

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:712  
ANSWERED ON:12.07.2004  
FARMER INCOME INSURANCE SCHEME  
Deora Shri Milind Murli;Thakkar Smt. Jayaben B.

**Will the Minister of AGRICULTURE be pleased to state:**

- (a) whether Farmer Income Insurance Scheme has been implemented;
- (b) if so, the details thereof alongwith salient features of the scheme;
- (c) the manner in which it is likely to be different from earlier National Agricultural Insurance Scheme; and
- (d) the methods being devised for speedy assessment of losses and speedy disposal of one- time settlement of claims?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a) & (b) : A Pilot Project on Farm Income Insurance Scheme (FIIS) covering two crops viz. wheat and rice during Rabi 2003-04 season has been implemented in 19 districts of 12 States. The salient features of the scheme are given as under :-

? If the actual income of the farmer falls short of the guaranteed income of the farmers they would be eligible for compensation to the extent of indemnity.

? Area approach has been used for actual yield and price measurement of the insured crop.

? The scheme is available for all the States and it is compulsory for farmers availing crop loans.

? NAIS is withdrawn for the crops covered under FIIS but will be continued for other crops.

(c) : The main differences between National Agricultural Insurance Scheme (NAIS) and FIIS are Annexed.

(d) : Admissible claims are worked out by the Implementing Agency (IA) immediately after the receipt of yield data from the States. A cut-off-date for the submission of yield data by the state has been stipulated so as to work out and settle the payable claims timely.

**Annexure**

Main differences between NAIS and FIIS

Features NAIS FIIS

Nature of Coverage Yield risk. Income risk (Yield or price or both)

Crops All Food crops & Oilseeds and annual Presently only wheat

commercial/horticultural crops and rice is covered.

Premium Rate Flat rate of premium in case of Actuarial premium  
food & oilseeds crops and actuarial for all crops.  
for annual commercial/ horticultural  
crops.

Subsidy 50% premium subsidy to small Premium subsidy @ 75%  
and marginal farmers which will be to small and marginal  
phased out over a period of 5 years. farmers and 50% to other  
Subsidy to be shared equally by farmers is applicable  
Central and state Governments. which will be born by  
the central Government.