajasthan	107.59	345.31	390.74
Sikkim	0.00	0.02	0.05
Tamil Nadu	58.88	59.14	61.60
Tripura	2.57	3.36	3.21
Uttar Pradesh	41.90	40.67	42.53
Uttarakhand	1.71	1.83	2.82
TOTAL	622.74	830.56	1,169.56

* Rejoined the scheme wef 2022-23

Numbers rounded in lakhs, hence shown as 0.

NI : Not Implemented
