

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

LOK SABHA
UNSTARRED QUESTION NO.435
TO BE ANSWERED ON THE 15TH SEPTEMBER, 2020

COMPENSATION FOR CROP DAMAGE

435. SHRI KRUPAL BALAJI TUMANE:
SHRI OMPRAKASH BHUPALSINH ALIAS PAWAN RAJENIMBALKAR:

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

- (a) the details of the unit on which crop insurance is fixed and the amount of compensation provided under various crop insurance schemes;
- (b) the details of the extent to which insurance companies compensate the loss of the farmers in the event of destruction of crops due to natural disasters;
- (c) whether the farmers have been provided compensation under various crop insurance schemes for damage to crops due to hailstorms, excessive rains and storms during the last three years and the details of the situation in Maharashtra; and
- (d) if not, the reasons therefor and the time limit fixed for providing compensation to farmers under various crop insurance schemes?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) to (d) : Pradhan Mantri Fasal Bima Yojana (PMFBY) is being implemented since Kharif 2016 in the country on area approach basis for wide-spread calamities like drought, flood etc., which affect large areas. However, to lower the basis risk the unit for assessment of crop loss for major crops has been reduced to village/village Panchayat level. Further, the scheme also envisages coverage of localized risks such as hailstorm, landslide, inundation, natural fire and cloud burst and post-harvest losses due to cyclonic rains, unseasonal rains and hailstorm, which affects comparatively smaller areas/plots and assessment of crop losses is made on individual farm level. It is the endeavour of the Government to lower the insurance unit for assessment of crop yield/losses with use of technology.

As per scheme provisions, farmers are indemnified to the extent/percentage of crop losses against the defined Threshold Yield multiplied by sum insured as decided by the State Government. Claim amount for wide spread calamities are calculated based on the yield

data arrived from requisite number of Crop Cutting Experiments (CCEs) conducted by the concerned State Government. Claims per hectare are worked out as per following formula:

$$\frac{\text{Threshold Yield (TY)} - \text{Actual Yield (AY)}}{\text{Threshold Yield (TY)}} \times \text{Sum Insured}$$

Where Threshold Yield for a crop in a notified insurance unit is the average yield of best 5 years out of past seven years multiplied by applicable indemnity level for that crop.

Further, there is also a provision to pay claims towards prevented sowing/failed germination and adhoc claims in case of mid season adversity to the insured farmers.

Major part the scheme is being implemented on Area Approach basis and claims are worked out as per above formula based on the season end yield data submitted by the concerned State Government, therefore, reasons for crop loss/ claims are not looked into. Hence, reasonwise details i.e. due to flood, drought, excessive rainfall, etc., of claims are not maintained for wide spread calamities under the scheme. However, separate data for losses due localized calamities including hailstorm as stated above is maintained separately.

Year-wise details of claims paid to insured farmers on account of crop losses due to natural calamities including hailstorm, excessive rains and storms under PMFBY since 2016-17 in the country and Maharashtra State are given as under :

(Rs. in crore)

Year	Claims Paid (All India)	Claims Paid in Maharashtra
2016-17	16751	2317
2017-18	22054	3287
2018-19 (Provisional)	26672	5949
2019-20* (Provisional)	13893	5726

* Most of the claims for Rabi 2019-20 and some claims for Kharif 2019 not fully reported.

As per provisions of PMFBY admissible claims are generally paid by the insurance companies within two months of completion of Crop Cutting Experiments/ harvesting period subject to availability of yield data and total State share of premium subsidy from concerned State Government within time. However, settlement of claims in some States get delayed due to reasons like delayed transmission of yield data; late release of their share in premium subsidy by some States, yield related disputes between insurance companies and States, non-receipt of account details of some farmers for transfer of claims and National Electronic Funds Transfer (NEFT) related issues, etc. However, DAC&FW is regularly monitoring the implementation of PMFBY including timely settlement of claims.