

# **National Agricultural Insurance Scheme**

A Government of India scheme implemented in the State since Kharif 2000.

# Objectives:

1. To provide security & Financial assistance to farmers in the event of crop failure due to Natural calamities pest & diseases
2. Help the farmer to adopt improved practices & cost inputs

# Crops covered:

1. Food, Oilseed & annual commercial and Horticulture crops
2. To cover a crop in the scheme it should have 10 years yield data
3. To have minimum area of
  - Taluk - 500 Ha.
  - Hobli - 200 Ha.
  - Panchayath - 100 Ha.

# **No. of crops covered during 2006-07**

Kharif - 31

Rabi - 19

Summer - 05

Unit of Insurance - Hobli

## **Farmers covered:**

All farmers including tenants, share  
croppers

Loanee : compulsory

Non-loanee : optional

## **Premium rates:**

**Kharif : Bajra & Oilseeds - 3.5%**

**other crops - 2.5%**

**Rabi / : Wheat - 1.5%**

**Summer others - 2.0%**

**Kharif/ : Commercial & - Actuarial**

**Rabi/ Horticulture**

**Summer**

**Premium subsidy : 10% to SF & MF**

# **Procedure for enrollment of non-loanee farmers:**

He should open an account in the Bank.

Apply in the prescribed form.

Pay the prescribed premium.

Enclose document for possession of land and area sown certificate.

## **Conditions for enrollment of non-loanee farmers:**

The crop should be within 30 days after sowing.

The crop should be healthy.

# Last date for enrollment:

<u>Season</u>	<u>Non Loanee</u>	<u>Loanee</u>
Kharif	1st Apr. to 31st July	1st Apr. to 30th Sept.
Rabi	1st Oct. to 31st Dec.	1st Oct. to 31st Dec.
Summer	1st Jan. to 28/29 Feb.	1st Jan. to 31st Mar.

# Claim calculation & settlement:

Indemnity level-

Based on 10 years yield data, indemnity of the crop will be calculated.

3 levels of indemnity are fixed -

High risk - 60%,

Medium risk - 80%

Low risk - 90%

# Threshold yield (T.Y):

Paddy & Wheat -

3 years average yield X Indemnity  
level

Other crops -

5 years average yield X Indemnity  
level

Sum Insured -

= Threshold yield X MSP

## **Assessed yield:**

Assessed yield for the season is arrived by conducting crop cutting experiments.

Minimum No. of crop cutting experiments carried out.

Taluk - 16, Hobli - 10, Panchayath-8

## Claims:

$$\text{Claims} = \frac{\text{Shortfall in yield} \times \text{S.I.}}{\text{Threshold yield}}$$

$$\text{Shortfall} = \text{T.Y.} - \text{A.Y.}$$

## **Progress since inception:**

No. of farmers	- 57.69 lakhs
Premium	- Rs.247.56 crores
Beneficiaries	- 23.66 lakhs
Claims	- 1016.35 crores

Central and State Government share the claims equally if claim exceeds the premium.

Claims credited to the accounts of farmers through Nodal Banks.

# **Suggestions for improvement**

- 1) Permission to State Government to fix cut-off dates for enrollment of non-loanee farmers.
- 2) Fixing normal premium rates even to commercial and horticultural crops.
- 3) Excluding yield data of drought years for calculation of Threshold yield.

- 4) Premium subsidy to be continued to the small & marginal farmers
- 5) Fixing same cut-off date both for loanee & non-loanee farmers
- 6) Bringing more horticulture crops under crop insurance