



Extension of Crop Insurance Schemes

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Why in News?

The **Union Cabinet** has approved critical measures to support **Indian farmers**, including the extension of a special subsidy for **Diammonium Phosphate (DAP) fertilizers** and the **continuation of crop insurance schemes until 2025-26**.

What are Recent Key Measures to Support Indian Farmers?

- **Crop Insurance Scheme:** The Union Cabinet approved the continuation of the [Pradhan Mantri Fasal Bima Yojana](#) and [Restructured Weather Based Crop Insurance Scheme \(RWBCIS\)](#) till 2025-26.
- **Di-Ammonium Phosphate (DAP):** It approved extending the one-time special package on DAP beyond the [Nutrient Based Subsidy](#) from **1st January, 2025** till further orders.
 - It ensures **affordable DAP fertilizers** for farmers in **Kharif and Rabi 2024-25** despite global market volatility.
- **Fund for Innovation and Technology (FIAT):** It approved the creation of FIAT with a corpus of **Rs 824.77 crore** for funding technological initiatives under the scheme namely, **YES-TECH** and **WINDS** for increasing **transparency and claim calculation and settlement**.
 - **Yield Estimation System using Technology (YES-TECH):** YES-TECH uses [remote sensing technology](#) for yield estimation with **minimum 30% weightage to technology** based yield estimates.
 - **Weather Information and Network Data Systems (WINDS):** [WINDS](#) aims to install [automatic weather stations](#) at the **block level** and [rain gauges](#) at the **panchayat level**, increasing network density fivefold for **hyper-local weather data**.

Pradhan Mantri Fasal Bima Yojana (PMFBY)

- **About:** It is a [crop insurance scheme](#) to protect farmers from financial losses due to unforeseen crop failures like **rainfall, temperature, frost, humidity** etc.
- **Aim:** It is a **central sector scheme** and provides comprehensive crop insurance from **pre-sowing to post-harvest period**.
- **Coverage:** It **covers food crops** (cereals, millets and pulses), [oilseeds](#) and annual **commercial/annual horticultural crops**.
 - All **farmers** including **sharecroppers** and **tenant farmers** growing notified crops in the notified areas are **eligible for coverage**.
- **Premium:** Farmers pay a premium of **2% for Kharif crops**, **1.5% for Rabi crops**, and **5% for commercial horticulture crops** under the scheme.

Note: PMFBY relies on **actual crop loss assessment** to provide compensation to farmers for losses due to natural calamities, pests, or diseases. **In contrast, RWBCIS** compensates farmers based on deviations from predefined weather parameters such as **rainfall, temperature, humidity, and wind speed**.

- RWBCIS uses these weather parameters as a proxy for crop yields to estimate and compensate for deemed crop losses, without requiring direct field-level assessment.

UPSC Civil Services Examination Previous Year Question (PYQ)

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)

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