



Performance of major crop insurance schemes of India

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Abstract

Indian agriculture is subjected to vagaries of adverse weather conditions. In recent times, three major crop insurance schemes are implemented in India until 2016 viz., National Agriculture Insurance Scheme (NAIS), Modified National Agriculture Insurance Scheme (MNAIS), Weather Based Crop Insurance

Scheme (WBCIS) and the ongoing Pradhan Mantri Fasal Bima Yojana (PMFBY) were considered for the purpose of coverage and financial performance of the study. The study was based on secondary data collected from various sources. Basic information regarding the coverage and performance of these schemes was summarized. NAIS has covered around 271.1 million farmers from 1999 to 2015-16. The claim premium ratio was highest for NAIS indicating that the claims were 3.67 times more than the gross premium. Average claim per farmer was highest in case of MNAIS (Rs. 1973.19) and minimum was in WBCIS (Rs.1335.44). Claim to premium ratio was highest under the NAIS. Season wise cumulative annual growth rate for all three schemes over the study period was estimated. The variation between farmers insured and farmers benefited was lower in NAIS and higher in MNAIS both seasons. The variation between the schemes was much higher due to more difference in data between initial years to final year. Under PMFBY scheme, the highest number of farmers from Uttar Pradesh were insured (5.9 million) and lowest in Kerala. Maximum farmers were benefited under PMFBY in Tamil Nadu (73.36 percent) and claim premium ratio was also high in this state. Cropped area insured under paddy, coarse cereals and fruit crops showed increasing trends over the years. NAIS among all the schemes better on the basis of performance over the time period.

Keywords: Agriculture, coverage claim, crop insurance, farmer, premium and scheme.

Theme: Role of Policies, Institutions and Markets in improving Livelihood Security and Resilience of Dryland Communities