

# Crop insurance week

July 5, 2021

## In news

Union Minister of Agriculture & Farmers Welfare launched the Crop Insurance Awareness Campaign for PM Fasal Bima Yojana (PMFBY) during the Crop Insurance Week (July 1 to 7) as a part of Government's India@75 campaign.

## Key updates

- The Agriculture Minister also flagged off IEC vans which will continue to engage the farmers on the PMFBY throughout the crop insurance week
- Throughout the week, the campaign will cover all notified areas/districts under Kharif 2021 season, with special focus on 75 Aspirational/Tribal districts identified by MoA&FW where crop insurance penetration is low.
- The on-ground and digital initiatives will explain the farmer about basics of the scheme such as how to enrol in the scheme with the NCIP portal, CSC centres, Insurance Companies, Banks, how to claim insurance under various circumstances, grievance redressal and reporting crop loss

## About PMFBY

- It was launched in 2016.
- It aims to provide financial security to the farmers of India from vagaries of nature.
- **Premium:** There will be a uniform premium of only 2% to be paid by farmers for all Kharif crops and 1.5% for all Rabi crops. In case of annual commercial and horticultural crops, the premium to be paid by farmers will be only 5%.
- **Farmers covered:** All farmers growing notified crops in a

notified area during the season who have insurable interest in the crop are eligible.

- **Risks Covered:** Yield Losses, Post-harvest losses, Loss / damage resulting from occurrence of identified localized risks, Prevented Sowing, etc
- The scheme is implemented by empanelled general insurance companies.

### **Objectives of PMFBY**

PMFBY aims at supporting sustainable production in agriculture sector by way of –

- Providing financial support to farmers suffering crop loss/damage arising out of unforeseen events.
- Stabilizing the income of farmers to ensure their continuance in farming.
- Encouraging farmers to adopt innovative and modern agricultural practices.
- Ensuring flow of credit to the agriculture sector.

### **Updates on PMFBY**

- Till date, the scheme has insured over 29.16 crore farmer applications (5.5 crore farmer applications on year-on-year basis).
- Over the period of 5 years, more than 8.3 crore farmer applications have benefited from the scheme.
- Moreover, Rs.95,000 crores claims have been paid as against Rs. 20,000 crore farmers share.

### **Revamped Pradhan Mantri Fasal Bima Yojana (PMFBY 2.0)**

- Under the new farm insurance scheme which is also considered as PMFBY 2.0, the government made major changes making it optional for farmers.
- The revised guidelines provide for allocation of business to insurance companies for a period of three years.

- Under PMFBY 2.0, enrollment is 100% voluntary for all farmers from 2020 Kharif.
- It has been decided to cap the Centre's premium subsidy under the scheme for premium rates up to 30% for unirrigated areas/crops and 25% for irrigated areas/crops.
- Under the revamped scheme, the insurance companies have to now spend 0.5% of the total premium collected on information, education and communication (IEC) activities.
- Under PMFBY 2.0, it gives more flexibility to states/UTs to implement the scheme and gives them the option to select any number of additional risk covers/features.

Extra

Reading:

<https://journalsofindia.com/five-years-of-the-pradhan-mantri-fasal-bima-yojana/>