

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:306

ANSWERED ON:11.08.2003

IMPLEMENTATION OF NATIONAL AGRICULTURAL INSURANCE SCHEME

BHARTRUHARI MAHTAB;DR. KIRIT SOMAYA

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the National Agricultural Insurance Scheme (NAIS) is not being implemented properly in the country by the Insurance companies;
- (b) if so, the number of complaints received during the last year, State-wise;
- (c) the remedial steps taken/being taken in this regard;
- (d) whether various State Governments, Public Representatives and Agriculturists have raised objections regarding protection, premium and benefits;
- (e) if so, the details thereof;
- (f) the present premium and benefits available to the farmers therefrom;
- (g) whether the Government propose to amend the said scheme; and
- (h) if so, the details thereof?

Answer

MINISTER OF AGRICULTURE (SHRI RAJNATH SINGH)

(a) to (h): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (h) OF LOK SABHA STARRED QUESTION NO.306 DUE FOR REPLY ON 11TH AUGUST, 2003.

(a)&(b): The National Agricultural Insurance Scheme (NAIS) is being implemented in the country without any major problem. One complaint from the State of Uttar Pradesh has been received regarding inadequate staff at the field level.

(c): To provide adequate infrastructure and to implement the scheme effectively a new agency called the Agriculture Insurance Company of India Ltd. (AICI) has been set up. The AICI has already started functioning from April, 2003.

(d)&(e): Some States have raised issues pertaining to high premium rates for sugarcane and cotton crops; coverage of perennial crops; re-defining the threshold yield; continuation of premia subsidy and reduction in the unit area of insurance.

(f): The premium rates at present under the NAIS range from 1.5% to 3.5% for food and oilseeds. Actuarial rates are applied for annual commercial/horticultural crops.

The NAIS has the following benefits:-

- Provides financial support to the farmers in the event of crop failure. Insurance claims to the tune of Rs.2433 crore have been paid to about 107.82 lakh farmers during the last six crop seasons (i.e. from Rabi 1999-2000 to Kharif 2002).

- Encourages farmers to adopt progressive farming practices.

- Helps in maintaining the flow of agricultural credit.

(g)&(h): A proposal for review of the NAIS comprising rationalisation of premium rates, limiting the sum insured, continuation of premia subsidy to small and marginal farmers and experiments with Small Area Crop Estimation Method, has been initiated.