

Pradhan Mantri Fasal Bima Yojana 2018 (PMFBY)

The Pradhan Mantri Fasal Bima Yojana 2018 was launched by Prime Minister of India Narendra Modi on 13 February 2016.

Pradhan Mantri Fasal Bima Yojana 2018 (PMFBY) aims at supporting sustainable production in agriculture sector by way of

- Providing financial support to farmers suffering crop loss/damage arising out of unforeseen events Stabilizing the income of farmers to ensure their continuance in farming
- Encouraging farmers to adopt innovative and modern agricultural practices

Crops covered under Pradhan Mantri Fasal Bima Yojana 2018 (PMFBY)

- I. Food crops (Cereals ,Millets and Pulses),
- II. Oilseeds
- III. Annual Commercial / Annual Horticultural crops.

In addition for perennial crops, pilots for coverage can be taken for those perennial horticultural crops for which standard methodology for yield estimation is available.

Coverage of Risks

- Prevented Sowing/Planting/Germination Risk
- Comprehensive risk insurance is provided to cover yield losses due to non-preventable risks, viz. Drought, Dry spell, Flood, Inundation etc.
- Post-Harvest Losses. Coverage is available only upto a maximum period of two weeks from harvesting.
- Loss/damage to notified insured crops resulting from occurrence of identified localized risks of Hailstorm, Landslide, Inundation, Cloud burst and Natural fire due to lightening affecting isolated farms in the notified area.
- The States may consider providing add-on coverage for crop loss due to attack by wild animals wherever the risk is perceived to be substantial and is identifiable.

New operational guidelines for Pradhan Mantri Fasal Bima Yojana 2018

- The **farmers will be paid 12 percent interest by insurance companies** for the delay in settlement claims beyond two months of prescribed cut-off date.
- The **State Governments will have to pay 12 percent interest** for the delay in release of State share of subsidy beyond three months of prescribed cut-off date submission by insurance companies.
- The guidelines detail a **Standard Operating Procedure for evaluation of insurance companies** and removes them from the scheme, if found ineffective in providing services.
- It includes **Perennial horticultural crops** on pilot basis under the ambit of PMFBY.
- It includes cloud burst and natural fire in **localised calamities** in addition to unseasonal and cyclonic rainfalls, hailstorm, landslide, and inundation in post harvest losses.
- It provides **add on coverage for crop loss** due to attack of wild animals on pilot basis with the additional financial liabilities to be borne by concerned state government.

- It incorporates **definition of major crops**, unseasonal rainfall and inundation for clarity and proper coverage.
- **Aadhaar number** will be mandatorily captured to avoid duplication of beneficiaries.
- To ensure that more non-loanee farmers are insured under the scheme, apart from various awareness activities being scheduled, the insurance companies are given a target of **enrolling 10 percent more non-loanee farmers** than the previous corresponding season.
- The insurance companies will have to **mandatorily spend 0.5 percent of gross premium** per company per season for publicity and awareness of the scheme.
- **Release of upfront premium subsidy** will be made at the beginning of the season based on 50 percent of 80 percent total share of subsidy of corresponding season of previous year as subsidy.

Interest Rate of Pradhan Mantri Fasal Bima Yojana 2018

The Actuarial Premium Rate (APR) would be charged under Pradhan Mantri Fasal Bima Yojana 2018 by implementing Insurance Company. The rate of premium payable by the farmer will be as per the following

Season	Crops	Maximum Premium payable by farmer (% of Sum Insured)
Kharif	All food grain and Oilseeds crops (all Cereals, Millets, Pulses and Oilseeds crops)	2.0% of SI or Actuarial rate, whichever is less
Rabi	All food grain and Oilseeds crops (all Cereals, Millets, Pulses and oilseeds)	1.5% of SI or Actuarial rate, whichever is less

The premium for annual commercial and horticultural crops will be **5 per cent**.

Important Terms related to Pradhan Mantri Fasal Bima Yojana 2018

- **PMFBY:** Pradhan Mantri Fasal Bima Yojana
- **APR:** Actuarial Premium Rate
- **ARG:** Automatic Rain Gauge
- **AWS:** Automatic Weather Stations
- **AY:** Actual Yield
- **DBT:** Direct Benefit Transfer
- **FASAL:** Forecasting Agricultural output using Space, Agro meteorological and Land based observations