

Vol II Issue IV Oct 2012

Impact Factor : 0.1870

ISSN No :2231-5063

Monthly Multidisciplinary Research Journal

Golden Research Thoughts

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RNI MAHMUL/2011/38595

ISSN No.2230-7850

Indian Streams Research Journal is a multidisciplinary research journal, published monthly in English, Hindi & Marathi Language. All research papers submitted to the journal will be double - blind peer reviewed referred by members of the editorial Board readers will include investigator in universities, research institutes government and industry with research interest in the general subjects.

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Recent Trends In Crop – Insurance In India

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Abstract:

Farming involves numerous risks due to natural disasters. Crop-Insurance is the risk management tool available to farmers. In India, Agricultural Insurance Co. Ltd., (AIC) offered various schemes to protect the farmers from natural disasters & reduce the uncertainty and loss in farming. With the help of various agri-insurance-products, AIC is mainly attempting for strengthening agriculture as well as the farmers in India.

National Agricultural Insurance scheme, which is implemented by AIC, is introduced from Rabi 1999. Maharashtra is one of the most beneficiary states under NAIS. The study is conducted to focus on the functioning of scheme in Maharashtra and also to know future trends of agri-insurance.

KEYWORDS:

Trends, Crop, Insurance, Agriculture, CCIS, NAIS, AICI

INTRODUCTION:

Recent visits from leaders and officials from developed & wealthier nations like United states, France, Germany, Russia, etc., have spotlighted India's rise and see India as a trading partner with enormous potential. India's economy is divided between agriculture (which accounts for quarter of gross national product), manufacturing (constituting another quarter) and high-tech service sector (which now make up fully half of gross national product). But major part of population (65% to 75%) depends upon agriculture. The controversial situation leads to many problems. One of that rises in farmer's suicide. Uncertainty of crop-income and loan burden is the most common reasons of increased suicides. Crop-Insurance is the important tool or remedial means to protect farmers against the uncertainty & loss thereon.

OBJECTIVES OF STUDY:

1. To study Crop-Insurance schemes in India.
2. To study year wise growth of NAIS in Maharashtra.
3. To study ratio of claims against premium of selected crops in Maharashtra.
4. To focus on future agri-insurance products of AIC and give suggestions.

HISTORY OF CROP-INSURANCE IN INDIA:

Crop-insurance is purchased by agric-producers to protect themselves against either the loss of their crops due to natural disasters such as floods, drought, hail, cyclone, storms, winds, fire, pests, diseases etc.

In India S. Chakravarti had proposed first an agricultural insurance based mainly on the rain fall approach in 1920. In post-independence period systematic efforts were made. The major are discussed

Please cite this Article as : Udaysinh R. ManePatil and Anuradha Gotkhinde , Recent Trends In Crop – Insurance In India : Golden Research Thoughts (Oct. ; 2012)

here.

CCIS

Comprehensive Crop-Insurance scheme (CCIS) was introduced in 1985 which was administered by General Insurance Corporation (GIC) on behalf of Ministry of Agriculture, Govt. of India. This scheme was optional. It had covered 15 states & 2 union territories. Around 5 million farmers & between 8-9 million hectares were annually covered by this scheme. But this scheme was scrapped in 1997.

NAIS

National Agricultural Insurance Scheme (NAIS) was introduced from Rabi 1999. It is also called as Rashtriya Krishi Bima Yojana (RKBY). This is also optional and presently being implemented in 25 states & 2 union territories. This scheme is available for all loaner (compulsory) & non-loaner farmers (voluntary). This scheme is operating on Area-approach basis. Areas are defined for each notified crop for widespread calamities which may vary from grampanchayat to block or district. The main feature is in case of small & marginal farmers 50% of premium charges are born by government.

AICI

Agricultural Insurance Company of India (AIC) was set up on 1st April, 2003 by government of India. It is the biggest crop-insurance insurers in the world. It is controlled by ministry of finance, Govt. of India, AIC offers area based and weather based crop-insurance program. NAIS scheme are implemented by AIC.

NAIS has covered 17.61 crores farmers an area of 26.27 million hectares till Rabi 2010-11. The government has settled claims worth Rs. 21.549 crore under the scheme during last 23 crop seasons benefiting 4.76 crore farmers.

The major beneficiary states under NAIS are:

1. Maharashtra – Rs. 2.79 Crore
2. Andhrapradesh – Rs. 2.49 Crore
3. Madyapradesh – Rs. 2.17 Crore
4. UttarPradesh – Rs. 2.79 Crore
5. Rajsthan – Rs. 1.50 Crore

PERFORMANCE OF NAIS IN MAHARASHTRA:

NAIS give coverage of all food crops, oilseeds, annual commercial and horticultural crops in Maharashtra. Some examples are cereals, pulses, groundnuts, Potato, onion, cotton etc.

STATEMENT SHOWING PERCENTAGE OF CLAIMS AGAINST PREMIUM

<i>Year</i>	<i>Rice</i>	<i>Wheat</i>	<i>Jowar</i>	<i>Tur</i>	<i>Cotton</i>	<i>Groundnut</i>
2007	10.56	4	4	1.36	10.36	0.26
2008	458.84	3	0	82.47	14.90	268.80
2009	499.43	192	196	152.16	99.09	120.46
2010	86.23	142	3	28.73	38.40	66.52
2011	2.20	141	43	168.45	60.06	312.35

Above is a statement showing ratio between claim & premium considering major crops in Maharashtra between 2007-11. Besides This Soya been, Ragi, Balck gram, Green Gram, Peas, Sunflower, onion etc. also been covered by NAIS.

STATEMENT SHOWING SEASON WISE FINANCIAL PERFORMANCE OF NAIS IN MAHARASHTRA

<i>Year Seasons</i>	<i>Beneficiary farmers No. (lakh)</i>	<i>Premium Rs. (lakh)</i>	<i>Claim Rs. (lakh)</i>	<i>Claims against Premium (%)</i>
Kharif 2007	1891344	31525661	863108485	274
Kharif 2008	3449946	740849323	4684584347	632
Kharif 2009	3101562	1013504016	3748723215	370
Kharif 2010	2124033	500326213	144030581	29
Kharif 2011	2191418	637253825	391938296	62
Rabbi 2007	37655	2949248	59200	2
Rabbi 2008	92109	5925245	25160	0.4
Rabbi 2009	52132	7257116	54460709	750
Rabbi 2010	82348	16978761	13854093	82
Rabbi 2011	55570	17010293	4371512	26

Above Statement shows increase in no. of beneficiary farmers in both seasons. Kokan, Nashik, Pune, Kolhapur, Aurangabad, Latur, Amravati, Nagpur & Vidrbha Zones are covered. Besides this; special vidrbha package is also introduced.

AIC is adopting new policies to strengthen its performance some new scheme like ANNAPOORNA (Started in 2009), Shetakari Janta Abghat Vima Yojana, weather based Crop-insurance scheme etc. are introduced. Also the government has implemented a Modified National Agricultural Insurance Scheme (MNAIS) on a pilot basis in 50 districts from 2010-11 Rabbi Crop year.

CHANGING SCENARIO OF CROP-INSURANCE SCHEMES IN INDIA

Past schemes	Present schemes	Future schemes
* Sookha Suraksha Kavach * PCIS – Pilot Crop Insurance Scheme * FIIS – farm Income Insurance Scheme * ECIS – Experimental Crop Insurance Scheme * CCIS – Comprehensive Crop Insurance Scheme * PSSCI – Pilot Scheme of Seed crop Insurance	* Mango Insurance * poppy Insurance * Potato Insurance * Wheat Insurance * Coconut Insurance * Rubber Insurance * Rabi Weather Insurance * Pulpwood Tree Insurance * Bio fuel Tree Insurance * Varsha Bima Insurance * USBY- Uttarkhand seb Bima Yojana * NAIS – National Crop Insurance Scheme * WBCIS – Weather Based Crop Insurance Scheme. * RISC – Rainfall Insurance Scheme for Coffee growers	* Tea Insurance * Sugarcane Insurance * Basmati Rice Insurance * Contract Farming Insurance * Aromatic & Medicinal Plants Insurance

Above various schemes is the evidence which shows emerging trends in crop Insurance sector. About 500 districts of India & 20 million farmers are making AIC one of the biggest crop insurers in the world.

SUGGESTIONS :

Though Indian Crop-Insurance sector is developing but it suffers from some major problems. To avoid some defects, followings suggestions be considered.

1. Farmers should get amount of claim within a short period so that he would prepare himself for their next crop.
2. The schemes should not based only on area-approach but also consider individual approach.
3. The schemes should farmers friendly, regular counseling programs should be arranged at grampanchyats.
4. Participation of non-loaner farmers should be increased.
5. The scheme should be easy to understand to farmers.
6. Proper knowledge, proper communication & Proper implementation would help to departments perform more effective.

CONCLUSIONS :

The farming involves numerous risk & uncertainty. It is necessary to protect the farmers from natural calamities & ensure their credit eligibility for the next season. Agricultural Insurance Company. In India implemented various schemes which available for all farmers. It is developing its agri-insurance product to encourage the farmers to adopt progressive farming practices, high value inputs higher technology in agriculture. The various Schemes enable framers to stabilize farm incomes particularly in disaster years. Though it is satisfactory, there are yet no of uninsured farmers who are not aware of the

schemes, it is necessary to redesign the schemes to make it farmer friendly so that it would perfect remedial answer for farmers suicide.

It is necessary to understand requirement of rural villages & their needs to cover more crops, more farms & more farmers. Making more effective schemes may assure the farmers that these are not only crop insurance schemes. But they are a life insurance schemes for farmers.

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