GS-3 - Agriculture.

4. Is there a need to revamp PM Fasal bima yojana for better insurance coverage? Substantiate.

Pradhan Mantri Fasal bima yojana is a crop loss Insurance scheme, due to non-preventable disasters like flood, droughts etc.,. flagship scheme started in 2016.

Need for Scheme Revamp

Ashok Dalwai committee → highlighted.

i) participating farmers - declined 462L to 387L.

ii) number of States - reduced 22 to 19.

iii) coverage area - decreased [374L to 248L h.a]

Issues with the Scheme

1. Claim - covered by few

i) claim to approval ratio across all states is 12%; but in 45th districts etc the approval was 100%.

2. Documentation problem – Farmers are repeatedly asking for documents for claiming Insurance.

3. private insurers in the scheme has to be reassessed.

→ on one hand, the claim rejection rate was increasing, other hand there is windfall taxes for private insurers.

measures suggested.

1. 'vulnerability data for individual crops & districts for actual crop vulnerability. → differential premiums

2. Digital literacy – for farmers through Farmers producer organisations.

3. capturing crop related data at the registration process itself

way forward.

The recommendations of the committee has to be adhered to, to maintain the scheme responds to the needs for farmers