



Pradhan Mantri Fasal Bima Yojana

[Source: BL](#)

Why in News?

According to the Ministry of Agriculture and Farmers Welfare, **97%** of all reported claims under the [Pradhan Mantri Fasal Bima Yojana \(PMFBY\)](#) and the [Restructured Weather-Based Crop Insurance Scheme \(RWBCIS\)](#) have been settled across India.

- **Goa, Chhattisgarh, Telangana, and Tamil Nadu** have achieved full claim settlement, while **Tripura, Andaman and Nicobar Islands, Andhra Pradesh, and Sikkim** have settlement rates from **91% to 51%**.

What is Pradhan Mantri Fasal Bima Yojana?

- **About:** Launched in **2016**, **PMFBY** is a **Central Sector Scheme** designed to offer **financial protection to farmers** against **crop losses caused by natural disasters, pests, or diseases**.
 - As of 2023-24, PMFBY became the **world's largest crop insurance scheme** in terms of the **number of farmers enrolled** and **land area covered**.
- **Key Features:**
 - **Eligibility:** All farmers including **sharecroppers** and **tenant farmers** growing the **notified crops** in the **notified areas** are eligible for coverage.
 - Participation in **PMFBY** is **voluntary**, with **non-loanee farmers** comprising **55%** of total beneficiaries.
 - **Risk Coverage:**
 - **Natural Disasters:** Includes [floods](#), [droughts](#), [cyclones](#), hailstorms, [landslides](#), and **unseasonal rainfall**.
 - **Pest & Disease Coverage:** Protects against **pest attacks** and **crop diseases**.
 - **Post-Harvest Losses (Individual Farm Basis)** : Compensation for damage within **14 days of harvest**, especially for crops kept in "**cut and spread**" condition.
 - **Localised Calamities:** The government provides compensation for **localised calamities** on an **individual farm basis**.
 - **Prevented Sowing (on Notified Area Basis):** If **most insured farmers** in a **notified area** are **unable to sow** due to **adverse weather** despite **intent and incurred costs**, they can **claim up to 25% of the sum insured** as indemnity.
 - **Premium Rates:** Farmers pay **affordable premiums**—**2%** for [Kharif crops](#), **1.5%** for [Rabi crops](#), and **5%** for **annual commercial or horticultural crops**.
 - The government **fully subsidizes premiums** for farmers in the **Northeast, Jammu & Kashmir, and Himachal Pradesh**.
 - **Technological Integration:**
 - **Satellite Imagery & Drones:** Used for **estimating crop area**, resolving **yield disputes**, and assessing **crop losses**.
 - **Crop Cutting Experiments (CCEs):** The **CCE-Agri App** enables direct data upload to the **National Crop Insurance Portal (NCIP)**, ensuring **transparent**

yield assessment.

- It also utilizes **DigiClaim**, **Collection of Real Time Observations and Photographs of Crops (CROPIC)**, and **Weather Information Network Data Systems (WINDS)**.
- **Payouts**: PMFBY aims to process claims **within two months of harvest**, offering **timely financial support** to prevent farmers from falling into **debt traps**.

Restructured Weather-Based Crop Insurance Scheme

- It was launched in **2016** to **safeguard farmers** against financial losses due to **unfavorable weather conditions**.
- **RWBCIS** offers compensation based on **deviations from predefined weather indicators**—like **rainfall, temperature, humidity, and wind speed**—serving as proxies for crop loss without field-level evaluations
 - **Whereas, PMFBY** provides compensation based on **actual crop loss assessments** caused by **natural calamities, pests, or diseases**

UPSC Civil Services Examination Previous Year Question (PYQ)

Prelims

Q. With reference to 'Pradhan Mantri Fasal Bima Yojana', consider the following statements: (2016)

1. Under this scheme, farmers will have to pay a uniform premium of two percent for any crop they cultivate in any season of the year.
2. This scheme covers post-harvest losses arising out of cyclones and unseasonal rains.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: (b)