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Pradhan Mantri Fasal Bima Yojana

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Why is in news? Centre says, it is committed to provide comprehensive insurance coverage against crop loss on account of non-preventable natural risks under PMFBY

Union Ministry of Agriculture and Farmers Welfare today reiterated that under Pradhan Mantri Fasal Bima Yojana (PMFBY), Government is committed to provide comprehensive insurance coverage against crop loss on account of non-preventable natural risks.

Pradhan Mantri Fasal Bima Yojana (PMFBY) is the **third largest crop insurance scheme in the World** and tipped to become number one in coming years as around 5 crore farmer applications are being received under the scheme every year.

Launched in 2016, the Pradhan Mantri Fasal Bima Yojana (PMFBY) is a **large-scale crop subsidy insurance scheme** that was aimed **to safeguard farmers**.

This **flagship scheme was designed** in line with the **One Nation–One Scheme** and **replaces three older initiatives**—Modified National Agricultural Insurance Scheme (MNAIS), Weather-based Crop Insurance Scheme and the National Agricultural Insurance Scheme (NAIS)—by incorporating their best features and removing inherent shortcomings to improve insurance services available to farmers.

This scheme is being administered by the **Department of Agriculture, Cooperation and Farmers' Welfare** under the Ministry of Agriculture, along with empanelled general insurance companies.

The scheme provides **coverage for the entire cropping cycle from pre-sowing to post-harvest and midseason adversities**.

It extends coverage against financial losses incurred by farmers due to **unforeseeable events** such as crop failure due to localised risk, post-harvest losses, natural calamities, unseasonal rainfall, crop diseases and pest infestations.

The primary goal of the initiative is to **reduce the burden of insurance premiums on farmers** and ensure early settlement of claims.

According to the government, under this scheme, **all farmers (including sharecroppers and tenant farmers)** growing notified crops in the notified areas are **eligible for coverage**, if they have insurable interest for the insured crops.

Objectives:

Providing financial support to farmers suffering crop loss/damage arising out of unforeseen events

Stabilizing the income of farmers to ensure their continuance in farming

Encouraging farmers to adopt innovative and modern agricultural practices

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Ensuring flow of credit to the agriculture sector which will contribute to food security, crop diversification and enhancing growth and competitiveness of agriculture sector besides protecting farmers from production risks.

The scheme is being implemented on actuarial/bidder premium rates however, farmers including small farmers have to pay maximum 2% for Kharif, 1.5% for Rabi food and oilseed crops and 5% for commercial/horticultural crops respectively.

Premium over and above these limits is shared by the **Central and State Governments on 50: 50 basis except in North Eastern Region where it is 90: 10** from Kharif 2020.

The Ministry of Agriculture said that **Digitisation and Technology** are playing a significant role in scaling up the reach and operations of PMFBY with precision agriculture.

Union of agri-tech and rural insurance can be the magic formula for financial inclusion, enabling a trust in the scheme.

Recently introduced Weather Information and Network Data Systems (WINDS), Yield Estimation System based on Technology (YES-Tech), Collection of Real Time Observations and Photographs of Crops (CROPIC) are some of the key steps taken under the scheme to bring in more efficiency and transparency.

To address farmer grievances in real time, an **integrated help line system** is under beta testing in Chhattisgarh