

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

RAJYA SABHA

UNSTARRED QUESTION NO. 831

TO BE ANSWERED ON 06/02/2026

DELAYS IN DISBURSEMENT OF COMPENSATION FOR CROP LOSSES

831. DR. ASHOK KUMAR MITTAL:

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

- (a) the steps taken to deal with recurring complaints from farmers regarding prolonged delays in disbursement of compensation for crop losses caused by floods, droughts and extreme weather events;
- (b) whether any timeline is prescribed for assessment and payment of compensation under existing crop insurance and disaster relief mechanisms, if so, the extent of compliance therewith;
- (c) whether Government has evaluated the impact of such delays on farmer indebtedness and distress, particularly among small and marginal farmers, if so, the details thereof, if not, the reasons therefor; and
- (d) the steps being taken to ensure timely, transparent and accountable delivery of compensation to affected farmers?

ANSWER

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

(a) to (d): As per the National Policy on Disaster Management (NPDM), the State Government is primarily responsible for providing necessary relief measures on ground level in the wake of notified calamities including floods. The State Governments undertake relief measures in the wake of natural calamities from funds available in the form of the State Disaster Response Fund (SDRF) in accordance with the Government of India approved items and norms. Additional financial assistance, over and above SDRF, is considered from the National Disaster Response Fund (NDRF), as per laid down procedure, in case of disaster of 'severe nature', which includes an assessment based on the visit of an Inter-Ministerial Central Team (IMCT). The financial assistance provided under SDRF and NDRF is by way of relief and not for compensation of losses suffered/ claimed.

In respect of Drought, the timelines for assessment and relief mechanism are as under:

- The State Governments will notify Kharif drought by 31st October and the Rabi drought by 31st March. The Memorandum for assistance will be submitted to the DA&FW within a week of the declaration; in case the drought is of severe nature.
- The DA&FW will constitute and dispatch an Inter-Ministerial Central Team (IMCT) to the drought affected area within a week of receipt of the Memorandum from the State Government. The IMCT will submit a report for the consideration of the Central Government within 7 days of all relevant information provided by the State Government, following the visit to the drought affected areas. The Central Government will take a final decision on the assistance to the State from the NDRF within a month of the receipt of the IMCT Report.
- The State Governments, will ensure disbursement of agriculture input subsidy to affected farmers within one month from the date of receipt of Central assistance from the NDRF. Various instruments of Direct Benefit Transfer to beneficiaries will be employed to ensure efficiency and transparency in the process of fund transfer.

The Relief Commissioner of the States ably assisted by District administration is responsible for periodic monitoring of relief operations for various calamities.

The Government has introduced yield-based Pradhan Mantri Fasal Bima Yojana (PMFBY) and weather index based Restructured Weather Based Crop Insurance Scheme (RWBCIS) from Kharif 2016 to provide financial support to farmers suffering crop loss/damage arising out of natural calamities, adverse weather incidence and to stabilize the income of farmers etc.

PMFBY provides for comprehensive risk insurance against crop damage from pre-sowing to post-harvest for crops and area notified by the concerned State Government. The scheme not only safeguards against wide spread yield loss due to non-preventable natural risks/ & extreme climate calamities viz. flood, inundation, landslide, drought, heat waves, hailstorm, cyclone, pests/diseases, natural fire and lightening, storm, typhoon, tempest, hurricane, tornado etc. but also against farm level yield loss due to localized risks (hailstorm, landslide, inundation, cloud burst and natural fire) and post harvest losses due to cyclone, cyclonic/unseasonal rain and hailstorm and prevented sowing.

Since the scheme is implemented by the State Government, therefore, in order to resolve the grievances/complaints including those related to claims of insured farmers, provision of Stratified Grievance Redressal Mechanism viz. District Level Grievance Redressal Committee (DGRC), State Level Grievance Redressal Committee (SGRC) has been made in the Revised Operational Guidelines of the Scheme. These committees have been given the detailed mandate as outlined in the Operational Guidelines for hearing the complaints/ grievances and to dispose them as per the stipulated procedure.

To further improve the grievance redressal mechanism, Krishi Rakshak Portal and Helpline (KRPH) has been developed. A single Pan-India toll free number 14447 has been deployed and linked to the insurance companies database, where farmers can raise their grievances/issues. Timelines to resolve these grievances/issues has also been fixed.

Majority of the claims are settled within the stipulated timelines under the Operational Guidelines of the scheme i.e. within 21 days of the receipt requisite yield data from the concerned State Government, by the insurance companies. However, during the implementation of PMFBY, some complaints were received in the past about payment of claims which are primarily on account of (a) delay in providing State Government share of subsidy (b) non-payment/delayed payment or under payment of claims on account of incorrect/delayed submission of insurance proposals by banks (c) discrepancy in yield data & consequent disputes between State Government and insurance companies etc. The pending claims on account of these issues are settled after their resolution as per provisions of the scheme.

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 comprehensively to ensure that the eligible benefits under the scheme reach the farmers timely and transparently.

Government has taken various steps to strengthen implementation of this scheme, bring transparency and ensure timely settlement of claims:

- Government has undertaken development of National Crop Insurance Portal (NCIP) as a single source of data ensuring 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.
- In order to rigorously monitor claim disbursement process, a dedicated module namely 'Digicclaim Module' has been operationalized for payment of claims from Kharif 2022 onwards. It involves integration of National Crop Insurance Portal (NCIP) with Public Finance Management System (PFMS) and accounting system of Insurance Companies to provide timely & transparent processing of all claims w.e.f. Kharif 2024, in case payment is not made timely by Insurance Company, penalty of 12% is auto-calculated and levied through NCIP.

- Delinking of Central Government share of premium subsidy from that of State Governments has been implemented so that farmers can get proportionate claims relating to the Central Government share.
- Opening of ESCROW Account by the State Government concerned for deposit of their premium share in advance as per provisions of the scheme has been made mandatory w.e.f. Kharif 2025 season.
- Also, towards leveraging technology in implementation of the scheme, 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.
- Provision of 12% penalty on delay in payment of claims by insurance company is auto calculated on National Crop Insurance Portal (NCIP).
