

Business Standard, 17-4-16, P-1

BS 17-4-16 P-1

Insurers use drones for crop yields

M SARASWATHY
Mumbai, 15 April

Private insurance companies are using drones to photograph farms and if permitted by the agriculture ministry these could provide data to calculate crop yield.

Insurers are using unmanned aerial vehicles as a pilot scheme. The agriculture ministry has called for use of such modern technology for the Pradhan Mantri Fasal Bima Yojana (PMFBY).

Drones have not gained widespread commercial use, as individuals need permission from local governments and other regulatory bodies to fly them. The government is also keen on using technology such as smartphones and remote sensing to reduce crop cutting experiments and help cut delay in payments to farmers.

The scheme, approved by the Cabinet, in January will have a uniform premium of two per cent to be

paid by farmers for all *kharif* crops and 1.5 per cent for all *rabi* crops. For commercial and horticultural crops, the farmers' premium is five per cent. The rest of the premium will be paid by the government.

The government is planning to spend ₹5,500 crore on the crop insurance scheme.

In his Budget speech Finance Minister Arun Jaitley had said the farmers will pay a nominal premium for the coverage. It is expected additional weather-based devices and satellites will also be utilised by the ministry and government. The weather departments will also pay a crucial role in mapping anomalies caused by excessive rain, hailstorm or flood so that crop damage can be minimised.

Anuj Tyagi, member of executive management at HDFC ERGO General Insurance, said his company had conducted a project with drones in Rajasthan. "We think



ILLUSTRATION: BINAY SINHA

Additional weather-based devices and satellites will be used by the government for crop insurance. The weather department will map anomalies caused by rain, hail storms and floods.

ICICI Lombard, the largest private sector general insurance company, is also using drones for crop yield data. The company is a large player in crop insurance.

"Instances of fraud have been reported in crop insurance where farmers provide incorrect yield data. Using drones will help cross-check claims," said the chief executive of a large private insurer.

PMFBY will have actuarial yield-based scheme with provision for upfront premium subsidy to be released to insurers. The sum insured will be same for both loanee and non-loanee farmers. Also, there will be no capping and there will be full claim amount paid against the sum insured.

using drones will be a successful experiment," he added.

He said in Rajasthan, his company had looked at data collected by drones as well as satellite images, and they were happy with the results. "However, this can be taken further only after more exhaustive testing."

Chand 17/4/16
w/ IC News Paper Unit