

(b) whether the Commission for Agricultural Costs and Prices (CACP) has also taken a decision in this regard, if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI MOHANBHAI KALYANJIBHAI KUNDARIYA): (a) and (b) No, Sir. Government fixes MSP for the major agricultural produce on the recommendation of the Commission for Agricultural Costs and Prices (CACP), views of the State Governments, concerned Central Ministries/Departments and other relevant factors. While formulating its recommendations on price policy, CACP considers various important factors that include cost of cultivation, trends in market prices, demand and supply situation, effect on general price level, effect on cost of living etc.

#### **Fast-tracking of National Crop Insurance Scheme**

517. DR. PRADEEP KUMAR BALMUCHU: Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is a fact that Government is contemplating on fast-tracking the National Crop Insurance Scheme in the light of recent agricultural crisis in the country, if so, the details thereof; and

(b) the incentives being proposed by Government to the farming community to cope up with the crisis?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI MOHANBHAI KALYANJIBHAI KUNDARIYA): (a) and (b) As per provisions, admissible claims under yield based crop insurance schemes namely National Agricultural Insurance Scheme (NAIS) and Modified National Agricultural Insurance Scheme (MNAIS) are settled within one month of receipt of yield data from concerned State Government. Whereas under index based scheme namely Weather Based Crop Insurance Scheme (WBCIS) claims are settled within 45 days of completion of risk period. However, to fast-track the early settlement of claims due to untimely rains and hailstorm during Rabi 2014-15 under various crop insurance schemes including National Agricultural Insurance Scheme, Chief Secretaries of the affected States have been requested to expedite the assessment of yield losses in association with concerned insurance companies at the earliest. Insurance Companies have also been directed to expedite the assessment of losses based on weather parameters (under Weather Based Crop Insurance Scheme) and individual basis (under localized risks) for early settlement of claims and also on account payment (25% of likely claims) to the farmers. Besides, the standing guidelines of Reserve Bank of India (RBI) provide for rescheduling of short term crop loans upon declaration of natural calamity including drought. Such rescheduling of crop loans converts them into term loans for which normal rate of interest is applicable.