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Title : Further discussion on the motion for consideration of the Crop Insurance Bill, 2005 moved by Shri Iqbal Ahmed Saradgi on 12th May, 2006 (Discussion not concluded).

MR. DEPUTY-SPEAKER: The House shall now take up item 40, further consideration of the Bill. Shri Sudhakar Reddy.

SHRI SURAVARAM SUDHAKAR REDDY (NALGONDA): Mr. Deputy-Speaker, Sir, I rise to support this Bill to provide for insurance of crops and matters connected therewith, proposed by Shri Iqbal Ahmed Saradgi.

This is a very important Bill for India as agriculture is still the biggest profession in our country pursued by the largest section of the people. Seventy per cent of our population is living in rural areas. There are about 11 crore households which are directly involved in the profession of agriculture. About 22 crore agricultural labourers are also earning their livelihood through agriculture.

Unfortunately, our agriculture is in a very deep crisis. According to the Census, in the last one decade about 71 lakh peasants disappeared from the profession. This is a very serious matter. They are thrown out due to the debts taken because of agriculture. They are pauperised. We are hearing the news of tens of thousands of peasants committing suicide every year. Of course, there are different figures of this and the State Governments do not agree that all suicides are because of agricultural debt traps, but it is a fact that a large number of peasants are committing suicide. This alone shows how deep is the crisis in agriculture.

The Indian peasant, it is said, is born in debt, brought up in debt and dies in debt. This was the situation during the British period and earlier. In the last fifty years several new developments have taken place in our country like new irrigation projects, land reforms, Green Revolution. In spite of all this, unfortunately the situation is going back to square one.

The debt trap is the most serious trap in the agriculture sector and particularly for the peasants. Whether it is rain, drought, flood, quality seeds, fertiliser, pesticide, or price, anything can become a problem for the peasant. He can be a victim of any one of these problems.

In the last 25 years, to help the peasants from these troubles, agricultural insurance was introduced. I think about five to six schemes were introduced in the country. I am sure this Lok Sabha discussed more than half a dozen times even during the term of 14th Lok Sabha about the problems of the peasants and even the insurance. But all the schemes in the last two and half decades failed. I am sorry to say that they have miserably failed [\[KMR48\]](#).

The reason is that insurance is considered as a business by the insurance companies. Naturally, in agriculture, they have to pay more than what the premiums they get. Sometimes, the National Agricultural Insurance Company is to pay two to three times more than the premiums they are collecting. But in India, it is necessary that a proper and good insurance scheme has to be brought.

In the last few years, new schemes were introduced and a very large number of persons were brought under agricultural insurance network. But at many places, it did not specify the peasants. I come from Andhra Pradesh. I read in the newspaper today that a very large number of peasants did not enrol themselves for the agricultural insurance this year. July 31st is the last date to apply for this year's crop. There are several problems. Firstly, people do not have the idea about the insurance scheme in many places. Secondly, those who have got some idea are not happy and satisfied. As a matter of fact, I should say the peasantry in our country is pessimistic about the insurance scheme in this country. It is very unfortunate. The reason is, the conditionalities to pay the insurance claims are very hard. It is outdated. In most of the places, the method of agricultural insurance is in such a way not to help the peasants but it is intended to help the societies than those who have given the loans to peasants. This is not a proper method. Evaluation for giving claims is also outdated.

In India, if there is rain in one village, there will be no rain in the neighbouring village. But the *mandals* or *tehsils* are taken as a unit. If a peasant in one village receives rain, totally all the villages will become bankrupt. There will be no rain. But insurance companies will not agree because *mandal* or *tehsil* is considered as a unit, they will not agree for any claim. There will be less rainfall in the whole area. Then only, they will agree. There is a method of calculating the loss, which is also very unscientific. They say that whatever the crop of last year – 60 per cent or 50 per cent of the last years crops if it is less than that, only then the insurance company will give the claim. If there is continuous crop loss, then, what is the meaning of putting this kind of conditionalities. If this year there is a loss, next year, loss should be less or worse, only then, they get the claim.

In Andhra Pradesh, several districts in Ravalaseema, Telangana and southern parts of the coastal districts are continuously

drought-prone. In Anantpur, out of every four years, three years will be under drought. In such district, this type of insurance is giving no result. Most of the peasants feel that even what they are paying as premium is also considered as loss. I was told that due to the pressure from various State governments, the National Agricultural Industrial Insurance Company and the Agriculture Minister has appointed an Expert Committee last year and that Committee has made some recommendations. These recommendations were sent to several States for seeking their opinions[s49].

Several States have already given their opinions; it is not just that; it is published in the Press that the State Government of Andhra Pradesh has made some recommendations that the village should be taken as a unit. Several other recommendations are also there. Unfortunately these recommendations are not accepted yet. These recommendations should be accepted.

I suggest that even the present scheme is also not very viable. Hence there is a necessity to study the agricultural insurance in different countries as to how it is getting implemented there, so that a better agricultural insurance could be introduced.

Then, the State Governments and the Central Government should pay most of the premium. The present premium, for example for this crop year 2006-07 – because of the heavy losses in cotton – is 7.5 per cent. This is a very fantastic amount. It is very difficult for a peasant who has to get loan even to purchase quality seed and fertilizer, to have it at 7.5 per cent. It is something which the middle class peasant cannot afford; I do not know whether a rich peasant can afford this; certainly a poor peasant cannot afford it, even though 50 per cent is paid by the State Governments and the Central Government for marginal farmers.

I propose that the village should be taken as a unit instead of *mandal*; indemnity level should be restored to 80 per cent for all the crops including groundnut and cotton; crop yield of a normal year should be taken as a threshold yield; separate units of General Insurance Company should be arranged for estimation of the crop yields at the district level; all crops should be covered under crop insurance; every year, some specific crops are only being covered; crop insurance should cover farmers who are not loanees of the banks also. This year, of course, in some areas, this has been introduced, but in many other places, it has not been done. The largest number of peasants should be covered. Subsidy should be given as premium by the Central and the State Governments; the Life Insurance Corporation and other insurance companies should be made a part of it. They are earning a lot of money; they are getting from general insurance and so, they have a social obligation; it should not be left only for the national agricultural insurance companies.

So, I request the Minister concerned to take into consideration all these things and a better, foolproof, pro-peasant agricultural insurance scheme should be introduced in the country.

SHRI KHARABELA SWAIN (BALASORE): Thank you. On behalf of my Party, I had gone to Andhra Pradesh, to examine why farmers commit suicide. I had found that it is basically the cash crop growers who commit suicide. It is not the grain crop growers like paddy growers who commit suicide. So, it is basically the cash crop growers who borrow very heavily from the private moneylenders who commit suicide. When the cash crop fails, they are unable to bear it and they commit suicide.

As a member of the Standing Committee on Finance, what I found is that in the priority sector lending, the banks are compulsorily to give 18 per cent loans to agricultural sector. Previously hardly there was any bank which was lending 18 per cent. Only during the last two years, after it has been forced by the Government to double the rural credit within three years, 50 per cent of them – 17 banks out of 32 – have now been able to meet the stipulation of rural credit for 18 per cent; it is a mandatory provision of 18 per cent and they have adhered to it[V50].

One of the good signs is, the banks are no longer treating the agricultural credit as compulsion. They no longer think that the Government of India has thrust it upon them. All of a sudden the agricultural credit has become a profitable proposition for the banks because we have found that the recovery for the agricultural credit is more than 70 per cent. It is much more than the recovery from the corporate sectors. So, the banks are now coming forward to lend more and more to the farmers. It is a fact.

As far as crop insurance is concern, I would say that it is a misnomer. There is nothing called insurance. It is only the Government subsidy distributed among the farmers by the banks. Banks or the insurance companies do not pay a single paisa from their fund. It is only the Government subsidy. Whatever provision the Government makes through the Budget is actually being distributed. As Shri Reddy has also mentioned, the entire block is taken as a unit. If the crop in the entire block is destroyed only then they will get the insurance benefit. Is it at all possible that the crop in the entire 50 kms block is destroyed? I fully agree with Shri Reddy that if at all the Government really want to provide insurance benefit then the Gram Panchayat or even a village should be taken as a unit. If the crop is lost in a Gram Panchayat or in a village, they should be able to get the insurance.

Hon. Minister, Shri Raghuvansh Prasad is sitting here, listening intently to the debate. I would appeal him to provide more insurance cover. I am a strong proponent of economic reforms. I never say that subsidy should be increased. I am totally against it. I would say

that in the initial phase if the Government comes forward with more money and the farmers see benefit in it, after some time they will agree to pay some premium. The Life Insurance Corporation has a scheme called Janashri Bima Yojana. This Yojana has a corpus of Rs.100 crore. If a person applies for his health insurance or life insurance and deposits Rs.100, the insurance company puts another Rs.100 from that Rs.100 crore corpus. So, for one person it has Rs.200 as the premium. If that person dies, he gets Rs.20,000. If the person dies out of accident, he gets Rs.50,000. If the person suffers from some serious injury, he gets Rs.25,000. Through this Janashri Bima Yojana, the Life Insurance Corporation is giving this much benefit. So, I would appeal to the Government also to have a corpus of Rs.1000 crore for them. There is buoyancy in tax collection. Every year the tax collection is increasing by 20 per cent. We have the GDP growth of 8 per cent every year. The Government has got the money. So, the corpus for crop insurance should be increased. I would appeal to the Minister to follow it for at least two to three years. The farmers will definitely come forward to pay the premium.

16.00 hrs.

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Lastly, the hon. Minister is very happy about his National Employment Guarantee Scheme. After all what is this National Employment Guarantee Scheme? You are only giving some money to the poor people. You are not concerned about the assets being created. So, if you can disburse money in that way, why could you not give money to the farmer who is really doing some very hard work? He is feeding the entire people of the nation. So, I would appeal to the hon. Minister that in the initial stage, the corpus for this insurance cover should be increased. You can take it to Rs.1000 crore or something like that so that gradually when the farmer sees the benefit in it, he himself comes forward to pay the premium.

SHRI RAVICHANDRAN SIPPAPARAI (SIVAKASI) : Hon'ble Deputy Speaker, Sir, "All men who live on the earth are needed to be fed", sang poet Bharathi. In order to meet the food requirements of 108 crores of people and to stabilise the balance of availability and distribution we are required to import about 35 lakhs tonnes of wheat.

We have an enormous duty to step up the production and double the production level by the year 2050. When many countries of the world on an aggregate use only 11% of their land for cultivation, we have 51% of our land as cultivable lands where crop cultivation goes on. With increased irrigation from 24% to 135%, our crop intensity has increased. We have not made much headway in food production in the last 5 to 6 years. But the incident of farmers' suicidal deaths are on the increase. We have to study the pattern. We find that suicidal deaths are more common among those who cultivate cash crops and especially cotton growers.

In order to ensure food security and to meet the need for food grains in proportion to the increasing population, farmers' needs must be attended to. Farmers must get protection both social security and crop insurance cover. Farmers must be helped to become self-sufficient. Government are expected to help the agriculturists to that extent. Farmers are not protected merely by restricting loans and reducing interest rates or waivers and special

packages to people of hard hit areas. Increasing agricultural credit fund allocation by 35% may not help much. Farmers need irrigation facilities. Our Leader Shri Vaiko always stressed the need to go in for inter-linking of rivers. Farmers must have total crop insurance. For the past 6 years, we have National Agricultural

* English translation of the speech originally delivered in Tamil

Insurance Scheme. About 25 States and Union Territories are implementing the same for the past 6 years. Punjab has not accepted Crop Insurance Scheme as yet. Farmers get three times the premium amount they pay.

There are about 15 crores of agriculturists' households all over the country. But only about 1.8 crores of them have been covered by Crop Insurance Scheme. That is a mere 14% to 15% of the total agricultural community.

For the purposes of insurance coverage and claims, the jurisdictional area is a Panchayat Union area. This must be brought down to village level. The lowest unit must be a village area. Every village must be taken as a single unit.

At the pre-cultivation stage, if the readied lands or seedlings are damaged due to monsoon failure, 20% to 25% of sum assured must be paid. Crop Insurance cover should be available to farmers even ten days after harvests. This is necessary because flood havoc affects farmers even at threshing stage.

I wish to impress upon the Government to extend Insurance cover to horticulture, vegetables and fruits also. The current yardstick of providing compensation to farmers only when the crop loss is 60% must be enhanced to 80%. Not only agricultural produce but agricultural implements and even live-stock including farmers must get a single window comprehensive Insurance cover.

We must ensure that farmers booked for insurance cover on their own after being properly apprised and convinced instead of being lured through compulsory methods. Some financial institutions that extend agricultural loans are insisting on the farmers to go in for crop insurance and they deduct the premium amount on their own thereby making it compulsory. Insurance cover should be there to save farmers from crop damage due to natural calamities, pests and insects. Only then agricultural production and thereby food grain production can be stabilized to meet the requirements of the country. With this I conclude.

SHRI C.K. CHANDRAPPAN (TRICHUR): Sir, I rise to support this Bill. The idea of the Bill is to make provision for a more peasant-friendly insurance scheme. Actually, this is the need of the hour. It is because, in our country, as we know, the agrarian economy is in crisis compelling our farmers to even commit suicide. In this backdrop, the peasants who are undergoing deep frustration, such provision for a peasant-friendly insurance would bring to them a ray of hope.

Sir, regarding crop insurance and its related problems have been mentioned by the previous speakers and I agree with the views expressed by them. More crops should be brought under the purview of Crop Insurance Scheme. It should also be made area-based, which means the farmers whose cultivable land area has been lost should also be brought under the cover of this scheme. Presently, it is village or *taluka* based. It should be based on the crop lost by a village or a *Gram Panchayat*. The loss amount should be assessed and the peasants should be given due compensation for that.

16.07 hrs. (Shri Arjun Sethi *in the Chair*)

Sir, I would like to draw your attention to certain other aspects of the problems being faced by the peasantry. This country, during the tenure of this Government, has faced unfamiliar natural calamities, like the Tsunami. Tsunami had hit the entire range of Bay of Bengal and also certain parts of the Arabian sea. Now, the Government is aware of the fact that owing to this, the Island territory of Andaman and Nicobar has got tilted in such a way that one end of the Islands has got submerged into the sea and the other parts of the Islands has gone up. Large tracts of cultivable land have been lost by the peasants. They have no hope of recovery of their lost land. They have virtually nothing to do. Their cultivable land has got submerged into the seabed.

There is a similar kind of a problem that is faced by peasants owing to certain rivers changing their course of flow. In the process of their changing their course the rivers submerge large tracts of cultivable lands. The same thing happens in the event of an earthquake.

Sir, as far as my State is concerned, and similar is the case with other coastal areas, we are faced with the problem of sea erosion. In the event of sea erosion taking place, the peasants tend to lose their cultivable land. For such cases there should be some insurance cover meant for the peasants who lose their land owing to such natural calamities [\[snb51\]](#).

So, when [\[bru52\]](#) there is Tsunami, when there is change of the course of the river, an earthquake, sea erosion, landslide, cloud burst, thunder and lightning, crops and land are destroyed. These are some of the natural calamities which destroy crops and land. So, in an insurance scheme, there should be a provision to protect the land and the peasant who is losing his land due to natural calamities. This is one area in which we should do something so that the peasant will get a little more relief out of it.

Then, insurance should not be an optional thing. Many people may not join the insurance scheme. It should be made compulsory. Then the question will come as to who will pay the premium. I think, there should be an approach on that also by the Government. The premium of the small, marginal and poor peasants should be given by the State Governments. The rich peasants can afford to pay their premium. So, compulsory insurance should be there and premium of the poor peasantry should be paid by the Government.

Another thing is that insurance is a general thing. If you examine the existing schemes, you will find that the peasants will get the benefit if there is a natural calamity, excepting the calamities which I have mentioned. But if there is a pest attack or if the crop is not growing because of certain disease, probably, most of the insurance schemes will not give protection to the peasantry.

Now, take the case of coconut. Sir, I think your State is also having a lot of coconut trees. They are badly afflicted by root wilt disease which is considered to be one of the most dangerous diseases by which the whole tree becomes useless and there will be no yield from such trees. Such a situation is there in Kerala, Andhra Pradesh and Karnataka also. In more than half of Kerala, cultivation is very badly affected. It looks as a healthy tree but once it gets affected by this kind of a disease, it would look like somebody which has got leprosy. And it would not yield anything and the peasant will not get any return out of it. The Coconut Board has a programme to cut those trees and replant them. The peasant would like to get rid of such trees and cultivate them again. But then the problem of saplings is there. You may not get disease resistant saplings. In such a situation, what is the scheme of the Government by which the peasant can be helped? So, my suggestion is, the peasants suffering from the disease affected and the pest infested trees resulting in crop loss should also be given the benefit of insurance. If these things are done, then probably, the peasants who are today getting frustrated would find a little ray of hope.

Then, there are certain other areas also which should be thought of. One of the emerging areas of agrarian economy is the cattle wealth of our country like poultry, dairy farming, etc. In that area also, insurance cover should be provided so that cattle wealth will really sustain especially the small and marginal farmers and they will get additional income from this wealth. There should be a proper insurance scheme for them.

I would like to draw the attention of the Minister to one more thing. For example, in Kerala, there is a scheme by which all the cattle in the State are insured [\[53\]](#).

If there is any loss by way of, say a death of the cow, he gets compensation. Not only that. The man who rears the cattle also gets insurance cover under that particular scheme. I would request the Government to adopt similar scheme so that the cattle wealth is well protected all over India. My idea is that you have to look at agriculture in a new context. It is not the question of just a few cash crops or production of rice and wheat. Today agrarian economy is very comprehensive. It includes many varieties of crops, cattle wealth, poultry, sericulture, pisciculture, etc. I am not going into the details of all that. A very comprehensive agriculture insurance policy should be worked out so that anybody in the agrarian field, who is contributing wealth to the country by way of doing agriculture of any kind, is given the protection of insurance. It would be difficult. But only when such a scheme is introduced, the peasant will find that there is some hope and he will find insurance useful in the times of difficulty. If such an insurance scheme is attempted, I think, we will go a long way in the service of the peasantry.

I would like to mention one thing about the cash crop and that would be my last point. Take for example, tobacco. My friends from Andhra Pradesh know about the importance of tobacco because it is one of the most important things in Andhra Pradesh.

MR. CHAIRMAN : I would like to inform the House that the time for the discussion on this Bill is over. I have a list of nine more Members who want to speak on this Bill. If the House agrees, the time for the discussion on the Bill may be extended by another one hour.

SEVERAL HON. MEMBERS: Yes.

SHRI C.K. CHANDRAPPAN : A number of cess and taxes, like excise duty, are collected by the Government on cash crops like tobacco, and even on cotton and coconut. A portion of that can be diverted to help the peasantry.

I do not say the whole sum should go towards that. A portion of that should be earmarked to protect the peasants by way of providing better insurance cover. Similarly, we can find money for all the cash crops on which various cess is collected for various purposes. If we earmark a portion of that for insurance, the cash crop cultivators can be protected. I hope the Government will consider all these things.

With these words I support the Bill.

SHRI K.S. RAO (ELURU): Sir, I congratulate Shri Saradgi for bringing such an important Bill on crop insurance. In fact, this Bill should be brought by the Government itself. I am sure every Member of the House will agree that this Bill has to be legislated very soon, without any delay. ...(*Interruptions*[r54])

But [Rs55]the only thing is that when they are in the Opposition they fight, in the Ruling Party also everyone of us want it, but the Governments, in power, will not go ahead with that irrespective of what the Party it is. It is very unfortunate. Possibly, when we discuss this matter, even the Governments in power agree that it should be brought. Only one happy event is, the fate of the farmer, when we call him, everywhere in lectures or in our public speeches, as the backbone of the country. He is the one who is suffering all the time for no crime he has committed.

Even this thinking of providing crop insurance has come during Rajiv Gandhi's time in 1986 or 1987. But it was on the basis of Mandals. They thought, over a period seeing the experience, they will make it on a village basis and later on an individual basis. But decades have passed and it has not improved.

I just want to bring one point to your notice as well as to the notice of this House. The farmer is suffering in every aspect. He is not getting the right price for the farm produce. It is unremunerative. The cost of the inputs is going substantially high day in and day out. The wages are going up. Even if his wife, children and everybody also work, he will not get that. Sometimes, what happens is that when the crop is very good and when he feels very proud that this year his crop is excellent and he will get so much income, suddenly a cyclone comes or suddenly some mishap happens and the entire crop is lost, but there is no way to compensate that.

The more miserable thing is that the existing theme which is crop insurance loan, the moment he takes a loan from a cooperative bank, they automatically deduct the premium. Once they deduct the premium, is it not ethical, moral, legal to pay him compensation when he lost the crop? But nobody takes the responsibility and they say it is only for insuring his crop alone and not the farmer. So, it is not a crop insurance at all.

Sir, if an industrialist or a trader were to lose money by virtue of vagaries of the nature and even if it is to the tune of hundreds of crores, it is being paid. When hundreds and thousands of crores are being paid to a trader, to a manufacturer, to an industrialist, who has got enough money even if he loses in that and still he can survive, why not it be given to a farmer? He cannot survive without that. That is the reason why he is committing suicide. So, is it not rational on the part of the legislatures to bring this legislation and come to his rescue?

Sir, when we go in person and discuss, the Governments in power or the Minister says that they are worried about the possible claim amount as to how many thousands of crores they will have to pay. But, anticipating the huge claim amount, should we keep quiet? If that is so, then, we must keep quiet even for the industrialist also, for the traders also.

Sir, I wish to bring it to the notice of the hon. Minister that it is not so bothering. The only thing is that we must have a will, we must have an idea, we must have a concept.

Sir, at the moment, the insurance sector is open. It is given to private sector also. The IRDA is there, the regulating authority for insurance. Even as a member of the Standing Committee on Finance, when we were dealing with the IRDA, I told them that it must be statutory for those companies that 30 per cent of the premium must be from crop insurance.

Now, the life insurance companies are making tonnes of money. The longevity of the individual has gone up from 50 years to 70 years. So, he lives longer and the profits of these companies are abnormal. So, why not share this profit with crop insurance? If all of us were to think, we can find a way.

Let us think of universal insurance. Every agriculturist has to insure his land for the crop. All that we are worried is that the man who suffered the loss for no fault of his must be covered[Rs56].

The insurance premium also will not be substantial. Under the law of probability all the lands will not be subjected to natural calamities. The man who gets good crop can definitely share one per cent or two per cent of his earnings. By distributing it like that the man who suffered for no fault of his can be saved. The Government and the institutions need not worry that they have to pay thousands of crores of rupees as claims to the agricultural farmers. The only thing is that we must have a determination to go to their rescue. It is very unfortunate. There is a need of political will and political commitment. If an agriculturist loses his crop he does not get anything, and there is no other source of income. House sites will be allotted to the Members of Parliament, to the legislators, to the bureaucrats, and to the journalists costing one crore rupees but not to the farmers.

SHRI GURUDAS DASGUPTA (PANSKURA): Land will be sold to the big corporates at a low price.

SHRI K.S. RAO : They acquire it at very low price from them and sell it to the corporates at a higher price. If these things were to go on, what right do we have in this seat when we cannot protect the farmers about whom we are talking left and right?

Another point is this. Even the daughter of a farmer who has got 15 acres of cultivable land, assured cultivation, wants to marry a boy who is working as attendant in a bank and not the son of a farmer owning 15 acres of land. This is the pathetic condition. This is a social problem also. What about the respect of the farmer? The lineman does not care for him! The Secretary does not care for him; he does not have any respect at all! The Secretary of a village is a leader; he is a big man, but the farmer is nobody. Not only money, even respect also he does not get. This is the pathetic condition of the farmer. Every one of us must resolve – no matter which party is there in the Government – that primarily we must find a way to save the farmer, and we must protect the farmer who is in distress. Every time and every year the pathetic condition of the farmer is being discussed; suicides committed by farmers are being discussed; days and hours are being spent in the legislatures. We do not want to go into the reasons why it is so. We do not try to find out the remedies. We discuss and leave it like that; we do not find a solution. If lakhs or crores of money is required from the Government, then I can understand. It is not required; it only requires a will. We can find a way without much burden on the Government. I am happy that the hon. Minister of Agriculture at great insistence said a month or two months back in the last Session that from this year, with this crop, he will provide crop insurance to the farmers. But I do not know as to what has happened. We all went to our constituencies and said that our hon. Minister of Agriculture has assured that the Crop Insurance Scheme on the village basis will be implemented from this crop year onwards. But, I do not know whether any orders are issued or whether any legislation is to be made. But, my humble request to the hon. Minister is this. Please convey to Shri Sharad Pawar that he had promised that he would bring this legislation or order for farmers from this crop year only before they start ploughing or before they start sowing the crop. I am of the definite opinion that it is not a difficult proposition. The Government need not fear that it has to spend thousands of crores of rupees. I would like to request the hon. Members from all the Parties, particularly the Leaders of all the Parties that they must hold a meeting and take a decision. We have to take this decision and protect the farmers.

With these few words, I humbly request all the Members who are present here, and I humbly request the Minister and the Leader of the Opposition who has just gone, to take a determined position to see that this is implemented from this year and from this crop itself. [\[r57\]](#)

SHRI M. SHIVANNA (CHAMRAJANAGAR): Mr. Chairman Sir, More than 70% of our people are depending upon agriculture. Agriculture is the back bone of our economy. Perhaps, because of this reason the former Prime Minister Shri Lal Bahadur Shastri said "JAI JAWAN JAI KISAN". Our farmers provide food for all of us. But unfortunately, the farmers are not getting good seeds. Even the fertilizers and pesticides are adulterated. What can the hapless farmer do? He is not getting electricity throughout the day. He has to pay heavily for electricity. The Hon. Chief Minister of Tamil Nadu has waived the loans of farmers. He is also giving free electricity to the farmers. Why don't all other states follow this magnanimous approach?

Many crops are destroyed due to diseases. Coconut trees are attacked by NUSI disease in Karnataka, Kerala and other states in the country. The central coconut board has announced an amount of Rs.250/- for cutting a coconut tree and to plant a new tree. Is this amount sufficient sir? No, not at all. It is a very meager amount. The coconut board should give at least five hundred rupees for cutting each tree (affected) and to plant a new tree. Farmers also do not have cold storage facility, food processing facility and godown facility. In addition to this they face financial crises. The farmers are charged about 6% interest on agricultural loan. Car loan is also available at 6% interest. House loan is also available at this rate of interest. What an irony? Farmers who feed all of us is not given any concession. In China the interest on agriculture loan is zero percent. Why don't we follow them such that our farmers can also prosper like them.

I would like to give my own example. Last year I had taken a loan of Rs.50000/- per acre to cultivate paddy. But I got only Rs.15,000/- from the paddy I produced in one acre. Therefore the loss for me per acre is Rs.35,000/- per acre. If this trend continues, then it encourages the farmers, weavers and other rural people to commit suicide.

A foot ball player will get several lakhs of rupees if he severely damages his toe or any other part of his body. Houses are insured, vehicles are insured. All kinds of things are insured except farmers crops. Why is this double standard in our society? Farmer has to face drought, Flood and other calamities. Therefore it is very very essential for farmers to get their crops insured. The Union Government along with State Government should come forward to help the farmers to insure all their crops. Infact, the Centre and State Governments should pay the premium amount for medium and small farmers. Land lords and rich farmers can pay their premium amount with out any financial assistance from the Government.

I heartily congratulate and thank my learned colleague Shri Iqbal Ahmed Saradgi for bringing this very vital bill for the welfare of our farmers.

Sir, I thank you for giving me this opportunity and with these words I conclude my speech.

SHRI B. MAHTAB (CUTTACK) : Mr. Chairman, Sir, it is really gratifying on my part to participate in the debate on such an important issue. This is the second Friday on which we are discussing on the Crop Insurance Bill.

Very rightly, our colleague Shri Iqbal Ahmed Saradgi has brought this Bill. Initially, I would say that the intention on which this Bill has been brought is really worth-deliberating because loss of crops of farmers is a problem, which affects the humankind not only in this country but also throughout the world. It actually ruins the families for generations. Because of natural calamity, the loss of crops ruins the families for generations, and it becomes very difficult on their part to stand erect again.

The nature of calamity that has been propounded in the Statement of Objects and Reasons, of course, is not exhaustive. If it was mentioned 'all natural calamities' there, I think, it would have been sufficient to cover everything. But I would say that flood, cyclone or pest attack on crop would be having a seasonal impact on the crops or on the farmers' economic status[\[KD58\]](#).

But continuous drought in a particular area will totally ruin not only that family but that locality of that district or the State. It has been experienced by a large tract of our country where people migrate and it works like a slow poison and weakens the society to a great extent. I would like to mention here that for enacting a legislation to support the farmers, who suffer because of natural calamity, the idea that has been put forth in this Bill is to have crop insurance.

Here the onus is totally on the Central Government. In different Sections, the hon. Member has mentioned in this Bill that the Central Government shall formulate a scheme providing for insurance of crops. The Central Government should provide the premium in respect of insurance and the State Government's proportion as may be prescribed. Similarly, the Central Government should pay the insurance amount to the farmers for the loss of crop suffered by them due to any natural calamity or excess of crop where the return is less.

When you give the total responsibility to the Central Government, it will be interesting to find out what is the response of the Central Government relating to this Bill. A number of Members, who support this Government, whole-heartedly claimed that we support this Bill. But, there is certain inherent problem relating to crop insurance policy in our country.

I would like to draw the attention of this House and also of the Minister, through you, Sir, that for the last two-and-a-half decades, crop insurance scheme is in force in our country. I think more than eight crop insurance schemes have been in force in the tenure of

different Governments.

Last March, the Minister of Agriculture had announced in this House the formulation of a new Agricultural Insurance Scheme. I am sure it is not the last of its kind. Many more will come. More than half a dozen farm insurance schemes have been tried out in the past two-and-a-half decades but not one has worked. Successive insurance models proved unsustainable because they were neither economically viable nor suited to cover the varied risks that beset crop farming.

When we talk about crop insurance, it is not only the interests of the farmers that has to be discussed but also the insurers, the companies which are going to insure or engage themselves because insurance is a business. The manner in which this Bill has come, perhaps, the Member wants to impress upon the Government or this House that it is not a business. If the Government agrees that it is not a business, then the Government can dole out funds as has been suggested by very many Members to support this scheme.

If you treat it as a business, then you have to take both the parties and their interests in view. To my mind, insurance is a business. Accordingly, not only one nationalised insurance company, which is doing crop insurance today, but a number of private companies have also come in. When you treat it as a business, it has to be remunerative[m59].

That is why the existing National Agricultural Insurance Scheme which is today in vogue, had to cope up with claims – this is just a figure which I am giving – worth Rs. 5,730 crore. This was the claim which is more than three times the premium income of Rs. 1,700 crore. The premium acquired by this scheme was Rs. 1,700 crore and the claims were of Rs. 5,730 crore. How would the insurance company function in such a situation? Do you expect the Government to provide the funds? Is it feasible? Is it possible?

We want to incorporate all farmers into this scheme and that should be the intention. But how much can the Government cope with that? Can they provide that fund? One should realise that the agricultural insurance is an inherently complicated business because of the many risks involved in farming. A new Joint Group has been appointed by the Government which has suggested to have village panchayats as the unit area for its operation and the guaranteed yield level based on the best five of the last seven years' actual yield for calculating the compensation to be paid. These are the two major factors to determine how much premium has to be paid, how much compensation has to be paid in times of calamity in relation to insurance.

Twenty years back the Block or the Panchayat Samiti was that unit area. Now a suggestion is there and that note has been circulated to different State Governments for their views that the Gram Panchayat should be the unit. But here lies the problem. I would expect the hon. Minister to clarify on that, if he can, or the mover of this Bill also should ponder over it. To calculate the yield of a particular area, the Agriculture Department has certain reports relating to the Talukas or the Mandals or the Panchayat Samitis or the Blocks. Do you have them for a Gram Panchayat? That is the essence on which an insurance is to be made. If you do not have those reports for Gram Panchayat, how is this insurance going to be feasible? When you are going to have for seven years, and out of them, the five years of the best of produce of that area, that will also lead to a number of problems. This is bound to create problems in the absence of a reliable data. I am using this word 'reliable' because many times different State Governments can also manufacture panchayat level unit data. So, one has to be honest to rely on the past many years.

Now, I come to the major issue of this National Agricultural Insurance Scheme which has started since 1999-2000 and a Joint Group has studied the unit area about which I have already mentioned. I am constrained to say that the Government is still considering a Report which was submitted on 20th December, 2004 and they are yet to come out with a concrete proposal. How long will it take?

The National Agricultural Insurance Scheme is operating on the basis of area approach, that is defined area for each notified crops, for widespread calamities and on individual basis for localised calamities such as hailstorm, landslide, cyclone and flood. But this individual based assessment which is a case of localised calamity, is being implemented in a limited area on experimental basis. The whole country is not covered though the National Agricultural Insurance Scheme says all farmers are covered – both for loanee and non-loanee[krr60].

At the same time, we come to know that it is in a limited area, it is in respect of localised calamities and it is on an experimental basis. Everything seems to be on an *ad hoc* basis. How do you expect, Shri Saradgi, that this scheme is going to fructify and give results to farmers? It is expected that under this scheme, each participatory State and Union Territory is required to reach the level of Gram Panchayat as a unit of insurance in a minimum period of three years. At present, the scheme is being implemented only by 23 States and 2 Union Territories. That leaves out a large number of States. Under NAIS, during the last 11 crop seasons - from 1999 to *khari* 2004 - only 6.24 lakh farmers have been covered over an area of 10.12 crore hectares. This is a big country with large number of farmers and this is the number of farmers who have been covered! This clearly demonstrates where we have reached and how far we have to go. My suggestion here would be that the Agricultural Insurance Company of India is preparing for a gradual shift to the actuarial assessment of premium for crop insurance from the current flat rate system. Today itself, the Actuaries Bill has been piloted by the Minister of Finance and only one hon. Member has participated. That Bill deals with insurance also. The major component of

that Bill is regarding insurance. It is really heartening to note that we are also discussing insurance during Private Members' Business.

Here, I am referring to the actuarial assessment of premium for crop insurance. At present whatever schemes we have, we have a flat rate system of insurance. Unless we migrate to actuarial system of insurance, to my mind, the farmers will not benefit. Once we do that, it would imply that cultivator of a steadier crop would pay less premium while those engaged in riskier crop would pay higher premium. From the insurer's point of view, it would mean that while premium will be subsidised, claim pay-outs will not be subsidised by the Government. I would like to know from the hon. Minister whether the process of shifting to the actuarial system has already been underway.

In major crop insurance markets such as USA, Canada and Spain, the support of the Government is in terms of upfront subsidy in premium while the claims are left to the insurers. The insurance company is additionally supported by the Government on reinsurance and payment of administrative expenses. Shri Suparas Bhandari, the Chairman and Managing Director of AIC is of the opinion that a flat rate system is financially unviable in India, but the actuarial premium rates would have to be supported by adequate level of upfront subsidy in premium, keeping in mind the affordability of the farmer.

One can understand from the figure given below about the half-hearted manner in which crop insurance business is being done. The crop insurance market for 2004 raked in the premium of about Rs. 550 crore at administered rates, which, on actuarial rates, could be approximately Rs. 2,200 crore. Therefore, there is a need for further capital infusion [\[S61\]](#).

I would like to conclude with these words. The agriculture in our country is non-remunerative, if not a losing proposition, and it is too well known to merit repetition. Nearly, 3/4th of the Indian farmers take home less than Rs. 3,000 a month, that is, roughly 60 per cent of the starting salary of a Government Attendant. There is more to be done by the Government, and more to be done by all of us in a concerted way. Let us migrate from flat-rate insurance to the actuarial basis. This would be the best way of helping the farmers.

SHRI BIKRAM KESHARI DEO (KALAHANDI): Thank you, Mr. Chairman, Sir. I rise to support the Crop Insurance Bill, 2005 piloted by Shri Iqbal Ahmed Saradgi. I think that it is high time that the Government started thinking of bringing a comprehensive Bill on crop insurance. I am saying this because it deals with the life of 70 per cent of the population whose livelihood is in the agriculture sector. Most of the rural populace and the farm labourers -- who are allied with agriculture activities -- depend on agriculture.

Today, the Indian farmer is the most unsecured person in the country. He is subject to floods, natural calamities, distress sale, and many other vagaries of nature. Whenever we provide relief from such vagaries of nature by bringing an amendment, a new type of natural calamity crops up. The farmers are facing this sort of situation due to climate change, and new environmental conditions developing every year. There has been a big climate change everywhere. Therefore, the farmer is subject to face all these conditions including erratic rainfall, distress sale, etc. He also does not get a right price for his crop. This Bill would give him some type of protection for the same.

I would also like to mention about the Insurance Regulatory Authority, which was created a couple of years back, where up to 26 per cent FDI was allowed in the insurance sector. At the time of piloting this Bill, it was assured by the Government at that time -- whosoever was in the Treasury Benches at that time -- that the private companies and the foreign companies that are coming in the insurance sector would go to the rural India. I was going through the Chartered Accountant Report about four months back, and it is mentioned there that nearly 90 per cent of the rural population is not covered by insurance. Only the urban areas are covered by the insurance sector. I am sorry to state that this shows the seriousness of the Government in implementing crop insurance in this country.

We have entered the WTO stage where we have become global players where we have to compete with other developed countries that are giving subsidies to their farmers at will, and giving insurance to their farmers at will to protect them. Therefore, it is the duty of any Government to make the largest occupation in the country, that is, agriculture, a secured sector. A security shield should be given to them. For example, the Government has come up with the NREGP, but there is no insurance cover in it. There is just a disability allowance or some such type of allowance provided in it. At that time we had deliberated that insurance cover should also be given to the rural people as it has become very important considering these facts.

I was hearing other hon. Members who took part in this discussion, and everybody was demanding that the unit for insurance should

be a village, and not a block or a mandal. The change in climate has reached such a scale today that in one part of a district you might get rain whereas in another part of the same district there will be no rain or there will be hailstorm[\[ak62\]](#).

17.00 hrs.

Unless you make village a unit, you cannot pinpoint the damage that the natural calamity has caused to the farmer. It will be difficult to assess and the farmer will never get any benefit. For example, there is drought in a State, in a district, or in a KBK area of Orissa. You will see that the rainfall is so erratic that if there is drought in a certain portion of the district, it affects the whole district, and those *panchayats* which have been affected are really subjected to all types of disadvantages. Therefore, the Insurance Bill is a good Bill, and the Government should not delay it. In the next Session, they should come up with a comprehensive Bill so that the farmers can get their due.

When 20 per cent FDI is allowed in the insurance sector, you must tell the foreign investors in the insurance sector that they should go to the rural areas because a majority of the Indian population lives in rural areas. They are only functioning in the urban areas as of now. If these people go to rural areas, it will create employment. We are reading in newspapers and also in various reports, including on television, that with the FDI coming into the insurance sector, nearly two lakh additional jobs will be created in the country. However, we have not been able to see that till date.

There should be a uniform crop insurance scheme. Suicides by farmers are becoming very common everyday under the UPA Government. It is becoming very common in Andhra Pradesh, Maharashtra and other States. This is due to bad money lending; it is due to the local moneylenders that this type of situation is arising. This is relevant to cash crops like sugarcane where the farmers in the States of Andhra Pradesh and Maharashtra are very advanced as they want to get maximum output from the agricultural land. They put all their money and when the crop fails, they are broken financially and economically, which is leading to suicides. This is one of the main reasons. It is the duty of the Government to give them protective shield so that they can fall back on something, otherwise there will be distress sales.

Today, the farmers are not getting the right prices. There have been instances in rice-growing areas where farmers have sold all their goods to private traders, whereas last year, the FCI could not procure enough. A few hours back, I was hearing the Finance Minister replying to the debate on the issue of price rise. He has rightly said that a balance should be maintained between prices for the farmers and the prices for the consumers. Unless the insurance schemes are applicable to the farmers, you cannot be assured of the returns that you expect from the landholding. Therefore, it becomes very important to secure the farmers through the insurance shield.

The innovative insurance scheme was started by the NDA Government, and nobody can object or deny it. But it has to be operated and implemented in true spirit. Then only it could be beneficial for the farmers.

I was going through LIC scheme giving social security to agricultural labourers. In this regard, I would like to say that the produce stored in the FCI and State Warehousing godowns should also be insured and, against that, the farmer should be able to get some remuneration so that he can plan his next crop[\[R63\]](#).

The insurance cover should be such that it should cover all crops be it horticultural crop, be it cereals, be it pulses. Pest attacks should specifically be covered by crop insurance immediately. The gestation period in the case of horticultural crops is long. If you plant a coconut tree or a mango tree now, it will take years before they yield fruit. After the crop comes, diseases start afflicting the fruits. Hon. Member from Kerala Shri Chandrappan just described how some disease affected the coconut plantation in Kerala and completely destroyed the economy of the State. Where can the farmer go in such situations?

This is a very healthy Bill but it has to be looked into in depth by experts. The Actuaries Bill which is going to be discussed proposes to create a body of people like Chartered Accountants. I hope it will further assess the future prospects of crop insurance. Therefore, I congratulate Shri Saradgi for piloting this Bill.

the farmers, 50 per cent of it is borne by the Central Government and fifty per cent is borne by the concerned State Government. But because of poor financial conditions, many of the States are not able to deposit their share of money at an appropriate time and, therefore, the disbursement of compensation to the farmers is being delayed. As a result the farmers are suffering. My contention is that it should be made time-bound. In the Bill itself, it has been proposed that within two months of the loss assessment, the insurance amount should be given to the farmers. My proposal is that if the general insurance company or for that matter either the Central Government or the State Government fails to deposit the amount to be compensated to the farmers, the interest for the delay made should be paid to the farmers. If a farmer is taking credit from some bank or cooperative society and if he is not able to repay the loan in time, he has to pay interest. Similarly, interest has to be paid to the farmers for the delay made in payment of the compensation. This provision should be made in the scheme itself. If the Government proposes to come out with a Bill, then this provision should find a place in the Bill also.

I would like to say that the whole amount should be borne by the Central Government. It has been mentioned by Shri Mahtab. I do not know whether the Central Government is going to agree to this. The financial condition of most of the States is not very good. So, the entire compensation amount should be borne by the Central Government.

Almost all the Members have talked about the unit for crop insurance. So far the block is taken as a unit. In this House, on several occasions Members from all sides have been demanding that village should be made a unit and if it is not possible then at least Gram Panchayat should be made a unit. I remember, while replying to the Demands of the Ministry of Agriculture, the hon. Minister of Agriculture had committed to the nation, to the farmers of the nation through this House that in the next kharif season, the Gram Panchayat will be made a unit for the purpose of paying compensation. I hope the Government will fulfill its commitment to the House and as soon as possible make Gram Panchayat as a unit.

Another point I would like to make has been referred to by many Members. So far the compensation amount is borne by the State Government and the Central Government. I would like to know the role of insurance companies in this. My friend from Kalahandi, Shri Deo was talking about this. A number of multinational companies have entered into the insurance sector of our country [\[R67\]](#).

Do they not have a role to play? Our main motto is that they should move to the rural pockets but so far most of the multinational companies are confined to big houses, big cities and big towns. They are yet to move to the rural pockets. So, why should these insurance companies not be allowed in the crop insurance sector? If I am correct, a few months back one or two companies like ICICI Lombard and the Agricultural Insurance Company of India were gearing up to sell their products in the crop insurance sector. But I do not know how far they have progressed. Why do the Government not make it compulsory on the part of the multinational companies which are already in the insurance sector in our country to at least enter into the crop insurance so that there is competition? With the result, better terms and conditions would be available to the farmers so far as crop insurance is concerned. Therefore, the Government should also take this into consideration.

As you know, the crop insurance was introduced during Rajiv Gandhi's time in 1985. But during the tenure of NDA Government, a comprehensive scheme was introduced and better provisions were made. But still it is incomplete and insufficient and it is not hundred per cent farmer friendly. Not even 15 per cent of the farmers of the country have been covered so far under the crop insurance scheme. One more important point is that sometimes the farmers are hesitant to deposit their premium and be part of the scheme. It is because year after year they are depositing the premium but they are deprived of insurance money because of the clumsy system of assessment of the crop loss. As has been mentioned by many Members, the present system of assessing the loss of crop is so clumsy, so unscientific and so anti-farmer that in most parts of the country the farmers are not getting any benefit in the case of natural calamity and crop loss. Therefore, this clumsy assessment system has to be very effectively changed.

Sir, it is a question of habit. Unless we create a habit amongst the farmers to go for the crop insurance, nothing can help them. Therefore, to create a habit and awareness amongst the farmers, this scheme has to be made more farmer friendly, more easy and more lenient. As I said, there should be competition in this and naturally the State Governments and the Central Government should be parties to this. Let the crop insurance sector be opened to other companies also. With the result, there would be competition and when there is competition, the terms and conditions of the insurance will be more pro-farmer.

With these words, I would again urge upon the Government to come out with a Bill as soon as possible for a comprehensive insurance policy. Let it be there by an Act of Parliament.

SHRI J.M. AARON RASHID (PERIYAKULAM): Hon'ble Chairman, Sir, let me have the privilege to speak in Tamil on this subject. At the outset, I would like to thank my colleague Shri Iqbal Ahmed Sardagi for introducing this Bill to legislate for providing insurance cover to the farming community and it is very important a need felt by farmers across the country. Agriculture forms the basis of an economy and it is vital to our country. My Periakulam Constituency is a valley region near

hilly terrains and, hence, remains a fertile area with much of agricultural activity. Cardamom estates, tea plantations, coconut and mango cultivators, cotton growers are there. Small farmers are cultivating garlic and potatoes there. Those farmers have not got adequate protection through Crop Insurance Cover and Social Security Cover. Many Hon'ble Members pointed out to the prevalence of suicidal deaths of farmers in Maharashtra and Andhra Pradesh. As far as Tamil Nadu is concerned, the farmers have a sigh of relief and there are no starvation deaths. The present Chief Minister of Tamil Nadu, Dr. Kalaignar Karunanidhi, takes care to improve the lot of farmers. He has extended several incentives to promote agricultural production. Recently the Tamil Nadu Chief Minister who is heading the DMK Government there has extended farmers a benefit to the tune of about Rs.6500 crores to help ease the credit burden of agriculturists and farmers. This has been extended to service to debts and to wipe out the heavy interest burden. The Government there has waived the loan of the farmers earmarking funds to the tune of about Rs. 6500 crores. Two weeks back at a function in my constituency I myself had given back to farmers their deposited documents, the pledged documents. So if you want to improve the plight of the farmers every Government has to follow Tamil Nadu Government's policy and the Government at the Centre must chalk out social security measures for the farmers and insurance cover for their entire agricultural activities.

* English translation of the speech originally delivered in Tamil

Australia, Canada and Israel give more importance to agriculture. In our country every half-an-acre and one acre of land are cultivated separately. The patterns of land holding and cultivation must improve. A vast stretch of land must come under cultivation so that better care for a single crop in a scientific way with modern agricultural methods can be taken up. So the minimum unit for a cultivation must be 5 acres of land. Drip irrigation and spray irrigation methods adapted in those countries can help the farmers to save water. More crop cultivation with effective water management spending less water could become a reality here.

Crop management with water conservation to the fore shall help us to increase our production ensuring optimum utilisation of land under cultivation. Our progress and prosperity is dependent on agriculture because 80 to 85% of our population have taken up agriculture as their occupation.

When Mrs. Indira Gandhi was at the helm of affairs a programme called PL480 was there. Import of rice and wheat was taken up under that programme. After Shri Rajiv Gandhi assumed power at the Centre we attained self-sufficiency in food grain production by way of extending green revolution methods all over the country. Rice, maize, wheat, other cereals and pulses were grown in our country. Even sugarcane production was augmented. Now, our Government headed by Dr. Manmohan Singh and led by the UPA Chairperson Mrs. Sonia Gandhi has recently imported about 30 lakh tonnes of wheat. This step has been taken only to ensure adequate storage is on hand. Enough stock is in place to a satisfactory level.

Our farmers do not get remunerative price. That is why we have to adopt integrated marketing system. Schemes like Uzhavar santhai (farmers market) must be introduced. Farmers can take their agricultural produce themselves directly to the market and sell them at remunerative price. This will help the farmers to overcome debt burden. This may help us to remove the problem faced by the farmers that lead them to think of suicide at least in some cases as it happens in some parts of the country. In Tamil Nadu the Uzhavar Santhai scheme has been re-introduced by our Hon'ble Chief Minister, Dr. Kalaignan. I urge upon the Union Government and the Agriculture Minister Shri. Sharad Pawarji to take up this scheme to help benefit the farmers enabling them to get remunerative price for their produce. Through the Chair I would like to request the Government to consider this.

As far as cardamom is concerned, in whole of India, it is grown more in Theni District which is in my Periakulam constituency. Cardamom that used to fetch Rs.650 per kg can get only Rs.150 or Rs.200 now. Bodi is the only Auction Centre for cardamom in India. In Bodi for the past ten days even auctioning of cardamom has been stopped. This is due to fall in prices. Cardamom from neighboring country Sri Lanka and distant Guatemala enters India through Nepal. This contraband produce affect the price of India grown cardamom. The cardamom that clandestinely enter Indian market affects the price of cardamom grown by Indian agriculturists. Many of them find it difficult to go ahead with cultivation. They are swayed by fall in prices on the one side and increase in price of inputs like pesticides and fertilizers on the other side.

Increasing production cost due to rise in price of agricultural inputs and fall in prices of the produce due to smuggling in of cardamom pose a great problem. Union Government must take effective steps to check the illegal import of cardamom and other spices. How can cardamom be smuggled from Sri Lanka. Government alone with stern measures can put an end to this menace and can save the farmers especially the cardamom growers there. More than one lakh hectares of land in my constituency has been dedicated to tea plantation. Tea estates also face severe problems these days due to cost escalation in

managing the affairs both towards input costs and meeting overhead expenses. Pesticides and fertilizers cost more. It affects plantation. Estate workers could not get wages in time. Even plucking has been abandoned by many estate owners as maintenance itself give rise to huge expenditure. Tea cultivation and such crops must get insurance cover. Coconut growers encounter serious problems due to new kind of pests these days. The size of the coconut has grown small now. Due to pests and unknown diseases size of coconut has become small now. Coconut growers who got Rs.8 to Rs. 9 per piece could get only Rs 2 or Rs 3 now. Coconut Board must take effective steps to get pesticides and fertilizers and to save coconut trees.

There are Boards for Coconut, Cardamom and Tea. Whereas mangoes that are grown in plenty do not have a Board to take care of the growers. In my Periakulam constituency plenty of mangoes are grown. But enough of storage facilities and marketing support are not there. Even small rain can affect the mangoes that grow. Carbon Hydride a chemical substance is being used to ripen the mangoes. This is injurious to health apart from affecting the taste of mangoes. Hence I would like to bring to the notice of the Government the need to set up a board for protecting the interests of mango growers.

The garlic growers and potato growers who cultivate them remain to be small farmers and they do not get insurance cover and protection. Those cultivators in the hill tracts often face huge losses due to landslides. Small rivers there must have check dams at every second kilometer. This would help providing needed water source for cultivation round the year in the hilly terrain. Water shall be conserved from flowing away as flash floods.

Water for irrigation is available for 3 months a year. With the check dams in place availability of water can be ensured for a longer spall even through out the year. Irrigation facility can definitely help the farmers much better than any other possible intervention and their problems will be much reduced. Debt burden can be brought down.

When it comes to crop protection, insurance cover can be provided to help the farmers with the assistance from both the Centre and the State Governments. We have to give them subsidised rate of premium. All farmers can get the benefit only when premium rate is kept at a low through assistance from the State and the Central Governments. Farmers can not afford higher premium and hence it needs to be brought down.

Subsidised transport facility may also be provided to farmers so that agro-produce are collected from remote areas and taken to the marketing centres. For instance mango growers in my constituency find it a problem. Though mangoes are being exported to Singapore, Malaysia, and other countries. Indian mangoes go to US even. Exporters must get subsidy especially for transporting them to ports from the orchards in the remote areas in the hilly terrain. You must make exporting of cardamom, coconut and mangoes lucrative and remunerative by way of giving a cushion through incentives like transport subsidy.

When it comes to giving protection cover to crops it should not merely stop with insurance cover it should be in the form of providing pesticides, fertilizers, implements like machines, farm equipments like tractors and modern techniques in cultivation.

Hence I would like to impress upon the Government the need to create a situation and conducive atmosphere for the farmers to contribute to the economy of the country. A comprehensive crop insurance scheme shall benefit farmers giving even social security to them. This will arrest the trend of suicidal deaths of farmers.

Farmers Security Scheme and Farmers Market Scheme are two important and beneficial schemes that are in Tamil Nadu. These two schemes must be extended to other parts of India.

Crop Insurance Scheme is an essential one and its benefit can accrue better if villages are taken as a unit instead of having a district as a unit for extending benefits. Crop loan should not be commercialized. All those who are working in the fields must get social security cover and that alone make this Insurance Scheme meaningful.

By way of taking care of farmers and crops, we can increase agricultural production that will contribute to the country's economic prosperity. Your guarantee, support and assistance through Insurance Scheme can reach farming community only when it is implemented as a comprehensive one benefitting both the men and the process involved in this noblest occupation from time immemorial. With this, I conclude my speech.

SHRI K. FRANCIS GEORGE (IDUKKI): Sir, let me at the very outset congratulate Shri Iqbal Ahmed Saradgi for having come up with this very important Bill. It has caught the imagination of all the sections of the House because agriculture is a subject which is very much supported and encouraged by every section of this House. It is a subject which is very close to the heart of every section of this House. We have come to the fag end of the discussion. My esteemed colleagues who spoke before me stated many things about the present day crisis in the agriculture sector. All were unanimous in their opinion that we have to support this most vital sector, which is the backbone of our economy, in whatever possible way that is available to us. We have to provide new scientific methods to our farmers; we have to provide them with very low interest loans; and we have to provide them with quality inputs.

We face a lot of unemployment in this country. It is true particularly in the case of Kerala, with a population of 45 lakhs of unemployed youth in that State. Agriculture is the only sector where we can find more employment. Of course, I know, the Planning Commission differs from this view. Some time ago, in a Consultative Committee meeting, the Deputy Chairman, Planning Commission, Dr. Montek Singh Ahluwalia, said that the country should aim at taking people out of agriculture activity. He said that there is a lot of disguised employment in this field. So, he said, the aim should be to reduce the number of people engaged in agriculture.

Maybe from the national perspective and maybe from a purely economical point of view, that may be right. But we who are coming from South, especially those of us who come from Kerala, believe that only in agriculture we can find more employment. If agriculture can provide sufficient income to our youth, which is available in other sectors of the country, more and more youth will be attracted to take up agriculture as their profession. Youth coming to this sector can revolutionise this sector. It is because they are prone to new ideas and they can take up new scientific methods to improve production and to reduce cost. The bane of our agriculture, as the experts say, is the high cost of production. The quantity produced is also low in our country as compared to other countries.

Now, our farmers are competing not just in the local markets and local *mandis*. They are competing in the international markets too. So, when they compete in the international market, they have to be protected and supported in every possible way. In this Bill, in the Statement of Objects and Reasons, it is said that farmers always suffer heavily due to flood, cyclone, drought and rains. That is right. But, now Indian farmers suffer also because of international market conditions. So, they have to be protected on that count also [\[r68\]](#).

In [\[Rs69\]](#) addition to natural calamities and all that, now, as we know, due to stiff competition from abroad, due to heavy imports, there is very low price realisation for almost all the agricultural products.

We have lots of trade agreements. We have the Indo-Sri Lankan Tea Trade Agreement. We have the multi-lateral SAFTA Agreement with SAARC countries. Now, we are going to have the Indo-Asian Trade Agreement. Statistics may say that our exports are more to these countries than imports from these countries. But it is a fact that cumulative effect of all these imports stands out to be very detrimental to the ordinary, small and marginal farmers of this country. So, they have to be protected from the vagaries of the international market conditions also as we have reached such a stage.

So, what I would like to bring to the notice of the hon. Minister that the assistance that is being given by way of tiding over the natural calamities from the Calamity Relief Fund and National Calamity Contingency Fund is very meagre. It is not even worth as compared to effort that is being made by the ordinary farmer to get this assistance.

Some time back, there was a scheme called Price Stabilisation Fund to protect the cash crops. But then there were no takers because the scheme was not well founded, not well thought of and there were hardly any farmers to subscribe to this scheme. One thing is very clear that crop insurance is a critical relief measure to reduce the inherent risk in farming. We already have an agricultural insurance company and the National Agricultural Insurance Scheme is in place. But that does not cover all the crops. In the Bill itself, a few crops have been mentioned. We have to cover all the cash crops, all the spices, all the horticulture crops and all the crops in the country. We have to cover all of them because we have reached such a stage. So, I would request the hon. Minister to include all the crops, all the food crops, cash crops, spices and horticulture crops under this crop insurance scheme.

In the case of Kerala, I would like to cite an example, under the National Agriculture Insurance Scheme only paddy, topeoca, banana, pineapple, turmeric and ginger are covered. We have a host of other crops too, like cash crops, spices, etc. They are the ones who face the most difficulty now because they are cultivated in the high ranges, in the hilly areas of the State and whether it is rains, floods or drought or international market conditions. These crops are affected by all these factors. So, I would request that our

