

PM FASAL BIMA YOJANA: ENSURING FARMERS' PROSPERITY

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In a bid to protect farmers against losses occurred because of frequent changes in weather patterns, the Pradhan Mantri Fasal Bima Yojana (PMFBY) was launched by Prime Minister Narendra Modi on 18 February 2016. The scheme, a first of its kind in the country, seeks to provide farmers with uniformly low premium that would help them sustain agriculture in case of crop losses arising out change in climate.

The crop insurance schemes have been in operations in the country close to last two decades or so. The government formulated the PMFBY mainly to plug the holes in the older crop insurance schemes, the National Agriculture Insurance scheme (NAIS) introduced in 1999 and the Modified NAIS (MNAIS) initiated in 2011. Prior to launch of PMFBY, only 20 million of an estimated 140 million farmers in the country, earning for a population four to five times as many, had crop insurance cover in 2014-15. The scheme was only against the cost of cultivation and barely provided any income protection to farmers. According to Agriculture Ministry data, most of the farmers who took crop insurance were in Rajasthan, Bihar, Uttar Pradesh, Maharashtra, Karnataka and Andhra Pradesh.

About the scheme:

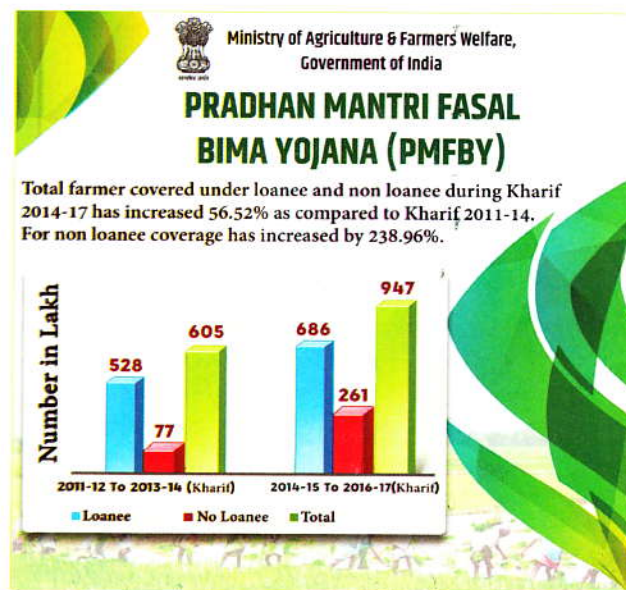
Under the new scheme which was implemented since kharif season of 2016, the premium paid by farmers had been reduced to 2% of the insured value for the more rain-dependent Kharif crop and 1.5% for the Rabi season, compared with 3.5-8% charged for the two earlier schemes, NAIS and MNAIS. In case of horticultural crops, farmers' premium burden had been fixed at 5% of the sum assured or 50% of the total premium.

NAIS and MNAIS have been discontinued from Kharif 2016, but the Weather Based Crop Insurance Scheme (WBCIS) and Coconut Palm Insurance Scheme would continue to operate while premium to be paid under WBCIS has been brought on a par with PMFBY.

While unveiling the operational guidelines for the PMFBY at a massive farmers' rally in Sehore in Madhya Pradesh in February 2016, Prime Minister had noted that the crop insurance scheme would provide a solution for the farmers problems, in times of difficulty. He said care had been taken to eliminate the shortcomings of previous crop insurance schemes, and create trust among farmers with regard to crop insurance. He said technology would be used extensively with this scheme to ensure early settlement of claims, and exhorted farmers to take benefit of this scheme.

PMFBY aims at supporting sustainable production in agriculture sector by way of :

- Providing financial support to farmers suffering crop loss or damage arising out of unforeseen events.





- Stabilizing the income of farmers to ensure their continuance in farming.
- Encouraging farmers to adopt innovative and modern agricultural practices.
- Ensuring flow of credit to the agriculture sector, which will contribute to food security, crop diversification and enhancing growth and competitiveness of agriculture sector besides protecting farmers from production risks.

Another unique feature of PMFBY has been that there would be no upper limit on government subsidy provided by centre and state governments. "Even if the balance premium (after farmers' contribution) is 90%, it will be borne by the government," according to an agriculture ministry statement. In the earlier crop insurance schemes, there was a provision of capping the premium rate which resulted in low claims being paid to farmers. This capping on premium was done to limit the government outgo on the premium subsidy. "This capping has now been removed and farmers get claim against full sum insured without any reduction.

This has ensured that farmers get the full sum insured without any reduction or hassles from

the designated insurance companies if natural calamities ravage their crops. Officials said that the following roll out of PMFBY, the crop insurance coverage is set to rise from 45 million hectares or 23 per cent of the area under cultivation in 2015-16 to 50 per cent of the crop area by 2018-19.

Another benefit to farmers under the new crop insurance scheme was that losses incurred by them at any stage of the farming activity, from the sowing to the post-harvest season, is being covered. Earlier, only post-harvest losses can be offset by the insurance facility under the two existing schemes. Also, even those farmers who haven't taken bank loans/credit have been made eligible for insurance cover under PMFBY. The scheme also provide insurance cover at individual farm level to crop losses due to occurrence of localized calamities such as landslides, hailstorm and inundation affecting part of a notified unit or a plot.

The Agriculture Ministry had empanelled state-owned Agriculture Insurance Company of India (AIC) and private companies for implementation of the mega scheme. In the first year of implementation of PMFBY/RWBCIS, 23 States implemented the schemes during kharif 2016 and 25 States and 3 Union Territories during rabi 2016-17.

Progress so far:

According to official data, during 2016-17, 30% of Gross Cropped Area has been covered under PMFBY in comparison to 23% crop area covered in 2015-16. In the last financial year, a total of 5.74 crore farmers were covered, including 1.35 crore non-loanees (who have not availed crop loan from banks) under the crop insurance scheme. There was an increase of 0.89 crore in total coverage of farmers in 2016-17, an increase of more than 18% in comparison to the previous year. Coverage of non-loanees has increased by 123.50% comparison to 2015-16. During 2016-17, 518.11 lakh hectare was insured which is 56.56 lakh hectare more than the previous year, with an increase of 10.78%.

Increase in Sum Insured:

Due to capping of premium under earlier crop insurance schemes, the sum insured was consequentially reduced, as a result of which the farmers were denied the expected benefits and complete compensation for their crop loss. However, under PMFBY, in order to provide maximum risk coverage to farmers, sum insured has been equated to Scale of Finance (SOF). "As a result, the farmers now get timely settlement of claims for entire sum insured, without any deduction and are being compensated for entire crop loss," according to an agriculture ministry note.

In 2016-17, the total area covered has been insured for a sum of Rs. 20,47,79 crore, which is 78.14% more than that of Rs 11,49,51 crore in 2015-16. Sum insured per hectare in kharif 2015 was Rs 20,498 which increased to Rs 34,574 in kharif 2016 and in rabi 2015-16, it was Rs 8733 which increased to Rs 39,358 in rabi 2016-17.

Rise Risk Coverage:

Under PMFBY, comprehensive coverage has been provided against non-preventable natural risks from pre-sowing to post-harvest losses. In addition, losses due to localised risks are estimated at the individual farm level for claim settlement. On account of coverage of losses due to prevented sowing in 2016-17, Tamil Nadu's claims worth of Rs. 27.61 crore (upto 25% of sum insured) were settled due to prevented sowing on account of inclement weather.

Similarly, 25% advance relief due to mid-season adversity has been provided to states. In 2016-17,

due to adverse climatic conditions such as floods, drought spell, severe drought, unseasonal rains etc. the payments were made to the tune of Rs 32 crore in Uttar Pradesh, Rs 11 crore in Chhatisgarh, Rs 11.19 crore in Maharashtra and Rs. 9.42 crore in Madhya Pradesh.

Coverage of localised claims:

In 2016-17, due to localised calamities such as hailstorm, inundation and landslides, claims worth of Rs 0.11 crore in Andhra Pradesh, Rs. 0.09 crore in Chhatisgarh, Rs. 4.04 crore in Haryana, Rs. 1.55 crore in Maharashtra, Rs. 0.32 crore in Rajasthan and Rs. 0.80 crore in Uttar Pradesh were settled expeditiously prior to the commencement of crop cutting experiments.

Coverage of Post-Harvest Losses:

In 2016-17, claims on this account worth Rs. 0.11 crore in Andhra Pradesh, Rs. 0.66 crore in Manipur and Rs. 16.51 crore in Rajasthan were settled.

Settlement of claims and allocation for the scheme by the Centre:

During 2016-17 (kharif 2016 and rabi 2016-17), on account of a 'normal' monsoon rains, against the gross premium of Rs. 22,344 crore, total claims by farmers have been estimated at about Rs. 15,100 crore 68% of the premium paid. In comparison under actuarial premium based erstwhile schemes during 2011-12, which was also 'normal' monsoon year, claims settled were only Rs. 1357 crore against the premium paid of Rs. 2131 crore, or around 64% of the total premium paid by the farmers.

Similarly, during 2015-16, against the gross premium of Rs 3076 crore claims were to the tune of Rs. 4155 crore or around 134% of the gross premium because of deficient monsoon received in the country. During 2016-17, Rs. 11054 crore was utilized for crop insurance scheme. The Finance Minister has made a provision of Rs. 9000 crore for PMFBY as centre's share in the under budget (2017-18).

For promoting transparency in the implementation of crop insurance scheme, Central Crop Insurance Portal has been developed which integrates farmers and other stakeholders and also provides for online registration of farmers. "All possible farmer friendly administrative initiatives

and technology have been put in place to increase the coverage of non-loanee farmers including sharecroppers,” according to an agriculture ministry note. The Common Service Centre(CSC) has been engaged to facilitate enrolment of non-loanee farmers from Kharif 2017. Direct Benefit Transfer (DBT) has been initiated to facilitate transmission of claims amount directly to the farmers account. Provision has been made for use of advanced technology such as drone, remote sensing etc. for promoting transparency and immediate settlement of insurance claims.

Challenges in terms of Implementation:

In the earlier crop insurance schemes due to non- adoption of improved technology, there was considerable delay in settlement of claims of the farmers. Under PMFBY, the States are required to give Crop Cutting Experiment (CCE) data to insurance companies within one month of harvest and the companies have to settle the claims within three weeks of receiving the CCE data. Under earlier

schemes, estimation of yield data was done without using technology through manual means, due to which there was a huge delay in obtaining CCE data. Due to this, the claim settlement, on an average took six months to one year.

To eliminate this delay and to promote transparency, the government has made mandatory to use smartphones or CCE Agri App for capture and transmission of yield data to the crop insurance portal. Recently in a circular, the agriculture ministry has also asked states to use technologies such as remote sensing, satellites and drones to deal with frequent reports of discrepancies, such as the area insured was more than the area sown for a particular crop in many states. Experts say that PMFBY if implemented properly across the country would mitigate farm distress to a large extent especially when the erratic climates have become a norm rather than exception.

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The President of India felicitates exceptional women achievers at Rashtrapati Bhawan

The President of India, Shri Ram Nath Kovind felicitated a group of exceptional women, the first to set a milestone in their respective fields at Rashtrapati Bhawan on 20th January, 2017. These women had been selected by the Union Ministry of Women and Child Development with the aim of felicitating extraordinary achievers who had defeated stereotypes and broken glass ceilings.

Addressing the gathering, the President said that progress of women is a barometer for progress in any country or society. We are witnessing positive change in participation of women in our country. He said the pace at which women are empowered will determine how fast we move towards a more sensitive and equitable society.

The women who have been felicitated are those who have been the first in any field like the first woman judge, first woman porter, first woman to head a missile project, first para-trooper, first Olympian among others.

http://164.100.117.97/WriteReadData/userfiles/Bio-112_First%20Ladies.pdf



The President of India, Shri Ram Nath Kovind with the group of exceptional women in their respective fields at Rashtrapati Bhawan on 20th January, 2017.