

Fourteenth Loksabha

Session : 8

Date : 14-08-2006

Participants : [Pawar Shri Sharad Chandra Govindrao](#), [Pawar Shri Sharad Chandra Govindrao](#), [Saradgi Shri Iqbal Ahmed](#), [Rawat Prof. Rasa Singh](#)

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Title : Further discussion on the motion for consideration of the Crop Insurance Bill, 2005 by Shri Iqbal Ahmed Saradgi on the 12th May, 2006 (Bill Withdrawn).

MR. CHAIRMAN : The House shall now take up Item No.21 - Further consideration of the following motion moved by Shri Iqbal Ahmed Saradgi on the 12th May, 2006, namely:-

“That the Bill to provide for insurance of crops and for matters connected therewith, be taken into consideration.”

Shri Laxman Singh - Not present.

अब मंत्री जी इस बहस का उत्तर देंगे।

THE MINISTER OF AGRICULTURE AND MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR): Mr. Chairman, Sir, I am thankful to the Members of this august House who have participated in this important discussion and expressed their concerns on this vital issue of the farming community. The main objective of the Bill is to provide for insurance of crops and for matters connected therewith.

Briefly, Clause 3 and Clause 5 of the Bill provide for the formulation of a Crop Insurance Centre and payment of premium by the Central Government and State Governments[\[KMR25\]](#).

Clause 6 provides that it shall be the duty of the Central Government to pay to the farmers the insurance amount for loss of crops. Clause 8 provides for supply of all essential commodities to farmers for their daily needs free of cost till they recover the loss, etc.

The Bill, if enacted, would likely to involve annual recurring expenditure of Rs.500 crore from the Consolidated Fund of India. A non-recurring expenditure of about Rs.50 crore has also been indicated.

To protect the farmers against losses due to crop failure on account of natural calamities and to restore their credit worthiness for ensuing crop season, a Comprehensive Crop Insurance Scheme (CCIS) was introduced in the country with effect from Kharif, 1985. The participation in the scheme was voluntary and States/UTs were free to opt for the scheme. All farmers who availed crop

loans from Commercial Banks, Regional Rural Banks and Cooperative Banks for growing wheat, paddy, millets (including maize), oilseeds and pulses were eligible for coverage under the scheme. Since inception of the scheme, 19 States and three Union Territories participated in it, in one or more seasons. CCIS remained under implementation till Kharif 1999.

With a view to enlarge the coverage in terms of farmers (loanee and non-loanee both), crops and risk under crop insurance, Government introduced 'National Agricultural Insurance Scheme (NAIS)' from Rabi 1999-2000 season in the country.

The scheme is available to all the farmers – loanee and non-loanee both – irrespective of their size of holding. It envisages coverage of all the food crops (cereals, millets and pulses), oilseeds and annual commercial/horticultural crops, in respect of which past yield data is available for adequate number of years. Among the annual commercial/horticultural crops, 14 crops, viz. sugarcane, potato, cotton, ginger, onion, turmeric, chillies, pine-apple, annual banana, jute, tapioca, coriander, cumin and garlic have already been covered under the scheme. All other annual commercial/horticultural crops will be placed under insurance cover in due course of time subject to availability of past yield data.

The premium rates are 3.5 per cent (of sum insured) for bajra and oilseeds, 2.5 per cent for other Kharif crops; 1.5 per cent for wheat, and two per cent for other Rabi crops. In the case of commercial/horticultural crops, actuarial rates are being charged. Small and marginal farmers, at present, are entitled to a premium subsidy of 10 per cent.

At present, the scheme is being implemented by 23 States and two Union Territories. During the last 12 crop seasons (i.e. from Rabi 1999-2000 to Kharif 2005), 7.51 crore farmers have been covered over an area of 12.20 crore hectares insuring a sum amounting to Rs.70,696 crore. Claims to the tune of about Rs.7,207 crore against the premium income of about Rs.2,226 crore benefiting more than two crore farmers is the outcome of implementation of the NAIS so far.

At the initiation of Government of India an exclusive organization namely, Agriculture Insurance Company of India Ltd. (AIC) has been established by nationalised general insurance companies and NABARD for effective implementation of this Scheme.

I have been informed that many Members have given their valuable suggestions on this issue. Most of these suggestions are with regard to making the existing NAIS more comprehensive and attractive to the farmers. Shri Jai Prakash, Shri S.S. Reddy, Shri C.K. Chandrappan, Shri Ravichandran, Shri B. Mehtab, Shri Mitrasen, Shri K. Francis George have desired to include more crops and unit area of insurance should be a Gram Panchayat or village[s26].

Hon. Members Shri Prasanna Acharya, Shri Shailendra Kumar and Shri Jai Prakash wanted that farmers should get their insurance claims timely. Hon. Members Shri C.K. Chandrappan, Shri M. Shivanna and Shri Mitrasen have desired to make crop insurance scheme compulsory and premium payable should be borne by the Government. Shri Balasaheb Vikhe Patil and Shri Ravichandran Sippiparai suggested that it should provide insurance cover to pre-sowing risk and post-harvest losses. Besides this, many other important suggestions like proper calculation of

threshold or guaranteed yield in case of continuous drought situation, setting up of a Rainfed Authority to provide coverage to the losses of agricultural land due to erosion, flood, etc., to increase the coverage of farmers and to introduce actuarial rates of premium, etc., have been given.

I want to inform you in this regard that under the National Common Minimum Programme, the existing crop insurance schemes are required to be re-designed so as to make the scheme more farmer-friendly. Accordingly, a Joint Group was constituted by the Government to study the improvements required in the existing crop insurance schemes.

The Group has made in-depth study of the related issues and has already submitted its report. The Group has made a number of recommendations. The important recommendations are in respect of reducing the unit area of insurance to gram panchayat for major crops, improving the basis of calculation of threshold yield, higher indemnity level of 80 per cent and 90 per cent, coverage of pre-sowing and planting risks and post-harvest losses, to provide personal accident insurance cover and package insurance policy, etc. The report has been circulated among the States and Union Territories for their comments and views. Based on the recommendations of the Joint Group and the views of the implementing States and Union Territories, the Government, at present, is in the process of reviewing the scheme.

The Government has already introduced the National Agricultural Insurance Scheme, as explained by me and it is in operation from the Rabi of 1999-2000. It provides for coverage of all categories of crops, except perennial horticultural, as well as farmers, loanee and non-loanee farmers both, and a reasonably good coverage of risk – up to the value of threshold yield in normal course – is provided under the scheme. Further, to make the scheme more attractive to the farmers, the scheme is being modified, keeping in view the recommendations of the Joint Group.

In view of the above, there seems to be no need to have a parallel scheme. I, therefore, request Shri Iqbal Ahmed Saradgi, Member of Parliament, through you, Sir, to withdraw this Bill.

I, once again, thankful to all the hon. Members who have participated in this discussion and have made valuable contribution.

सभापति महोदय : माननीय मंत्री जी के इतने सुंदर उत्तर के बाद क्या माननीय सदस्य इकबाल अहमद जी कुछ कहना चाहेंगे?

SHRI PRABODH PANDA (MIDNAPORE): Sir, I just want to seek one clarification.

MR. CHAIRMAN : I have called Shri Saradgi.

...(ब्यवधान)

सभापति महोदय : मंत्री जी अपनी बात कह चुके हैं, अब क्लेरीफिकेशन बाद में होगी।

प्रो. रासा सिंह रावत : सभापति महोदय, मेरी प्रार्थना है कि वर्तमान में फसल बीमा का निर्धारण तहसील स्तर पर किया जाता है, जब कि ग्राम पंचायत स्तर पर इसका निपटारा किया जाना चाहिए, क्योंकि तहसील का क्षेत्र बहुत बड़ा होता है। कई दफा एक

तहसील के एक भाग में फसल का नुकसान होता है और दूसरे भाग में नहीं होता। इसलिए इसका निर्णय पंचायत स्तर पर किया जाना चाहिए।...(व्यवधान) किसान लाभान्वित हो सकें, इसके लिए भारत सरकार को उदारतापूर्ण नीति अपनानी चाहिए।...(व्यवधान)

श्री शरद पवार : इसी बात के लिए पंचायत स्तर पर रिकमेंडेशन ज्वाइंट वर्किंग ग्रुप ने किया है और उसे स्वीकार किया जाएगा ।

SHRI PRABODH PANDA : Sir, I want to know whether the plantation and betel leave production are being covered by this crop insurance scheme.

सभापति महोदय : मुझे लगता है कि आपने मंत्री जी का पूरा भाण सुना नहीं है।

श्री प्रबोध पाण्डा : प्लांटेशन की बात नहीं की।...(व्यवधान)

सभापति महोदय : इसका जवाब मंत्री जी ने दे दिया [ce\[R27\]](#)।

SHRI IQBAL AHMED SARADGI (GULBARGA): I am very much thankful to the hon. Members who have participated and made valuable suggestions in this regard. The object of my introducing and requesting the House to consider and pass this Bill was, farmers always suffer heavily due to flood, cyclone, drought and such other natural calamities. During the discussion many hon. Members had suggested that farmers were victimised in Tsunami or crops are affected by the pests or disease, just as coconut in Kerala. Hon. Members, Shri Chandrappan and Shri Radhakrishnan suggested including plantation and Tsunami affected crops also. During discussion, many Members made valuable suggestions and supported the Bill.

15.16 hrs.

(Dr. Laxminarayan Pandey *in the Chair*)

The main object of discussing this Bill was to see that a comprehensive insurance scheme safeguarding the farmers is thought of because they always suffer due to uncertainty of weather. Weather always plays a vital role in the sufferings of the farmers. Many Members, who took part in this discussion, had suggested that village should be fixed as a unit. It will not be practicable if *taluka* or district is taken as a unit to assess the loss suffered by the farmers. I think the main reason for the insurance companies or other agencies not coming forward to implement the crop insurance is because they feel that crop insurance is a liability. In case of industry or other sectors, the insurance companies have the advantage of getting some benefits but for the agencies, which have taken up crop insurance for the past three decades, it is not a profitable proposition and hence they are not coming forward to implement it.

I would suggest that the State Government or the Central Government should have a mechanism to provide crop insurance and the premium also should be arranged by them. It should not be taken as insurance but as compensation.

Farmers are facing a very peculiar situation. Though a number of schemes have been introduced in the last two or three decades, they have been implemented to some extent and farmers are also being benefited to some extent. The State of Karnataka has a scheme in this regard. Farmers are innocent and illiterate. Though there are schemes in this regard, they are unaware of

them. They have to be educated in this regard. I, therefore, suggest that the State Governments should be made liable to see that enrolment of the farmers for crop insurance should be done by it either through the cooperative sector or through other sectors so that the farmers are benefited whenever they are put to loss due to the natural calamities.

The Hon. Minister is a champion of agriculture. He has introduced a number of schemes for the benefit of farmers in Maharashtra as also in the Centre. As the hon. Minister has mentioned, there are a number of schemes, the feelings of the Members of this august House is to have a comprehensive legislation on crop insurance so that the farmers affected by natural calamities should be some remedy[R28].

If there is any emergency, the State Governments and the Central Government rush to rescue the farmers on a war footing and they spend crores and crores of rupees. Instead of that, we must have a permanent insurance scheme and a permanent mechanism to see that whenever such a situation arise, they can be helped. Shri Vikhe Patil also mentioned that the support price is very important.

MR. CHAIRMAN : You have already said all these things.

SHRI IQBAL AHMED SARADGI : I would request the hon. Minister to take into consideration the feelings of the Members and he would introduce a comprehensive insurance scheme to safeguard the farmers whenever they are victimised by various reasons. I hope he would consider many of the suggestions which I have given while bringing a comprehensive Bill.

I beg to move for leave to withdraw the Bill to provide for insurance of crops and for matters connected therewith.

MR. CHAIRMAN: The questions is:

“That leave be granted to withdraw the Bill to provide for insurance of crops and for matters connected therewith. ”

The motion was adopted.

SHRI IQBAL AHMED SARADGI : I withdraw the Bill.
