

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:2673  
ANSWERED ON:11.12.2006  
MECHANISM FOR AGRICULTURAL PRODUCE  
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**Will the Minister of AGRICULTURE be pleased to state:**

- (a) Whether the Government has evolved any mechanism to assess losses to farmers on account of price fluctuations of agricultural produce ;
- (b) If so, the details thereof ;
- (c) Whether the existing mechanism has proved to be foolproof; and
- (d) If not, the changes being considered to improve the mechanism ?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a)to(d) : The Farm Income Insurance Scheme (FIIS) was conceived to provide income protection to the farmers by integrating the mechanism of insuring production as well as market risks. The scheme was introduced on pilot basis during Rabi 2003-04 for wheat and paddy and continued during Kharif 2004 season also. Based on the assessment of the scheme and its review it has since been discontinued.

The National Agricultural Insurance Scheme (NAIS) is being implemented as a part of risk management in agriculture with the intension of providing financial support to the farmers in the event of failure of crops as a result of natural calamities, pests and diseases. Since Rabi 1999-2000 to Kharif 2005, 7.51 crore farmers have been covered.