

GOVERNMENT OF INDIA  
MINISTRY OF AGRICULTURE AND FARMERS WELFARE  
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE  
**RAJYA SABHA**  
**UNSTARRED QUESTION NO-2100**  
TO BE ANSWERED ON 09/08/2024

**PROBLEMS IN IMPLEMENTATION OF PMFBY**

2100. SHRI PRAMOD TIWARI:

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

- (a) whether Pradhan Mantri Fasal Bima Yojana (PMFBY) is facing a number of problems like claims incorrectly calculated, payouts unfairly low, denial of claims, long delays in payments etc;
- (b) if so, the details thereof;
- (c) whether area-based approach as distinct from individual farm-based approach, yield related disputes and hurdles in uploading the damage documents, high premiums etc pose further challenges to the farmers;
- (d) if so, the details thereof;
- (e) whether Government has conducted any study on the implementation of the scheme; and
- (f) if so, the remedial measures taken by Government to remove the shortcomings of the scheme?

**ANSWER**

MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE  
(SHRI RAMNATH THAKUR)

(a) to (f) : The Pradhan Mantri Fasal Bima Yojana (PMFBY) introduced in the country from Kharif 2016 season is voluntary for the States. All farmers growing notified crops in notified areas are eligible for coverage under the scheme voluntarily. Comprehensive risk coverage for crops of farmers against all non-preventable natural risks from pre-sowing to post-harvest stages of the crops at very reasonable premium for the farmers is provided under the scheme. The PMFBY is successfully fulfilling the objectives and targets of the scheme especially in natural calamity hit seasons/years/areas. Due to various initiatives taken under the scheme, the Gross Cropped Area (GCA) covered in 2023-24 was 598 lakh Ha. as compared to 501 lakh Ha. in 2022-23, with a growth of over 19%. The number of farmers enrolled was 3.97 crore in 2023-24 as compared to 3.17 crore in 2022-23 with a growth of over 25%. Hence, the coverage of area and farmers is at its highest level till date.

Scheme is mainly implemented on Area Approach basis. 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. Both the approaches have their own limitations. Due to large number of small land holdings, mainly Area Approach has been adopted. But due to technological advancements, individual based approach has also been adopted on limited perils/risks.

The review/revisions / rationalization / improvements in the crop insurance schemes is a continuous process and decision on suggestion/ representations/ recommendations of the stakeholders/studies are taken from time to time. 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 revised the Operational Guidelines of the PMFBY in 2018, 2020 and 2023 comprehensively to ensure that the eligible benefits under the scheme reach the farmers timely and transparently.

Various studies have been conducted on the implementation of crop insurance to examine various aspects of implementation of crop insurance scheme. Based on the recommendations of these studies and keeping in view the experience gained in implementation of the scheme as well as views of the stakeholders, Government has taken various measures like (a) increase in tenure to 3 years for selection of insurance company through bidding process; (b) introduction of three alternative risk models viz. Profit and Loss Sharing, Cup and Cap (60-130), Cup and Cap (80-110) under which if no claim is made then a portion of the premium paid by the State goes into the State treasury itself; (c) infusion of improved technology i.e. introduction of National Crop Insurance Portal (NCIP), Yield Estimation System based on Technology (YES-TECH), Weather Information Network and Data System (WINDS), Collection of Real time Observations and Photographs of Crops (CROPIC), integration of State Land Records with NCIP, Digiclaim module on NCIP to work out and settle the claims directly to farmers account using Public Finance Management System (PFMS); (d) increased IEC activities etc. to improve the implementation and coverage under the scheme. Due to efforts made by the Government coverage under the scheme is at an all time high in 2023-24 and farmers are subscribing to the scheme voluntarily rather than because of subscription of bank loans.

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