

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:117
ANSWERED ON:27.11.2000
NATIONAL CROP INSURANCE SCHEME
DINESH CHANDRA YADAV;Y.G. MAHAJAN

Will the Minister of AGRICULTURE be pleased to state:

- (a) the salient features of the new National Crop Insurance Scheme;
- (b) the relief proposed to be provided to the farmers in the country by this scheme, State-wise; and
- (c) the amount likely to be incurred on this scheme?

Answer

MINISTER OF AGRICULTURE (SHRI NITISH KUMAR)

(a) to (c): A Statement is laid on the Table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF STARRED QUESTION NO.117 TO BE ANSWERED ON 27TH NOVEMBER, 2000 IN THE LOK SABHA.

(a): National Agricultural Insurance Scheme (NAIS) has been implemented in the country since Rabi 1999-2000 season after replacing the erstwhile Comprehensive Crop Insurance Scheme (CCIS). Salient features of NAIS are given in the annexure.

(b): Under the scheme financial support is provided to the farmers in the event of crop failure as a result of natural calamities. State-wise coverage of the farmers under the scheme in Kharif 2000 season is given as under:-

S.No. Name of State/UT Farmers Covered

- | | |
|-------------------------------|---------|
| 1. Andhra Pradesh | 1213552 |
| 2. Assam | 100 |
| 3. Bihar | 40158 |
| 4. Goa | 953 |
| 5. Gujarat | 1113453 |
| 6. Himachal Pradesh | 77 |
| 7. Karnataka | 226264 |
| 8. Kerala | 12218 |
| 9. Madhya Pradesh | 533927 |
| 10. Maharashtra | 1352705 |
| 11. Meghalaya | 221 |
| 12. Orissa | 442169 |
| 13. Tamil Nadu | 18753 |
| 14. Uttar Pradesh | 218235 |
| 15. Andaman & Nicobar Islands | 47 |
| 16. Pondicherry | 373 |

(c): Payable claims are worked by the Implementing Agency at the end of the crop season. Budgetary provision for meeting the claims liability for the year 2000- 2001 is Rs.139.00 crore.

ANNEXURE

ANNEXURE REFERRED TO IN PART (a) OF REPLY TO LOK SABHA STARRED QUESTION NO.117 FOR 27-11-2000.

1. The scheme is available to all the farmers irrespective of the size of holdings.
2. The scheme is compulsory for loanee farmers and voluntary for non- loanee farmers.
3. The sum insured would be equal to the value of the threshold yield of the crop. It may extend upto 150% of the average yield of the area.
4. It covers food crops (cereals, millets & pulses), oilseeds and annual commercial/horticultural crops in respect of which past yield data is available for adequate number of years. Among the annual commercial/horticultural crops – seven crops namely; sugarcane, potato, cotton, ginger, onion, turmeric & chillies are presently covered under the scheme.
5. The other annual horticultural and commercial crops will be covered within the 3 years subject to the condition of availability of past yield data.
6. The premium rates are 3.5 per cent for bajra and oilseeds, and 2.5 per cent for other kharif crops; 1.5 per cent for wheat, and 2 per cent for other rabi crops. In case the rates worked out on the basis of actuarial data are less than the prescribed premium rate, the lower rate will be applicable.
7. In the case of commercial and horticultural crops, actuarial rates will be charged from the inception of the scheme.
8. In order to ensure sustainability of the scheme, it is proposed that the actuarial regime will be achieved in 5 years.
9. Small and marginal farmers are entitled to subsidy of 50% of the premium charged from them.
10. The premium subsidy, however, will be phased out over a period of 5 years.
11. The scheme is operated on the basis of area approach. All farmers of a defined area which is affected by a calamity, are entitled to payment of insurance claim according to the indemnity rates prescribed for the area.
12. In the event of localised calamities, however, individual claims of affected farmers will be entertained separately. Localised calamities will include hailstorm, landslide, cyclone, flood, etc.
13. The scheme will be implemented for the time being by the General Insurance Corporation of India. It is proposed that an exclusive organisation, namely, Agricultural Insurance Company of India, will eventually be established to administer the scheme.
14. The settlement of claims will be the responsibility of the insurance agency.
15. To ensure the sustainability of the scheme, efforts will be made to obtain reinsurance cover, Nationally or Internationally.
16. The scheme also provides for annual review, and modifications, as may be required, would be introduced.
17. The scheme has been under implementation since Rabi season 1999- 2000 and 18 States/UTs are participating.