

## Agricultural Insurance

### Farm Income Insurance Scheme (FIIS)

8.32 The scheme was conceived to provide income protection to the farmers by integrating the mechanism of insuring production as well as market risks. The farmer's income would be protected by ensuring minimum guaranteed income. The scheme was implemented on a pilot basis during Rabi 2003-04 in 18 selected districts of 12 States for wheat and paddy. During the season, 1.8 lakh farmers were covered over an area of 1.9 lakh hectares. Premium amounting to Rs 14.1 crore was generated as against the sum insured of Rs 239 crore. Claims to the tune of about Rs. 1.5 crore were paid for the season. The scheme was also implemented in selected districts of four States on pilot project basis during kharif 2004

season. (Table 8.14). During kharif 2004, a total of 2.22 lakh farmers were covered over an area of 2.02 lakh hectares. Premium amounting to Rs. 15.68 crore was generated against a sum insured of Rs. 177.56 crore.

### National Agricultural Insurance Scheme (NAIS)

8.33 The scheme is operating on the basis of 'Area Approach', i.e., defined areas for each notified crops for widespread calamities, and on 'an individual basis' for localized calamities such as hailstorm, landslide, cyclone and flood. At present, the scheme is being implemented by 23 States and 2 Union Territories. Cumulatively, 5.9 crore farmers have been covered under NAIS in the last ten seasons i.e. from Rabi 1999-2000 to Kharif 2004 (Table 8.15).

**Table 8.14 : States implementing FIIS during kharif 2004 season**

Sl. No.	States	Districts
1	Jharkhand	West Singhbhum, East Singhbhum, Ranchi, Hajaribagh and Gumala.
2	Gujarat	Ahmedabad, Panchmahal, Surat, Baroda and Bilsad.
3	Maharashtra	Bhandra, Chandrapur, Gadchiroli, Raigarh and Thane.
4	West Bengal	Birbhum, North 24 Parganas, Murshidabad and Jalpaiguri.

Source: Ministry of Finance.

**Table 8.15 : Performance of National Agricultural Insurance Scheme**

Sl. No.	Season	Farmers covered	Area (in lakh ha.)	Sum insured (Rs in crores)	Premium (Rs in crores)	Total claims (Rs in crores)
1.	Rabi 1999-00	579940	7.2	356.4	5.4	7.7
2.	Kharif 2000	8409374	132.2	6903.4	206.7	1222.5
3.	Rabi 2000-01	2091733	31.1	1602.7	27.8	59.5
4.	Kharif 2001	8695735	128.9	7502.5	261.6	493.3
5.	Rabi 2001-02	1955431	31.5	1497.5	30.1	64.7
6.	Kharif 2002	9768711	155.3	9431.7	325.5	1821.8
7.	Rabi 2002-03	2326660	40.4	1837.5	38.5	188.5
8.	Kharif 2003	7970830	123.5	8114.1	283.3	634.2
9.	Rabi 2003-04	4410151	92.0	3052.6	64.4	490.1
10.	Kharif 2004*	12737279	271.3	12464.6	439.2	.91
TOTAL		58945844	1013.9	52762.9	1682.5	4992.1

\* Provisional Source : Ministry of Finance.