

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3157
ANSWERED ON:22.03.2002
RISK COVER TO AGRICULTURE AND RURAL SECTORS
A. VENKATESH NAIK;RAMSHETH THAKUR

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that an Inter-Ministerial Group has recommended to set up separate organisation for providing risk cover to the rural and agricultural sectors;
- (b) if so, whether the Government have accepted the said recommendations;
- (c) if so, the time by which the said organisations are likely to be set up; and
- (d) the criteria adopted by the Government to select beneficiaries under this scheme?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a): An Inter-Ministerial Group, constituted by the Government, had recommended setting up of a separate organisation for implementing National Agricultural Insurance Scheme (NAIS) in the country.

(b)&(c): In pursuance to the recommendations of the Group, a proposal for setting up a separate organisation for the purpose was prepared by the Ministry of Agriculture. However, in the meantime, an announcement in the Budget speech for 2002-03 regarding setting up of a new Corporation for agriculture insurance, to be promoted by the existing public sector general insurance companies was made. Steps have been initiated for setting up of the Corporation but no time frame has been envisaged.

(d): Under NAIS, all farmers growing the notified crops in the notified areas are eligible for coverage under the Scheme. The Scheme is compulsory for loanee farmers while for non-loanee farmers, it is voluntary.