Pradhan Mantri Fasal Bima Yojana

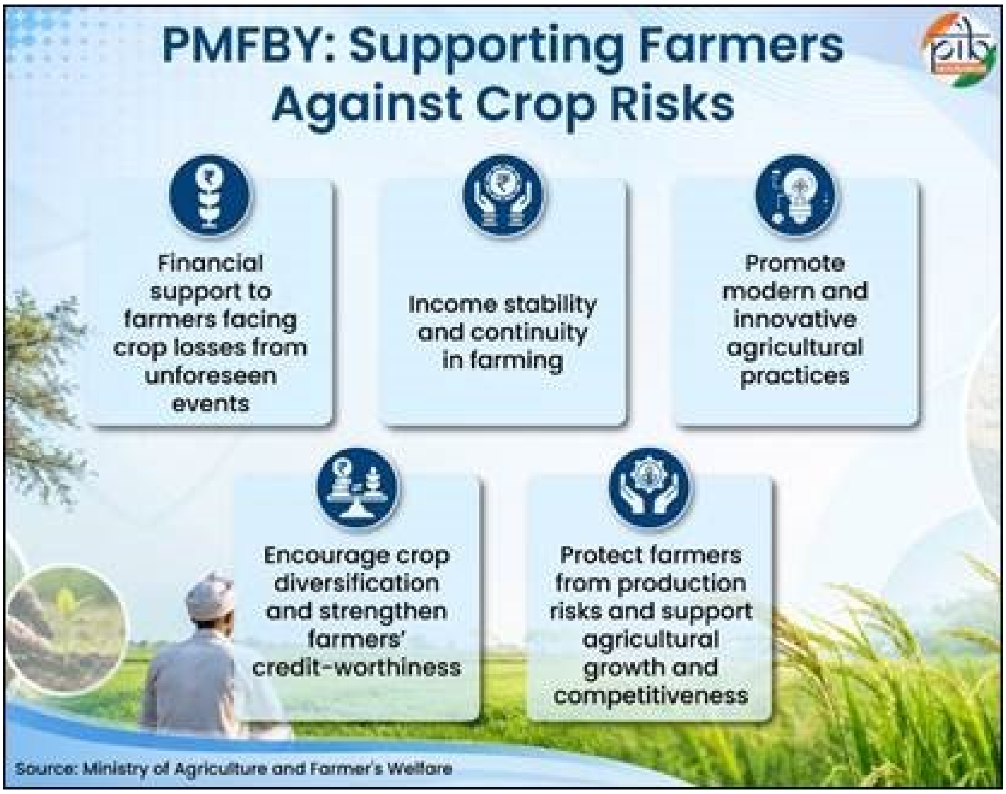
Affordable Crop Insurance for Every Farmer

Pradhan Mantri Fasal Bima Yojana (PMFBY)

- It offers comprehensive coverage against droughts, floods, cyclones, hailstorms, pests, diseases, prevented sowing, localized calamities, damage by inundation, unseasonal rainfall, hailstorms and specified post-harvest losses nationwide.
- With ₹12,200 crore allocated for 2026–27, PMFBY continues strengthening farmer resilience, protecting livelihoods, stabilizing incomes, and supporting climate-resilient agriculture nationwide.
- In the last 10 years, since the inception of the scheme in Kharif 2016 till Rabi 2025-26, more than 92.46 crore farmer applications have been insured, and over 26.33 crore farmer applications have been paid claims exceeding ₹2.06 lakh crore.
- The integration of technology-driven initiatives such as the Yield Estimation System based on Technology (YES-TECH) and the Weather Information Network and Data System (WINDS) has further strengthened the scheme by enabling faster, fairer, and more transparent claim settlement.
- **Securing Rural Livelihoods Through Crop Insurance**
- Crop insurance protects farmers from crop losses caused by natural calamities, adverse weather, pests, and diseases. Timely compensation helps farmers manage income shocks, recover losses, repay loans, and invest in the next cropping season. It strengthens farm resilience, safeguards livelihoods, and supports continuity of agricultural production during uncertain conditions.
- On 18 February 2016, the **Pradhan Mantri Fasal Bima Yojana (PMFBY)** was launched to bring the maximum number of farmers under crop insurance coverage.
- It covers risks from pre-sowing, including prevented or failed sowing, widespread mid-season adversity, localized calamities caused by hailstorms, inundation, landslide, etc., at individual land parcels, to post-harvest losses caused by cyclones, unseasonal rains, and other specified perils.

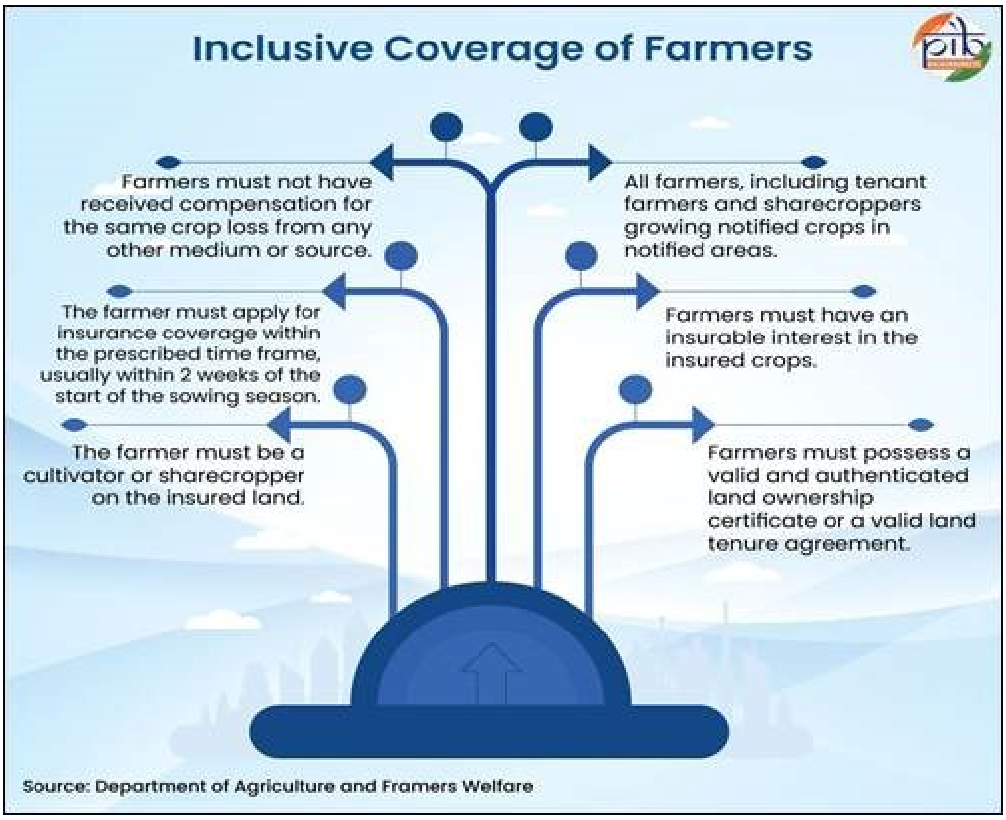
PMFBY in Action: A Farmer’s Story of Resilience

• Anwar Hussain, a small farmer from Chankhala village in Assam’s Nagaon district, depends entirely on agriculture for his family’s livelihood. When heavy rains severely damaged his crop, he faced uncertainty over repaying his loans and financing the next sowing.
• Fortunately, Anwar had enrolled under the **Pradhan Mantri Fasal Bima Yojana (PMFBY)** by paying a nominal premium of just Rs 100. After the crop loss was assessed, he received **₹50,600** in compensation under the scheme. This timely financial support helped him recover from the loss, repay part of his debt, and invest in inputs for the next season. With this support, Anwar was able to continue farming with renewed confidence instead of falling into financial distress. Today, he strongly encourages other farmers in his village to insure their crops, saying that PMFBY acts as a safety net during times of crisis.
• PMFBY provides financial coverage against crop losses and helps stabilise farmers’ incomes. It also promotes modern farming practices, crop diversification, and resilience against production risks.



- **Inclusive Coverage of Farmers**
- PMFBY provides inclusive crop insurance coverage to farmers, including tenant farmers and sharecroppers, subject to prescribed eligibility conditions.
- Farmers must have an insurable interest, valid land documents or tenure agreements or sowing certificates as per state-specific pre-defined requirements, and apply within the specified timeframe.
- To ensure inclusive risk coverage, PMFBY covers both loanee and non-loanee farmers across the agricultural range.
- **Non-loanee farmers** are those without crop loans or with non-standard Kisan Credit Card (KCC)-linked loans.
- They can voluntarily enroll under PMFBY for crop insurance coverage. In the last 10 years, on average, 50% of all farmers have voluntarily enrolled as non-loanee farmers, establishing trust among farmers in the scheme.

- **Loanee farmers** are those who take seasonal crop loans from banks or financial institutions, and their loans or KCCs are active and standard.
- Their premiums are automatically deducted from the loan amount by the respective banks.



- PMFBY generally provides comprehensive risk cover for all natural and climatic calamities leading to damage or loss of crops, provided that the crop has been insured and the corresponding premium has been paid to the Insurance Company within predefined timelines.
- However, crop losses in non-notified areas, outside the covered crop lifecycle (i.e., before sowing and after removal of the crop from the field), and losses caused by negligence or man-made or preventable risks are not covered.

Risks Covered

- PMFBY provides coverage against crop losses at different stages of cultivation and harvesting:
- **Yield Losses (standing crops, on notified area basis):** PMFBY provides area-based coverage against non-preventable risks such as **drought, dry spells, floods, inundation, cyclones, hailstorms, lightning, pests and diseases**.
- **Prevented Sowing:** Where insured farmers incur expenditure but are prevented from sowing due to adverse weather conditions, they **shall be eligible for claims up to a maximum of 25% of the sum insured**.
- **Post-Harvest Losses:** Crops kept in **"cut-and-spread" condition** for drying in the field are covered for up to **14 days after harvesting** against specified **cyclonic and unseasonal rain** events.
- **Localized Calamities:** Individual farm-level losses caused by **hailstorms,**

landslides, inundation, cloud bursts, and damage by natural fire are covered under specified conditions.

- However, PMFBY excludes losses from **war, nuclear risks, riots, theft, specified post-harvest conditions, and other preventable risks**.

Progress and Achievements under PMFBY

- PMFBY has witnessed significant expansion in farmer participation, insurance coverage, and institutional reach in recent years.
- Farmers pay a maximum premium of **2% for Kharif and 1.5% for Rabi foodgrain and oilseed crops**. For commercial and horticultural crops, the maximum premium is **5%**.
- The Central & State Governments subsidizes the remaining premium in 50:50 proportion.
- For the farmers in North-Eastern & Himalayan States/UTs, the contribution of Central & State Govt. subsidy is in a 90:10 proportion.
- This affordable premium structure has helped make crop insurance accessible to a wider section of farmers across the length and breadth of the country.

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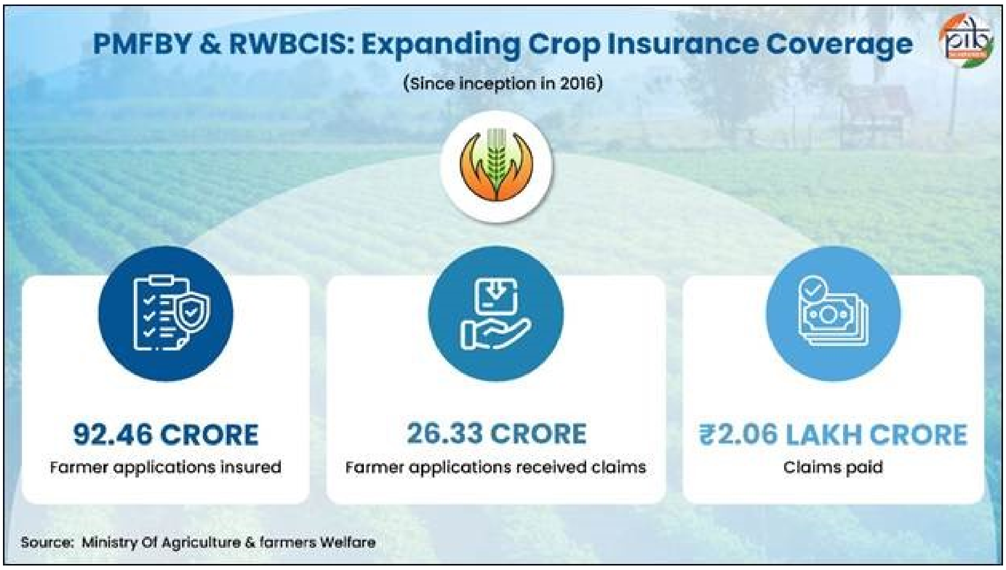

- PMFBY is currently being implemented by 25 States and Union Territories in Kharif 2026.
- Since its inception, more than **92.46 crore farmer applications** have been insured, and over **26.33 crore** farmer applications have received claims exceeding **₹2.06 lakh crore**.
- In Kharif **2025, crop insurance covered 229.77 lakh farmers covering 269.38 lakh hectares**, providing coverage against crop-related risks. Enrollment of farmers and area insured for Kharif 2026 has already exceeded the levels for Kharif 2025. **As of 27th August 2026, 241.38 lakh farmers have been insured, covering 278.12 lakh hectares**, reflecting the continued scale of crop insurance coverage.
- **For Kharif 2025, claims worth ₹9,837.61 Crore have already been paid to 60.89 lakh eligible farmers**, providing crucial financial support against crop losses.
- National enrolment reached an all-time high in **2024-25**, with more than **15.23 crore farmer applications** covering more than **4 crore** farmers have been insured, and over **623 lakh hectares** covered.
- Tenant and sharecropper farmers are included and covered under the scheme. Since 2018, cumulatively more than 1.44 crore such farmers have been enrolled across States and UTs.

State-Specific Progress and Insights

- **Rejoining of Major States Reflects Growing Confidence**
- The confidence of State Governments in the PMFBY framework has grown significantly, as evidenced by the systematic return of major agricultural states that had previously opted out or launched their own non-insurance crop relief schemes.
- **Andhra Pradesh** rejoined from Kharif 2022
- **Jharkhand** rejoined from **Kharif 2024**.
- **West Bengal** rejoined from **Kharif 2026**.
- **Bihar** has decided to return to the national fold and implement PMFBY starting from the **Rabi 2026–27** season.
- This wave of returns highlights the unmatched efficiency and financial safety net that the centralized scheme offers compared to regional non-insurance relief models.
- **Impact of Universalisation Discontinuation in Maharashtra and Andhra**

Pradesh:

- A detailed look at regional enrollment trends reveals that the moderate national dip in insured farmer applications during the **2025–26** season is concentrated primarily in **Maharashtra** and **Andhra Pradesh,** owing to a change in implementation methodology rather than indicating any broad decline in farmer trust in the scheme.
- Both states previously implemented a **"universalization approach"** during 2023 & 2024, where the State Government bore 100% of the premium on behalf of all farmers, leading to very high enrolment in Kharif 2024.
- In 2025, both states discontinued this 100% farmer premium subsidy approach, leading to expected drops in enrollments of farmers:
    - In Kharif 2025, the farmers' enrollment in **Andhra Pradesh** dropped **77%** (from **31.92 lakh** in Kharif 2024 to **7.43 lakh** in Kharif 2025). In Kharif 2026, the trend has reversed, and till 28th Aug 2026, **16.22 lakh** farmers have been enrolled, showing 108% increase over the Kharif 2025 season.
    - Similarly, in Kharif 2025, the farmers' enrolment in **Maharashtra** dropped **40%** (from **76.59 lakh** in Kharif 2024 to **45.99 lakh** in Kharif 2025). In Kharif 2026 till 28th Aug 2026, **42.55 lakh** farmers have been enrolled, reaching 92% of the Kharif 2025 season. The moderate dip is driven by the state's exclusion of certain add-on claims from the scheme.
- **Steady and Strong Growth in Other Major States**
- In stark contrast to these state-specific, localized policy-driven adjustments, other major agricultural states recorded highly robust growth in farmer enrollment during **Kharif 2025**:
    - **Uttar Pradesh** led the growth with a massive **35% increase**, rising from **15.48 lakh** to **20.84 lakh** insured farmers.
    - **Haryana** continued its steady growth trajectory with a **20% increase**, insuring **4.49 lakh** farmers in Kharif 2025 compared to 3.75 lakh in Kharif 2024 (building on a spectacular **82% growth** between 2023 and 2024).
    - **Rajasthan** recorded a **19% increase**, with the number of insured farmers rising from **30.59 lakh** to **36.45 lakh**.
    - **Madhya Pradesh** registered a **12% increase**, growing to **26.80 lakh** insured farmers.
    - **Chhattisgarh** saw its insured farmer population rise by **9%** to **15.75 lakh**.
    - **Odisha** witnessed a **5% increase**, bringing the total insured farmers to **24.92 lakh**.
- These consistent positive double-digit trends demonstrate the strong, self-motivated demand for agricultural risk coverage across India's primary farming belts.

Key Government Initiatives to Strengthen PMFBY Implementation

- PMFBY is being implemented through a robust digital and governance framework that ensures transparent, timely, and accurate crop insurance services.
- **The National Crop Insurance Portal (NCIP)** enables digital farmer enrolment, subsidy administration, coordination, and information dissemination.
- It also facilitates access to insured farmers' details, the calculation of eligible claims, and the electronic transfer of claims directly into farmers' bank accounts.
- **Integration of Land Records with NCIP:** Enables validation of insured areas

through state e-land records. Digital validation of land records is being implemented in the states of Madhya Pradesh, Chhattisgarh, Andhra Pradesh, Maharashtra, Rajasthan, Karnataka, Haryana, Himachal Pradesh, Uttar Pradesh, and Odisha. Around 85% of the insured area in these States is now validated through integrated land records to ensure the correct identification of the land parcel, insured area, and farmer.

- **Digiclaim Module:** Introduced from Kharif 2022, it enables transparent calculation and settlement of claims on NCIP. Claims are processed through NCIP and paid through the Public Finance Management System (PFMS). It also enables full-cycle monitoring of claims up to the farmer level. Since inception, more than ₹55,000 Crore in claims have been calculated and paid through the digital platform.
- **Crop Cutting Experiment (CCE)-Agri App:** Enables digital capture and uploading of CCE yield data on NCIP. This yield data is used for the calculation of the Actual Yield for an Insurance Unit, based on which the eligible payable claims due to loss of crop yield are calculated. It also allows insurance companies to witness CCEs, improving transparency and supporting timely claim settlement
- **Digital Innovations Strengthening Crop Insurance Delivery**
- PMFBY’s digital platform integrates farmers, insurers, financial institutions, and government agencies on a single IT ecosystem.
- It enables real-time information sharing, transparent administration, and streamlined crop insurance services.
- The portal digitizes area, crop, and scheme notifications, reduces manual processes, and improves access to insurance, particularly for remote and economically vulnerable farmers.

- **Top of FormBottom of FormYield Estimation System Based on Technology (YES-TECH)** uses remote sensing and technology-based methods to provide fair and accurate crop yield estimates. It was launched for paddy and wheat in Kharif 2023, and soybean in Kharif 2024. It started with at least 30% weightage assigned to YES-TECH-derived yields and has now increased up to 50% across certain states.
- **The Weather Information Network and Data System (WINDS)** employs Automatic Weather Stations and Automatic Rain Gauges to collect hyperlocal weather data at the Block and Gram Panchayat levels.

- The data support the implementation of the Weather-Based Crop Insurance Scheme for Fruits, vegetables, and plantation crops; crop yield estimation using YES-TECH; disaster management; weather forecasting; and other parametric insurance products.
- **Collection of Real-time photos and Observations of Crops (CROPIC):** Uses geo-tagged photographs to periodically validate general crop health in a given Insurance Unit.
- It is also envisaged to support crop damage assessment and yield estimation through pictorial analytics, for which nation-wide pilots are in the process of initiation
- **The Krishi Rakshak Portal & Helpline (KRPH)** provides a dedicated **toll-free helpline (14447)** for farmers to register grievances, seek assistance, and track the resolution of crop insurance-related issues.
- It was launched in January 2024 across the nation, and since then, 26.12 lakh grievances of insured farmers have been addressed & resolved with 99.66% resolution rate.
- **Learning Management System (LMS)** expands knowledge and understanding of crop insurance across the stakeholders through a digital platform.
- **App for Intermediary Enrolment (AIDE)** enables doorstep enrolment of non-loanee farmers. It makes crop insurance more accessible through insurance intermediaries. Similarly, **Crop Loss Assessment App (CLAP)** is being used to digitally record the crop loss extent on the individual farm level under localized calamities through crop loss surveys and enables faster & transparent claim calculation and settlement.
- These technology interventions transformed PMFBY by enabling faster enrolment, accurate loss assessment, timely claim settlement, and effective grievance redressal for farmers.
- **Restructured Weather-Based Crop Insurance Scheme (RWBCIS)**
- Complementing PMFBY, the Government implements the **Restructured Weather-Based Crop Insurance Scheme (RWBCIS)** to address risks arising specifically from adverse weather conditions.
- RWBCIS is a weather index-based scheme where admissible claims are determined using specified weather parameters as a "proxy" for crop damage rather than actual assessed crop-yield losses.
- Under this scheme, a crop’s life cycle is divided into distinct phenological phases, with the sum insured allocated based on the crop's vulnerability during each phase.
- The scheme operates on an "Area Approach" in defined Reference Unit Areas (RUAs).
- Payouts are triggered when quantifiable weather variables—including deficit or excess rainfall, dry spells, extreme temperatures, humidity, and wind speed-measured at notified local weather stations deviate from pre-defined thresholds. States/UTs can also offer add-on farm-level coverage for severe localized perils such as hailstorms and cloudbursts.
- Sharing the same affordable premium rates as PMFBY (1.5% to 5% depending on crop type), RWBCIS remains a highly popular safety net, especially for Fruit, Vegetables, and Plantation crops, covering 25.95 lakh farmer applications covering 12.31 lakh hectares in Kharif 2026.

Conclusion

- Over the past decade, the Pradhan Mantri Fasal Bima Yojana (PMFBY) has emerged as a cornerstone of India's agricultural risk management framework.

- It provides millions of farmers with financial security against climate change, extreme weather events, and biological risks.
- By combining affordable premiums with comprehensive crop-cycle coverage, the scheme has reduced farmers' vulnerability to income shocks.
- It has also strengthened their ability to invest in modern inputs, improved seeds, and better farming practices.
- Digital platforms & interventions such as NCIP, DigiClaim, CCE Agri App, CLAP, YES-TECH, and WINDS improved transparency, accuracy, and speed of claim settlement under PMFBY.
- These technologies also made PMFBY more efficient and accountable. As India moves towards climate-resilient agriculture, PMFBY stands well-positioned to continue safeguarding farmers' livelihoods, fostering resilience in agriculture, and strengthening national food security in the years ahead.

Reference

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