

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:800

ANSWERED ON:24.11.2009

CROP INSURANCE SCHEME

Hamsrajbhai Shri Radadiya Vitthalbhai ;Singh Rajkumari Ratna

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

- (a) whether the present Crop Insurance Scheme provides adequate insurance cover to the farmers;
- (b) if not, the reasons therefor;
- (c) the details of the steps taken by the Government to make the Scheme more beneficial to the farmers; and
- (d) the success achieved by the Government thereon?

**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): The National Agricultural Insurance Scheme (NAIS) is compulsory for loanee farmers and voluntary for non-loanee farmers growing notified crops in notified areas. As per the provisions of the scheme, entire loan availed by the loanee farmers for notified crops is insured at normal premium rate and in case of non-loanee farmers, the sum insured up to value of Threshold Yield is covered at normal premium rate. The sum insured beyond the value of Threshold yield and up to value of 150% of Average Yield, at actuarial/commercial rates. Therefore, scheme provides adequate insurance cover to the farmers.

(b): Does not arise.

(c): Based on the suggestions received from the various quarters of the farming community and other stake-holders, a Joint Group was constituted by the Government, to study the improvements required in the existing crop insurance schemes to make it more farmer friendly. The Group has made a number of recommendations. Based on these recommendations, a new Weather Based Crop Insurance Scheme (WBCIS) is being implemented on Pilot basis from Kharif 2007 season and a proposal on Modified NAIS has been prepared.

(d): Under NAIS, about 1347 lakh farmers over an area of 2109 lakh hectares with a sum insured of Rs.148258 crore have been covered since inception i.e. Rabi 1999-2000 to Rabi 2008-09. Claims to the tune of Rs.15154 crore have become payable against the premium income of Rs.4426 crore benefiting about 361 lakh farmers during this period.

Similarly, under Pilot WBCIS, about 25 lakh farmers over an area of 34 lakh hectares with a sum insured of Rs.4622 crore has been covered since inception of the scheme i.e. Kharif 2007 to Kharif 2009 season. Claims about Rs.157 crore have become payable against the premium income of Rs.426 crore, benefiting about 5 lakh farmers during this period.