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News: Issues with Pradhan Mantri Fasal Bima Yojana (PMFBY)

- Maharashtra is the latest state to threaten to withdraw from the Pradhan Mantri Fasal Bima Yojana (PMFBY) if the changes suggested by it were not taken into consideration.
- Gujarat, Bihar, West Bengal, Andhra Pradesh, Telangana and Jharkhand have opted out of the scheme because of low claim ratio and financial constraints.

Pradhan Mantri Fasal Bima Yojana (PMFBY)

- Pradhan Mantri Fasal Bima Yojana (PMFBY) is set up under **One-Nation, One-Scheme plan** of Union ministry of **Agriculture and Family Welfare**.
- It is a comprehensive **insurance cover against crop failure**. (as part of Doubling Farmers Income by 2022).
- All food and oilseed crops and annual commercial/horticulture crops are eligible to get insurance.

Premium to be paid by farmer

- Kharif crops- 2%
- Rabi crops-1.5%
- Annual commercial/horticulture crops- 5%
- The Centre has decided to limit the PMFBY premium rates – against which it would bear 50% of the subsidy – to a maximum of 30% in un-irrigated and 25% in irrigated areas.
- Recently, it was decided that Centre would bear 90% of premium in North eastern states against the 50:50 in other states.
- The scheme was **compulsory for loanee farmers availing Kisan Credit Card** for notified crops. Moreover, the **scheme is voluntarily available for all farmers.**
- To address the demand of farmers, the scheme has been made **voluntary for all farmers from Kharif 2020 season.**
- The Scheme shall be implemented through a multi-agency framework by selected insurance companies under the **overall guidance & control of the Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW), Ministry of Agriculture & Farmers Welfare (MoA&FW), Government of India (GOI) and the concerned State** in co-ordination with various other agencies.