

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:2274
ANSWERED ON:23.11.2010
INDEMNITY FOR INSURED CROP
Pakirappa Shri S.

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government has adopted three levels of indemnity for insured crops under the National Agricultural Insurance Scheme (NAIS);
- (b) if so, the rationale behind the same;
- (c) whether several requests have been received by the Union Government from the States including Karnataka to have only one level of indemnity;
- (d) if so, the details thereof; and
- (e) the action taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) & (b): Yes, Madam. There are three levels of indemnity i.e. 90%, 80% and 60% corresponding to low risk, medium risk and high risk areas, available under National Agricultural Insurance Scheme (NAIS) for all the crops based on Coefficient of Variation, which reflects the variability in the yield data of past 10 years of a crop in a notified area.

(c) & (d): Yes, Madam. During the course of implementation of the scheme some implementing States/UTs including Karnataka have suggested for improvement in the levels of indemnity at 80 & 90 per cent under the scheme.

(e): Keeping in view the recommendations of the Joint Group constituted by the Government to study the improvements required in the existing crop insurance schemes and views/comments received from various stakeholders, proposal of Modified NAIS has been approved by the Government for implementation on pilot basis in 50 districts from Rabi 2010-11. Modified NAIS envisages more efficient basis for calculation of threshold yield; and minimum indemnity level has been raised from 60% to 70%.