

- (3) To minimize the use of pesticides, Government of India is promoting the concept of Integrated Pest Management (IPM) for control of insect, pest and diseases of different crops, which envisages the use of non-chemical methods of pest control such as cultural, mechanical, physical, biological and need-based use of chemical pesticides.

**Allowing private participation in modified N.A.I.S.**

3412. SHRI M.V. MYSURA REDDY:

SHRIMATI GUNDU SUDHARANI:

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether Government is planning to allow private insurance players to participate in the modified National Agricultural Insurance Scheme (NAIS);
- (b) whether the modified NAIS would be implemented, initially, in 50 districts from the Rabi season of 2010-11, with a particular reference to Andhra Pradesh;
- (c) the details of crops to be covered under the scheme;
- (d) the difference between the present NAIS and the proposed one; and
- (e) whether the Ministry will review the threshold limit since it is not farmer-friendly?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (PROF. K.V. THOMAS): (a) The Scheme of Modified National Agricultural Insurance Scheme (MNAIS) already allows private insurance players to participate in the implementation of pilot MNAIS.

(b) Modified NAIS is being implemented in 50 districts; including three districts - Nellore, Prakasam and Warangal from Andhra Pradesh.

(c) MNAIS covers food crops (cereals, millets & pulses), oilseeds and annual commercial/horticultural crops.

(d) Major differences between NAIS and MNAIS summarized in the Statement (*See* below).

(e) There is no proposal to review threshold limits for the present.

**Statement**

*Comparison between NAIS and Modified NAIS*

S.No.	Parameters	NAIS	Modified NAIS
1	2	3	4
1	Insurance Unit	The defined area (i.e. unit area of insurance) may be a Gram Panchayat, Mandal, Hobli, Circle, Phirka, Block, Taluka etc. to be declared by the State/UT Government (Scheme provided for reduction of unit to Gram Panchayat)	Reduction in unit area of insurance to the level of village/village panchayat by whatsoever name these areas may be called for major crops and for other crops it may be a unit of size between village panchayat to taluka to be decided by the State/UT Governments. It's essential as larger units are not adequately reflecting crop losses of individual farmers.
2	Threshold Yield	Based on average yield of preceding 3 years for Rice & Wheat and 5 years for Other crops	Based on average yield of the preceding 7 years excluding the years in which a natural calamity such as drought, floods etc. may have been declared by the concerned Government/ authority. However, it may be ensured that at least 5 years' yield data is available for calculating the threshold yield.
3	Indemnity Levels	60%, 80% and 90%	70%, 80% and 90%
4	Prevented sowing/planting Risk	Presently not covered (covers risk only from sowing)	Prevented Sowing /planting risk to be covered. The indemnity payable would be a maximum of 25% of the sum-insured.

5	Post Harvest losses	Presently not covered (as yield estimates are worked out at the time of harvesting)	Post harvest losses arising out of cyclonic rains to be covered on individual basis in coastal areas till two weeks after harvesting provided the harvested crop is lying in the field in 'cut & spread' form
6	Early settlement of indemnities	The claims are settled based on the final yield estimates submitted by States. There is no provision to provide for in-season / on-account settlement of claims	On-account settlement of claims upto 25% of likely claims during the crop season based on proxy indicators such as weather agro-meteorological data/satellite imagery/acreage damaged or such other indicators.  This will facilitate quick settlement of claims.
7	Actuarial regime & Government's Financial Support	Administered flat rates of premium ranging between 1.5% to 3.5% for food & oilseeds crops and Actuarial for annual commercial/ horticultural crops are being charged.	The premium rates would be actually calculated. The premium subsidy by the government ranges from 40% to 75% depending on the premium slabs. Premium subsidy to be shared by Centre & State on 50:50 basis.  It is aimed at inducing financial discipline and proper budgeting for the government.  This move is in line with the international practice.

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1	2	3	4
8	Seasonality Discipline	Different for loanee and non-loanee farmers.	Uniform seasonality discipline for loanee and non-loanee farmers is to be followed in consultation with States/UTs.
9	Implementing Agency	Agriculture Insurance Company of India Ltd. (AIC)	In addition to AIC, private sector insurance companies, with adequate infrastructure and experience will be allowed on selective basis. State Governments will select the companies from the companies short listed by the Department of Agriculture & Cooperation.