

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

LOK SABHA
UNSTARRED QUESTION NO. 1266
TO BE ANSWERED ON THE 9TH FEBRUARY, 2021

STATES OPTING OUT OF PMFBY

1266. DR. G. RANJITH REDDY:

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

- (a) whether it is true that after making Pradhan Mantri Fasal Bima Yojana (PMFBY) voluntary, many States are opting out of the Scheme;
- (b) if so, the details of the States that have opted out of the scheme so far and the reasons given by each State for the same;
- (c) the methodology used by the Ministry to justify the increase of 3 per cent to 4 per cent premium on the grounds that it would make the scheme attractive; and
- (d) whether this increase would not further burden the States which are already reeling under severe financial constraints and if so, the details thereof?

ANSWER

MINISTER OF AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण मंत्री (SHRI NARENDRA SINGH TOMAR)

(a) to (d): The Pradhan Mantri Fasal Bima Yojana (PMFBY) has been made voluntary for farmers from Kharif 2020 season whereas the scheme is already voluntary for States since inception and they are free to take decision regarding implementing the scheme. Government of West Bengal had started its own scheme namely, Bangla Sashya Bima (BSB) from 2019-20. Similarly, Bihar has also started its own assistance scheme for their farmers and opted out of the PMFBY. The States of Andhra Pradesh, Telangana, Jharkhand, Gujarat and Manipur have not implemented the scheme in 2020-21. Though, Jammu & Kashmir was desirous of implementing the scheme, but it could not implement it due to late approval/bidding related issues and is in the process of implementation of the scheme in Kharif 2021 season. Therefore, it is only the State/UT Government which can take a call on the implementation of the scheme as per Operational Guidelines of the scheme.

Contd.....2/-

Actuarial/bidder premium rates are paid to the insurance companies under PMFBY, but farmers have to pay a low flat premium rate of maximum of 1.5% for Rabi, 2% for Kharif food and Oilseed crops and 5% for commercial/horticultural crop. Though some changes/modifications in provisions of PMFBY have been made w.e.f. Kharif 2020 interalia including change in subsidy sharing pattern from 50 : 50 to 90 : 10 between Central and State Government in North Eastern States, freedom to States to choose the risk etc. to lower the burden of the States and rationalization of actuarial/bidder premium but this has no effect on farmers as they have to pay only flat rate of premium and remaining admissible premium is shared by the Central and respective State Government.

Further, Department of Agriculture, Cooperation and Farmers Welfare has formed Technical Support Unit (TSU) to provide technical assistance to Crop insurance schemes. TSU has provided supporting analysis to several States helping them understand the quantified risk assessment of their respective States.
