## Agricultural Insurance

National Agricultural Insurance Scheme

8.36 The National Agricultural Insurance Scheme (NAIS) is being implemented from rabi 1999-2000 season with the objective of providing insurance coverage and financial support to the farmers in the event of failure of any of the notified crops as a result of natural calamities, pests and disease, and to help to stabilize farm incomes, particularly in disaster years. The scheme is available to all the farmers (both loanee and non-loanee) irrespective of their size of holding.

8.37 The NAIS envisages coverage of all the food crops (cereals, millets and pulses), oilseeds and annual commercial/horticultural crops in respect of which past data on yield is available for adequate number of years. Sugarcane, potato, cotton, ginger, onion, turmeric, chilies, pine-apple, banana, jute, tapioca, coriander, cumin and garlic have already been covered under the scheme. The

scheme is operating on the basis of 'area approach' (defined areas for each notified crop for widespread calamities), and on 'an individual basis' for localized calamities such as hailstorm, landslide, cyclone and flood. At present, 23 States and 2 Union Territories are implementing the scheme. Cumulatively, 7.51 crore farmers have been covered under NAIS in the last twelve seasons from rabi 1999—2000 to kharif 2005 (Table 8.14).

8.38 The premium rates are 3.5 per cent (of sum assured) for bajra and oilseeds, and 2.5 per cent for other kharif crops; 1.5 per cent for wheat, and 2 per cent for other rabi crops. Actuarial rates are being charged in case of annual commercial/horticultural crops. Small and marginal farmers were entitled to a subsidy of 50 per cent of the premium, which was shared on 50:50 basis by the Central and State Governments. The subsidy on premium has gradually been phased out and at present only 10 per cent subsidy is available to small ans marginal farmers.

		Table 8.14: Performance of National Agricultural Insurance Scheme					
Season	Number of farmers covered (lakhs)	Area (lakh ha.)	Sum assured (Rs. crore)	Premium (Rs. crore)	Total claims (Rs. crore)		
Rabi 1999-00	6	8	356	5	8		
Kharif 2000	84	132	6903	207	1222		
Rabi 2000-01	21	31	1603	28	59		
Kharif 2001	87	129	7502	262	494		
Rabi 2001-02	20	31	1498	30	65		
Kharif 2002	98	155	9432	325	1824		
Rabi 2002-03	23	40	1838	39	188		
Kharif 2003	80	124	8114	283	649		
Rabi 2003-04	44	65	3049	64	490		
Kharif 2004	127	243	13170	459	760		
Rabi 2004-05	35	53	3774	76	157*		
Kharif 2005*	126	208	13416	446	N.A.		
TOTAL	751	1219	70655	2223	5917		
	Kharif 2000 Rabi 2000-01 Kharif 2001 Rabi 2001-02 Kharif 2002 Rabi 2002-03 Kharif 2003 Rabi 2003-04 Kharif 2004 Rabi 2004-05 Kharif 2005* TOTAL	farmers covered (lakhs)  Rabi 1999-00 6  Kharif 2000 84  Rabi 2000-01 21  Kharif 2001 87  Rabi 2001-02 20  Kharif 2002 98  Rabi 2002-03 23  Kharif 2003 80  Rabi 2003-04 44  Kharif 2004 127  Rabi 2004-05 35  Kharif 2005* 126  TOTAL 751	farmers covered (lakhs)         Area (lakh ha.)           Rabi 1999-00         6         8           Kharif 2000         84         132           Rabi 2000-01         21         31           Kharif 2001         87         129           Rabi 2001-02         20         31           Kharif 2002         98         155           Rabi 2002-03         23         40           Kharif 2003         80         124           Rabi 2003-04         44         65           Kharif 2004         127         243           Rabi 2004-05         35         53           Kharif 2005*         126         208           TOTAL         751         1219	farmers covered (lakhs)         Area (lakh ha.)         assured (Rs. crore)           Rabi 1999-00         6         8         356           Kharif 2000         84         132         6903           Rabi 2000-01         21         31         1603           Kharif 2001         87         129         7502           Rabi 2001-02         20         31         1498           Kharif 2002         98         155         9432           Rabi 2002-03         23         40         1838           Kharif 2003         80         124         8114           Rabi 2003-04         44         65         3049           Kharif 2004         127         243         13170           Rabi 2004-05         35         53         3774           Kharif 2005*         126         208         13416           TOTAL         751         1219         70655	farmers covered (lakhs)         Area (lakh ha.)         assured (Rs. crore)         Premium (Rs. crore)           Rabi 1999-00         6         8         356         5           Kharif 2000         84         132         6903         207           Rabi 2000-01         21         31         1603         28           Kharif 2001         87         129         7502         262           Rabi 2001-02         20         31         1498         30           Kharif 2002         98         155         9432         325           Rabi 2002-03         23         40         1838         39           Kharif 2003         80         124         8114         283           Rabi 2003-04         44         65         3049         64           Kharif 2004         127         243         13170         459           Rabi 2004-05         35         53         3774         76           Kharif 2005*         126         208         13416         446           TOTAL         751         1219         70655         2223		

<sup>\*</sup> Provisional figures as on December 31, 2005. N.A. Not available

Source: Ministry of Finance.

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