

**Brief reports on Seminar on Pradhan Mantri Fasal Bima Yojana (PMFBY)
Insuring Crop-Assuring Farmers attended by me on 26.05.2016**

- For many years now, a number of complex crop insurance schemes have existed. Farmers, however, have been unable to avail the benefits of these schemes. The Pradhan Mantri Fasal Bima Yojna has now replaced all other crop insurance schemes and integrated the benefits in one single *yojana*.
- This means that earlier schemes such as the National Agricultural Insurance Scheme (NAIS) and Modified National Agricultural Insurance Scheme (MNAIS) will no longer be available.
- In most of the earlier crop insurance schemes, premium rates had risen drastically in recent years. This means that the premium charged was about 25 percent of the sum assured – the rise in premium was anywhere between 22 and 57 percent. The compensation derived by farmers in the eventuality of a crop failure, was in contrast, very low.
- Safeguard to farmers financially against natural risks like natural disasters/calamities, insect, pests & diseases and adverse weather conditions.
- Coverage under PMFBY/WBCIS/CPIS/UPIS is compulsory for loanee farmers and voluntary for non-loanee farmers.
- The Pradhan Mantri Fasal Bima Yojana is premised on a premium amount of 2 percent for Kharif crops and of 1.5 percent for Rabi crops. This covers most food crops and oil crops cultivated in India. The premium is pegged at 5 percent for commercial or horticultural crops (including cotton) for one year.
- This means that the farmers shall derive “maximum benefits by paying minimal premium”. The government has decided to get rid of the “capping” mechanism that did not allow farmers to derive legitimate benefits previously.
- This drastic reduction in crop insurance premium is likely to result in an increase of the Centre’s financial load by about 500 percent. The benefits will, however, be derived by the farmers, the government said.
- Apart from relief on premium, the farmers shall derive the benefits of this scheme where assessment of crop losses shall be quick. Smart phones, remote sensing technology and even drones shall be used to estimate losses, assess compensation, and settle claims without much delay.
- The Pradhan Mantri Fasal Bima Yojana will be applicable from the forthcoming Kharif season of 2016.
- The difference between actual premium and the rate of Insurance payable by farmers shall be shared equally by the Central & State.
- Claims of full sum Insured (SI), without capping or reduction in SI.
- If the sowing is not done due to adverse weather/climate, claims upto 25% of sum insured will be paid for prevented sowing/planting risk.
- When the crop yield is less than the guaranteed yield of notified crops, the claim payment equal to shortfall in yield is payable to all insured farmers.
- On account advance payment, upto 25% of likely claims will be paid as immediate relief.
- Losses caused by inundation, hailstorm and landslide would be assessed at individual farm level.
- Post harvest losses assessment for damage to crop in cut and spread in the field up to 14 days on account of cyclonic rain and unseasonal rain in the entire country.
- Govt of M.P. revised scale of finance of all crops judicially keeping in view of cost of cultivation and return. Insurance premium will be calculated on the basis of scale of finance only.

- Last date of premium for Kharif Loanee & non loanee 1st April to 16 August and Rabi 15th Sep to 15th January.
- Claim calculated on the basis of threshold yield of last seven years (02 very bad years removed).
- Claim amount= threshold yield-actual yield/threshold yield*Insured amount
- 03 Implementing agency selected by the state through bid for 03 years *namely ICICI Lombard General Insurance, HDFC ERGO General Insurance company & JK Risk Managers & Insurance Brokers Ltd.*
- Whole state divided into 05 clusters. Cluster comprising 6-7 districts and also consider weak and strong districts together in respect of collection of premium.
- Contact DDA / nearest branch of bank/PACS or crop insurance company operating in area for availing the benefits under the Crop Insurance Scheme.
- Required documents are Revenue record, Sowing certificate, Affidavit, ID proof, Lease documents for leased land and premium for PMFBY.
- Govt. of M.P. targeted farmers for insurance 50000 for Kharif & 50000 for rabi.
- 4% service charges of collected premium go to concerned bank.
- WBCIS implemented across the state for horticultural crops. Cluster approach adopted for horticultural crops.
- Horticulture crop not mentioned in revenue record.
- Need awareness among all the related stake-holders.


27/05/2016
Dr. A. K. Shivhare
Assistant Director

Director

The summary report of the seminar is well drafted, let this be circulated to all technical staff and keep one copy in Extension folder.


27/5/2016

Dr Shivhare (AD)