

Centre extends cut-off for PM crop insurance scheme to Aug 10

States told to start bidding for rabi coverage this month

AMITI SEN

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The Agriculture Ministry has extended the cut-off date for enrolment under the Prime Minister's crop insurance scheme for kharif crops to August 10. This is for all crops where the original cut-off was July 31 (subsequently extended to August 2) and will give more time to States to sell it to farmers and improve coverage.

Expressing concern on the slow roll-out of the scheme in the on-going kharif crop season, the Centre has asked the States to start the tendering process for insuring the rabi crop, to be sown starting October, in August itself, an Agriculture Ministry official told *Business-Line*.

"This extension is valid only for crops where cut-off date earlier was July 31. This is a one-



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time extension and should not be quoted as precedent in future," an official release said.

A number of States had requested the Centre to extend the cut-off date as they had notified the crop insurance scheme late and did not have enough time to sell it to farmers.

"To prevent such a situation from arising again, directions have gone from the Agriculture Ministry to the States to start the bids for selecting insurance companies for coverage in the

rabi season in August. Insurance companies, too, need to be given time to set up infrastructure," he said.

If the bidding process for insuring the rabi crop takes place this month, insurance companies would have ample time to sell insurance to farmers as the cut-off date is December 31.

The lower-than-expected response to the ambitious crop insurance scheme that seeks to insure farmers right from pre-sowing to the post-harvest

stage at a uniform rate of just 2 per cent (for kharif crop) and 1.5 per cent (for rabi crop) of insured value, has left the Centre disappointed.

The scheme has a Central budget of ₹17,600 crore and the subsidy involved is to be shared equally by Centre and States.

"The delay by most States in starting the tendering process was the main reason behind the lower-than-expected coverage so far. But this was the first time that they were dealing with a new scheme. Hopefully the extension will give them more time to make up for the delay," the official said.

There are a few kharif crops such as the paddy crop in Bihar that have deadlines of August 15 or later. These deadlines have not been extended.

"Insurance companies cannot agree to insure crops beyond a date when it becomes clear to a farmer if he/she would be suffering a loss or not. So we cannot blame the companies if they refuse to oblige," the official said.

Rajshree
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