

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

LOK SABHA
UNSTARRED QUESTION NO.3890
TO BE ANSWERED ON THE 17TH MARCH, 2020

PROPOSAL TO REVAMP OF PMFBY AND RWCIS

3890. DR. PRITAM GOPINATHRAO MUNDE:
SHRI CHANDRA SEKHAR SAHU:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) whether the Government proposes to revamp the Pradhan Mantri Fasal Bima Yojana and Restructured Weather Based Crop Insurance Scheme to address the existing challenges being faced in implementation of crop insurance scheme;
- (b) if so, the details thereof;
- (c) whether the Union Government has invited suggestions from various stakeholders before finalisation of the changes in these schemes;
- (d) if so, the details of suggestions received by the Union Government from such stakeholders; and
- (e) the extent to which such suggestions have been incorporated in these schemes?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) to (e): The Pradhan Mantri Fasal Bima Yojana (PMFBY) and Restructured Weather Based Crop Insurance Scheme (RWBCIS) are regularly reviewed especially the challenges faced by the stakeholders in its implementation since their inception in Kharif 2016 season. Accordingly, this Department had made detailed consultations with all stakeholders viz. State Governments, farmer organizations, insurance companies, reinsurance companies, financial institutions, concerned organizations, and Central Government Departments at various forums to identify the challenges and finalise the possible solutions/remedial measures etc. Based on their suggestions and recommendations changes have recently been incorporated in the provisions/ parameters of ongoing PMFBY/RWBCIS for its implementation from Kharif 2020. Details of the challenges identified and provisions incorporated in the revamped schemes are at **Annexure**.

List of challenges identified and provisions incorporated in the revamped PMFBY in consultation with various stakeholders

Challenges identified in implementation of PMFBY	Provisions incorporated in the revamped PMFBY/RWBCIS
Plots for conduct of CCEs are selected randomly leading to dissatisfaction among Stakeholders	<p>2 Step process for assessment of Yield</p> <ul style="list-style-type: none"> ➤ First step is elimination based on weather & other triggers ➤ Second step is CCEs in affected areas <p>Migration to Smart Sampling and Optimization of CCEs in the short run</p>
District Crop combinations with consistently high risk leads to increase in overall premium rates	The issue of high premium rate for few crops/areas due to adverse selection has been suitably addressed. The requisite central share of premium subsidy will be provided for areas/crops having gross premium rate upto 25% for irrigated and upto 30% for un-irrigated areas/crops. Besides, alternate risk mitigation measures will be explored for these areas/crops.
Compulsory enrolment of loanee farmers leads to dissent amongst farmers.	The Schemes have been made Voluntary for all farmers.
Single Product type does not suffice needs of all beneficiary farmers	In view of the demand of many states, option has been given to states to choose additional risk covers besides shortfall in yield-based cover depending upon the local weather challenges and requirements of the farmers.
Delay in payment of State Share of Subsidy inspite of Amendment in OGS with a provision of penalty on States @12% per annum beyond 3 months of prescribed cut-off date	The states delaying the release of subsidy beyond agreed timelines can not participate in upcoming seasons
Delay in approval of data on CCE app/Sharing of CCE yield data with Insurance Companies by State Governments	Technology based claims settlement in case of delay in sharing of yield data/non-usage of CCE-agri app after specified cut-off dates
Low Investment by Insurance Companies in terms of accessibility and outreach due to short contract durations and repeated tendering process delays the overall implementation of crop insurance in States	Insurance companies will now be selected by the States for 3 years in a go instead of one year thereby increasing their commitment and accountability to the farmers.

Challenges identified in implementation of PMFBY	Provisions incorporated in the revamped PMFBY/RWBCIS
Low coverage in North Eastern States. Change in sharing pattern from 50 : 50 to 90:10 between Centre and NER States	The premium subsidy sharing pattern between Centre and North Eastern States has been changed from 50 : 50 to 90:10. This has been done to allow more States to notify the scheme and existing States to notify more crops and areas to facilitate greater coverage of farmers under the scheme. For remaining States, subsidy sharing pattern will continue as 50 : 50.
States have no separate allocation under the scheme for day to day implementation and monitoring of the scheme	Provision has been made for earmarked administrative expenses @ 3% of the budget at Central and State level for strengthening the infrastructure and technology for better delivery of the Scheme.
