

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

RAJYA SABHA
UNSTARRED QUESTION NO-969
TO BE ANSWERED ON 28/07/2023

IMPLEMENTATION OF PMFBY

969 DR. FAUZIA KHAN:

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

(a) whether Government has taken note of the reduced participation in Pradhan Mantri Fasal Bima Yojana (PMFBY) scheme;

(b) if so, the reasons for the decline in participation;

(c) the details of average and median premium paid per policy by farmers, year-wise and State-wise;

(d) whether there is alternate plan to rationalize the rate of premium, if so, the details thereof; and reasons for rejection;

(e) the details of claims filed annually under the scheme and claims approved since 2019, and reasons for rejection; and

(f) whether Government has taken note of the operational challenges in implementing the scheme, if so, the steps taken by Government for the same?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

(SHRI NARENDRA SINGH TOMAR)

(a) to (f) : The Pradhan Mantri Fasal Bima Yojana (PMFBY) introduced from Kharif 2016 season in the country. The scheme is available for all States/UTs and is voluntary for them. States/UTs are free to subscribe under the scheme keeping in view their risk perception and financial considerations etc. The scheme is also voluntary for the farmers to enroll themselves as per their risk perception. Since inception of the scheme, coverage under the scheme has been around 30% of Gross Cropped Area (GCA) in the States/UTs who are implementing the scheme. However, after some decline due to the withdrawal of some States, area insured has increased from 443 lakh hectare in 2021-22 to 487 lakh hectare in 2022-23. Similarly, Farmers applications under the scheme have also been increased from 831 lakh in 2021-22 to 1080.8 lakh in 2022-23.

Actuarial/bidder premium rates are charged by insurance companies but the farmers have to pay maximum 2% for Kharif, 1.5% for Rabi food and oilseed crops and 5% for commercial/horticultural crops and the balance of actuarial/bidder premium is shared by the Central and State Government on 50 : 50 basis, and 90 :10 in case of North Eastern States (from Kharif 2020 season) and Himalayan States (from Kharif 2023), as per provisions of the scheme.

As per provisions of the scheme, insured farmers do not need to file claims in respect of wide spread calamities like drought, flood etc. as the scheme is mainly implemented on ‘Area Approach’ basis. Admissible claims are worked out and paid directly to the insured farmer’s account by the insurance companies based on the yield data, per unit area, furnished to the insurance company by the concerned State Government and claim calculation formula envisaged in the Operational Guidelines of the scheme. However, losses due to localized risks of hailstorm, landslide, inundation, cloud burst & natural fire and post-harvest losses due to cyclone, cyclonic/unseasonal rains & hailstorms are calculated on individual insured farm basis. These claims are assessed by a joint committee comprising representatives of State Government and concerned insurance company. Details of total claims approved and paid under the scheme from 2019-20 onwards are given below :

Year	Claims Paid (Rs. in crore)
2019-20	27,373
2020-21	20,771
2021-22	18,043

Major reason for delay in settlement of approved claims is delay in receipt of State Government share in premium subsidy.

Based on the experience gained, views of various stakeholders and with a view to ensure better transparency, accountability, timely payment of claims to the farmers and to make the scheme more farmer friendly, Government has periodically comprehensively revised the Operational Guidelines of the PMFBY to ensure that the eligible benefits under the scheme reach the farmers timely and transparently.

National Crop Insurance Portal (NCIP) has been developed for ensuring auto-administration, subsidy payment, co-ordination, transparency, dissemination of information and delivery of services including direct online enrollment of farmers, uploading/obtaining individual insured farmer’s details for better monitoring and to ensure transfer of claim amount electronically to the individual farmer’s Bank Account.

For transparent calculation and settlement of claims by insurance companies, claims module namely, Digicclaim has been developed w.e.f. Kharif 2022 season wherein all the claim are worked out through National Crop Insurance Portal (NCIP) and paid to farmers accounts using Public Finance Management System (PFMS).

Started in 2020, Integration of Land Record with NCIP is now complete for Madhya Pradesh, Chhattisgarh, Andhra Pradesh, Maharashtra, Rajasthan, Karnataka, Odisha - 90% of the insured area is now being validated through e-land records of the states through land record integration.

The scheme envisages use of improved technology in implementation of the scheme. Accordingly, various steps like capturing of yield data/Crop Cutting Experiments (CCEs) data through CCE-Agri App & uploading it on the NCIP, allowing insurance companies to witness the conduct of CCEs, integration of State land records with NCIP etc. have already been taken to improve timely settlement of the claims to farmers. Following technologies for Objective Crop Damage & Loss Assessment and transparency have recently been approved for implementation w.e.f. 2023-24 :

- YES-TECH (Yield Estimation System Based on Technology) for gradual migration to Remote-Sensing based yield estimation to help assess yields as well as fair and accurate Crop Yield Estimation. This initiative has been launched for paddy & wheat crops from Kharif 2023 wherein 30% weightage to yield estimation will mandatorily be assigned to YES-TECH derived yield.
- WINDS (Weather Information Network and Data System) for Network of Automatic Weather Stations (AWS) & Automatic Rain-Gauges (ARG) for collecting hyper-local weather data at GP & Block level. This will be fed into a National unified network of AWS & ARG with interoperability & sharing of data in coordination with India Meteorological Department (IMD). WINDS will provide data not only for YES-TECH but also for effective drought & disaster management, accurate weather prediction and offering better parametric insurance products.
- CROPIC (Collection of Real-time photos and Observations of Crops) for Geo-tagged photographs for validation of sown Crop with Insured Crop and use of pictorial analytics for Objective Crop Damage Assessment & Crop Yield Estimation.

For better operationalisation of the scheme three, Alternative Risk Management models have also been given as an option to the States for the ongoing tender cycle from Kharif 2023.

State-wise details of premium paid by the farmers during the year 2022-23 under the scheme are **annexed**.

Sate-wise details of Farmer's Premium under PMFBY for the Year 2022-2023 (as on 30.06.2023)	
State/UT Name	Farmers Share in Premium (Rs. in Cr.)
A & N Islands	0.002
Andhra Pradesh	27.50
Assam	4.34
Chhattisgarh	209.99
Goa	0.01
Gujarat	0.00
Haryana	338.31
Himachal Pradesh	21.47
Jammu & Kashmir	6.90
Karnataka	313.12
Kerala	10.43
Madhya Pradesh	649.71
Maharashtra	896.45
Manipur	0.43
Meghalaya	0.04
Odisha	131.95
Puducherry	0.00
Rajasthan	830.22
Sikkim	0.06
Tamil Nadu	154.74
Telangana	NI
Tripura	0.40
Uttar Pradesh	286.01
Uttarakhand	55.24
GRAND TOTAL	3937.335
