

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE, COOPERATION AND FARMERS WELFARE

RAJYA SABHA
UNSTARRED QUESTION NO. 210
TO BE ANSWERED ON 03/02/2023

RESTRICTION OF SUBSIDY ON CROP INSURANCE

210 SHRI AKHILESH PRASAD SINGH :

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

- (a) the reasons and justification of Ministry to restrict Centre's premium subsidy on crop insurance to 30 per cent for unirrigated areas and 25 per cent for irrigated areas from existing unlimited;
- (b) whether burden of premium on States would go up due to this reason;
- (c) the reasons for making it voluntary for farmers to enroll under PMFBY and Restructured Weather Based Crop Insurance Scheme (RWBCIS);
- (d) whether Ministry is planning to stop supporting insurance to some crops if rate of premium is more than 30 per cent;
- (e) if so, reasons therefor; and
- (f) the manner in which Ministry plans to move ahead?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE
(SHRI NARENDRA SINGH TOMAR)

(a) to (f) : To address the issue of high premium rates for few crops/areas due to adverse selection, inconsistencies in the cultivation of crops as per the suitability of the climate, inconsistencies in collection of yield data etc. under Pradhan Mantri Fasal Bima Yojana (PMFBY) and Restructured Weather Based Crop Insurance Scheme (RWBCIS), the requisite central share of premium subsidy (i.e. 90 : 10 for North Eastern States and 50 : 50 for remaining States) is provided for areas/crops having gross premium rate upto 25% for irrigated areas/crops and upto 30% for un-irrigated areas/crops from Kharif 2020 season. Though this may affect the State Governments liabilities initially, but will help/encourage them to examine

the reasons/causes of such high premium rates and make suitable corrective measures in collection of yield data, issue weather advisory, advise crop diversification to the farmers etc. More freedom has been given to the States to choose the risk including single peril based on prevailing climate conditions etc. to cover more and more crops under the scheme by the State Governments.

Based on the requests/representations received from various quarters including farmer organizations, States etc. by the Government and to give choice to the farmers to assess their risk profile and accordingly decide on availing crop insurance, these schemes have been made voluntary for farmers w.e.f. Kharif 2020 season
