

Pradhan Mantri Fasal Bima Yojana

Pradhan Mantri Fasal Bima Yojana is the flagship scheme of the government for agricultural insurance in India in line with the *ONE NATION- ONE SCHEME* theme.

- Annual Commercial / Annual Horticultural crops, oilseeds and food crops (Cereals, Millets and Pulses) are covered under the scheme.
- PMFBY is optional for the farmers who have not availed institutional credit, while all the farmers who have borrowed institutional loans from banks are covered under the scheme mandatorily.
- The Krishi Kalyan Kosh funds the entire PMFBY scheme.

What is covered under PMFBY?

The Pradhan Mantri Fasal Bima Yojana will cover the following cases under crop insurance:

- Local natural calamities like landslides, hailstorms, etc.
- Calamities leading to loss of yield like floods, dry spells, droughts, etc. Pest infestation that causes yield loss is also covered by PMFBY.
- Losses occurred after harvesting crops can also be covered under this scheme. These circumstances may befall due to cyclones, unseasonal rains, cyclonic rains, etc.
- Nevertheless, PMFBY does not provide any safety against the following circumstances:
 - Losses occurred due to war or similar hazardous activities.
 - Loss of yield due to the act of enmity or riots.
 - Yield destruction caused by domestic and/or wild animals
 - Contamination due to nuclear risks.
 - Malicious damage leading to yield carnage.
- It is proposed by the scheme to use remote sensing technology, smartphones or drones to expedite the crop loss estimation.

PMFBY Objectives

Pradhan Mantri Fasal Bima Yojana (PMFBY) aims at providing support for the sustainable production of yield in the agricultural sector. PMFBY will achieve this by implementing the following:

- Financial support will be provided to farmers in distress due to loss and damage of crops caused by unexpected calamities.
- Making sure the income of farmers are stabilized in order for them to continue their farming activities.
- Promoting farmers to adopt and use modern equipment and agricultural practices for efficient and high yield farming.
- Ensuring the flow of credit to the agriculture sector which contributes to food security, crop diversification and enhancing growth and competitiveness of the agriculture sector besides protecting farmers from production risks.

UPSC questions related to PMFBY

What are the features of PMFBY?

- The features of Pradhan Mantri Fasal Bima Yojana (PMFBY) are as follows:
 - Complete Insurance coverage provision against crop loss due to unpreventable reasons. The purpose of this is to stabilise the farmer's income and promote innovative agricultural practices.
 - Improved and increased risk coverage for the insurance of crop cycle for losses occurred during pre-sowing and post-harvesting.

- In order to settle claims for widespread damage, PMFBY uses an **Area Approach** wherein an Insurance Unit is reduced to Village or panchayat level for major crops.
- PMFBY facilitates the farmers to get their claim of the full sum insured without any reduction by **taking off capping on premium provisions** as well as **other reductions on the sum insured**.
- Along with landslide and hailstorm, even **inundation (flooding) has been incorporated** as a localized calamity for the assessment at individual farm level.
- Assessment at individual farm level is now provided for **post-harvest losses by the PMFBY**. This involves losses caused due to unseasonal and cyclonic rains throughout the country which destroy the crops kept for drying up to a period of two weeks.
- Prevented Sowing is now provided with claims upto 25% of the sum insured.
- A group of districts will be allotted an insurance company. This kind of **Cluster approach** will result in effective implementation of the policy. The insurance company allocation will be through a bidding process for a longer duration of upto 3 years.
- Innovative technologies for faster and efficient estimation of crop losses are used. Usage of Drones, Smartphones and Remote Sensing Technologies will ensure early settlement of insurance claims.
- Online portal for Crop insurance has been launched in order to ensure improved administration, better transparency and coordination and dissemination of information.
- The insurance sum is directly credited electronically in the farmer's bank account.
- In addition, a Unified Package Insurance Scheme (UPIS) has also been approved for implementation on pilot basis in 45 districts of the country from Kharif 2016 season to cover the other assets/activities like machinery, life, accident, house and student-safety for farmers along with their notified crops (under PMFBY/ Weather Based Crop Insurance Scheme – WBCIS)

Explain PMFBY failure in Northeast India?

- Out of the seven states of Northeast India, the states of Mizoram, Nagaland, Manipur and Arunachal Pradesh are not covered under the PMFBY Insurance scheme.
 - This is due to the Insurance company's lack of interest in the states of the North-east. Along with it, the inability of the state to pay its insurance premium share due to insufficient budget adds on to the challenges.
- Other factors for the PMFBY failure in North-east include:
 - The high administrative costs in these states make the insurance companies hesitant towards bidding for these states.
 - Lack of proper land records and other historic yield data in the states, especially at the block level gram panchayat level.
 - Crop cutting experiments that give a fair, precise and accurate yield estimation of the crops face difficulties in conducting, which is necessary for horticulture crops.
 - Since the number of loanee farmers are less in Northeast, except Assam, the insurance coverage is limited. This tends to push away the insurance companies.
 - Insurance schemes based on the weather in these states are affected due to unavailability of proper forecasting infrastructure.
- The State governments either need to go with the PMFBY scheme or have to have their own set of schemes for the sake of farmers.

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