



Pradhan Mantri Fasal Bima Yojana's Failure in North East

Out of ₹1,400 crore earmarked annually for the north-eastern States under the Centre's flagship **Pradhan Mantri Fasal Bima Yojana**, only ₹8 crore — or just over half a per cent — was actually spent last year.

- Four north-eastern States — Arunachal Pradesh, Nagaland, Manipur and Mizoram — are not covered under the scheme at all.
- The lack of coverage has left thousands of maize farmers devastated by losses from the [fall armyworm](#) pest in the Mizoram without any hope of insurance.

Reasons

- States in the Northeast face challenges such as the lack of interest by insurance companies and the lack of State budgetary resources to pay their share of the premium.
 - Insurance companies have been reluctant to bid for these States, as the **administrative costs are high**.
 - There are no proper land records and also historic yield data is not available for these States, particularly at the gram panchayat and block level.
 - **It is difficult to conduct CCEs (crop-cutting experiments) needed for many horticulture crops.** CCEs are conducted to obtain fair, precise and accurate estimate of the yield of crops.
 - Insurance companies are also not interested because the coverage is so limited. There are **low number of loanee farmers in the Northeast**, except in Assam.
- **Lack of forecasting infrastructure** has also hampered the penetration of this weather-based insurance scheme in these states.

To make insurance companies serve farmers in the north eastern states, effective marketing of the farm produce is required. Also, state governments either need to go with the PMFBY scheme or have to have their own set of schemes for the sake of farmers.

Pradhan Mantri Fasal Bima Yojana (PMFBY)

- The Pradhan Mantri Fasal Bima Yojana **was launched on 18th February 2016**.
- The scheme is being **administered by the Ministry of Agriculture and Farmers Welfare**.
- It provides a comprehensive insurance cover against failure of the crop thus helping in stabilising the income of the farmers.
- The Scheme covers all food & oilseed crops and annual commercial/horticultural crops for which past yield data is available and for which the requisite number of Crop Cutting Experiments (CCEs) are being conducted under the General Crop Estimation Survey (GCES).
- The prescribed premium is **2%** to be paid by farmers for all **Kharif crops** and **1.5%** for all **rabi crops**. In the case of annual commercial and **horticultural crops**, the premium is **5%**.
- On paper, there is no upper limit on subsidy by the government, which bears the expense even if the balance premium is 90%.
- The scheme is compulsory for loanee farmers availing Crop Loan /KCC account for notified crops and voluntary for others.
- The scheme is implemented by empanelled general insurance companies. The selection of the implementing agency (IA) is done by the concerned State Government through bidding.

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