

FLOP SCHEME

An Analysis of the Pradhan Mantri Fasal
Bima Yojana in Gujarat



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Author: **Persis Ginwalla**

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info@cenfa.org www.cenfa.org

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Preface

The Pradhan Mantri Fasal Bima Yojana (The Prime Minister's Crop Insurance Scheme - PMFBY) was launched in early 2016 with a lot of fanfare by the NDA government. Soon it was evident that the Scheme is meant to benefit only a handful of private corporate insurance companies and not the farmers, that senior journalist P. Sainath called it "a bigger scam than even the Rafale scam" at the end of 2018.

In 2017, Comptroller and Auditor General of India (CAG) in its Performance Audit noted that, despite paying the higher premium, farmers were reimbursed lower amounts of claims. Information sought through RTI for 2018 Kharif season that the insurance companies collected a premium of Rs.20,747 crores but only settled claims of Rs.7,696 crores.

It's against this backdrop that an in-depth study of the Scheme in Gujarat was undertaken. We thank Persis Ginwalla for taking this up and doing a thorough job, capturing the farmers' experiences. We also thank Com. Vijoo Krishan for the foreword he wrote for the study.

We hope that this study will contribute towards an informed discussion on corporate profiteering at the expense of farmers and seek ways in which the decision-makers and the corporations can be made accountable to the farmers and citizens in general.

Joe Athialy

Centre for Financial Accountability

Foreword

The analysis of the implementation of the Pradhan Mantri Fasal Bima Yojana (PMFBY) in Gujarat by Persis Ginwalla is a timely and very important study of the flagship Scheme. It is a pioneering work that unravels the truth about the Government claims and the reality on the ground. The author has resorted to the use of actual experiences of the farmers-the intended beneficiaries of the PMFBY on the ground as well as information from Government sources, Parliament questions, newspapers and online portals. For a study of its kind it is very direct and encapsulates the opinion of farmers and assessment of the efficacy of the scheme at the very beginning. The heading says it all “Flop Scheme”. It thereafter goes on to explain how the way the Scheme has unfolded on the ground leaves much to be desired as far as helping farmers and providing high quality insurance coverage to their crops is concerned.

The farmers point out that the PMFBY lacks transparency and although premium is cut automatically for loanee farmers, there are no proper receipts, pay-outs are grossly inadequate and often after inordinate delay while many claims are also denied without proper reasons. Even as the 'Gujarat Model' talks about farmers being connected and benefiting from e-commerce and futures trading etc., the reality is that the Insurance companies, some of them Multinational Companies are not answerable to farmers. They are forced to run from pillar to post to use the author's words for mere answers or claims even as the Insurance sector deregulation is purportedly being done to end red-tapism for farmers. Absence of the mandated infrastructure like offices at different levels, qualified personnel and even bare minimal facilities like phones and helplines have only compounded the problems of the farmers. The author has rightly brought out the common refrain of all farmers even outside Gujarat that is farmers have to abide by the rules 100% but the same is not applicable to the Companies who do not face any action for not disseminating information, for not setting up offices with trained staff or making payments transparently in a timely manner. Guidelines require that complaints by individual farmers on localized losses should be informed within 72 hours of occurrence of crop loss and should be settled within 15 days of submission of loss evaluation report and 29 days of loss intimation. Farmers who fail to intimate losses in time or submit claim form are considered ineligible for compensation but Insurance companies who dishonor deadlines face no consequences.

The study brings out starkly how farmers are handed out grossly inadequate pay-outs as damages for crops by citing the case of a farmer in Modasa Taluk of Aravalli District who lost his entire groundnut crop on 1.35 hectares of land and was given a compensation of merely Rs.100/- as damages for the crop loss suffered. Reliance General Insurance Company neither answered the farmer's queries nor were they willing to accept the Gujarat Government's declaration of the District as 33% flood affected. Shockingly, the Gujarat Government also tweaks its announcement of drought in 2018 Kharif season by saying it will come into effect from 1st December, 2018 and be in effect for six months. This a full month after the Kharif season and allows the Insurance Companies to refuse claims and make huge gains.

The PMFBY was launched with the claim that the farmers will only have to pay a flat premium rate of 2% for Kharif crops, 1.5% for Rabi crops and 5% for commercial crops and the difference would be borne by the State and the Central Government. The reality is that premium rates for farmers are higher or equal to the subsidy by the State and Central Government combined. The case of Cotton in Kharif 2018 and 2019 in Gir Somnath District while the sum insured was Rs.85,000/- per hectare for an actuarial premium of 2% the farmer paid Rs.1,700/- while the State and Central Government paid Rs.0/- shatters the myth woven by the Government's propaganda machinery. More such instances and case of high premium rate of 60% in Tapi District for castor which is a relatively low risk crop for 2018 and 2019 also has no justification. Castor also does not merit to be a notified crop in the District. How the poorer backward Districts like Chhota Udepur did not receive a single paisa by way of Government subsidy in premium and entire contribution was by the farmers strengthens arguments made from the beginning that the backward regions and the deprived sections will continue to be denied.

The study brings out the fact that the Gujarat State Government's contribution by way of its share of the premium under PMFBY ranged around 27% of the State's agriculture budget in 2016-17. Though it has fallen in later years the fact that nearly a quarter of the State's agricultural budget goes to pay premium in a Scheme with decreasing coverage and farmers opting out because of grossly inadequate pay-outs or no pay-outs at all for crop-losses raises relevant questions. From coverage of about 37% farmers in 2016-17 Kharif it has drastically fallen to 25.73% farmers in Kharif 2019, indicating that the Scheme beset with problems has lost the confidence of the farmers. Farmers' experience points to a fact that has come out even in CAG Reports that the farmers were better off under the earlier Schemes. From 2011-12 to 2015-16, claims paid were in excess of premiums collected. Under PMFBY the situation was reversed and the amount of claims settled was 69.71% of the amount of premium collected. In 2017-18 the claims ratio fell further; in comparison to the total premium collected of Rs.25,140

crore only 49% or Rs. 12,408 crore was paid out as claims. It is only natural that the farmers have been claiming that the PMFBY has only looted them to ensure windfall profits for insurance companies.

In the light of the above observations in the study it is worth noting that in February, 2020, the BJP Government at the Centre has further decided that the Central Subsidy under PMFBY/RWBCIS will be limited for premium rates up to 30% for unirrigated areas/crops and 25% for irrigated areas/crops, and to make enrolment of farmers in the PMFBY and Restructured Weather Based Crop Insurance Scheme (RWBCIS) voluntary from the 2020 Kharif season. Clearly, this implies that the Centre is totally withdrawing from any subsidy payment if the premium rates are above 30% for unirrigated crops and 25% for irrigated crops. The States will have to bear the entire subsidy burden in which the Centre also shared till now. This is in a circumstance wherein already many States are unable to even meet their present share of the premium. The State and Centre were to share equally the difference of actuarial premium rate and the rate of premium payable by farmers. This is known as the Rate of Normal Premium Subsidy. Reports show that the rate of premium for certain crops like Kharif groundnut has reached as high as 49% in Rajkot of Gujarat and 42% for Rabi paddy crop in Ramanathapuram of Tamilnadu. No Central subsidy will be available for such cases from now on and the burden of premium increasingly be shifted on to the farmer with the State withdrawing from its responsibilities. This is contrary to the earlier claim of the Centre when PMFBY was started in 2016 that “Even if balance premium is 90%, it will be borne by the Government” (PIB Release on 13th January, 2016). Clearly, Gujarat is the laboratory for testing these changes and farmers there are already bidding goodbye to the Scheme.

The author has also brought out issues that affect the farmers' lives every day, like the lack of timely information, crop-loss forms being in a language alien to them and necessity of filling them online and the like which also puts them at a disadvantage. Efforts of the companies to disseminate information are also inadequate. The study equips a researcher or representatives of the farmers with data that clearly brings out the flaws of the PMFBY and how on the most crucial issues like coverage of farmers, area, effective timely compensation commensurate to the losses suffered, the Scheme leaves a lot to be desired. Its stated objectives are only on paper and only serve as propaganda material during elections. The complaints are isolated incidents, not restricted to certain regions alone; they are not just in Gujarat but also in other States. The author points out that after spending such huge amounts to impart security to farmers, if the farmers are left to their own devices and have to make ends meet on their own, the Scheme cannot be said to be successful by any standards. Clearly, in the case of farmers, to be insured is not necessarily to be secured. Even as the Narendra Modi led BJP Government at the Centre

rolled out the Pradhan Mantri Fasal Bima Yojana with much fanfare I had pointed out in an article titled “*What Farmers Need Is Insurance From Government Policies*”. Four years after the implementation of the PMFBY, this important Study from Gujarat provides damning evidence that shatters the propaganda bubble around the Scheme and confirms our concerns at its very inception. The study gives strength to the farmers and farmers' organisations that have been calling the bluff from day one. Effective insurance coverage that does not only remain confined to its stated objectives but also translate into lived experience of the farmers addressing crop and income losses and at the same time is inclusive still remains a demand for ensuring agriculture is viable.

Vijoo Krishnan

Joint Secretary, All India Kisan Sabha

Introduction

It is nobody's case that farming/agriculture, especially in India, beset as it is by the vagaries of nature, is largely rain-fed, along with the very real threat and challenge of climate change induced erratic weather patterns, requires insurance coverage of a very high quality in order to sustain it as a profession. And sustaining it is important for nearly half the nation's population depends, directly or indirectly, on agriculture as a source of livelihood. The Pradhan Mantri Fasal Bima Yojana (PMFBY) is a crop insurance scheme introduced in April 2016 from the Kharif 2016 season and succeeds and replaces the National Agriculture Insurance Scheme (NAIS) and the Modified National Agriculture Insurance Scheme (MNAIS). The scheme was introduced with just such aims and objectives.¹ However, the way that it has unfolded on the ground leaves much to be desired, especially with regard to the group that it is meant to help, viz. farmers.

The farmers and the farmer organisation that we have spoken to have said that while farmers certainly need good quality insurance cover, PMFBY does not do that. Clearly there is a huge mismatch between the objectives of the scheme and the lived experience of the farmers. We investigate it a little more in detail in this paper.

At the outset it is important to say that the scheme itself has evoked two diametrically opposite reactions with one group saying that it is a much better scheme compared to its forerunners, the NAIS and the MNAIS, but is beset with implementation loopholes, which if plugged, would probably meet its stated objectives.² On the other hand, there is another opinion which maintains that the scheme is structurally flawed (and hence tweaking and tinkering with the nitty-gritties would yield little in terms of improved performance) and needs to be scrapped altogether!³

So why are the farmers in Gujarat unhappy or even angry with the scheme? “No sooner does one mention “PMFBY” then one hears a barrage of complaints against the “sarkar” (government) for whom it is a nothing more than a scheme to earn money (*rupiya kamavani vaat chhe, Sarkar rupiya rale chhe*); it is a “flop scheme”.

Why is it a “flop scheme”?

¹ The Operational Guidelines for the scheme (Department of Agriculture, Cooperation and Farmers' Welfare) state the objectives of the scheme as:

a) providing financial support to farmers suffering crop loss/damage arising out of unforeseen events
b) stabilizing the income of farmers to ensure their continuance in farming
c) encouraging farmers to adopt innovative and modern agricultural practices ensuring flow of credit to the agriculture sector; which will contribute to food security, crop diversification and enhancing growth and competitiveness of agriculture sector besides protecting farmers from production risks.

² *Crop Insurance in India: Key Issues and Way Forward*, Purna Terway and Siraj Hussain, February 2018, ICRIER, Working Paper no. 352; *PMFBY: An Assessment*, CSE, Chandra Bhushan, July 2017; *Performance Evaluation of Pradhan Mantri Fasal Bima Yojana (PMFBY): PART I: Governance Analysis*, Ranjan Kumar Ghosh, August 2018, CMA-IIMA

³ Devinder Sharma <https://devinder-sharma.blogspot.com>; Scroll.in; P. Sainath.

“Because we do not have information, ... despite losses and premiums being cut, we do not get payment for 1 year or 2 years. The insurance companies are not answerable to us, ... and we have to run from pillar to post to get answers, ... or claims.”

Less pay-outs

And this is one of the most important and widely shared experience with the scheme. Farmers from different districts have said that despite losses, despite being declared drought or flood affected, the claim pay-outs have been meagre (even laughable if it were not tragic) or not at all. There is one example of a farmer, VKA, from Modasa taluka of Arvalli district. He had availed of a loan of Rs. 48,183/- for his agricultural field measuring 1.3509 ha. (divided between 3 brothers) for the groundnut crop. Now, unseasonal rains in Gujarat in 2019⁴ and then the cyclonic disturbances of 'Kyarr' and 'Maha'⁵ wreaked havoc on the groundnut crop, so much so that the state government declared a relief package for **nearly all the farmers in the state** (The Hindu Business Line, November 23, 2019). So obviously, Mr. VKA also lost his groundnut crop. At the end of the season, when the damages were calculated, he received a sum of Rs. 100/- as damages for the crop loss suffered. He is, however, entitled to the entire sum due to him for the crop loss. The GoG had then declared an assistance of Rs. 5,800/- (upto 2 ha.) if the crop loss was more than 33% in the taluka and in talukas where it was below 33% it gave Rs. 4,000/- and the compensation was paid accordingly. That the loss happened is therefore proven and endorsed by the government action. Mr. P.P., Secretary of the cooperative society, did inquire about the sum of the claim settlement but “the Reliance General Insurance Company did not give me an answer when I contacted them. Arvalli district was declared as 33% flood-affected by the GoG so why does the company not accept it?” (Annexure 1)

It goes without saying that the reason for this meagre amount is not known to Mr. VKA nor was it explained to him. The counter-argument often is: did he ask for an explanation? But we feel that it is owed to him by right and not an obligation. And again, if the settlement was timely in this case, is it enough? Is it enough to sustain the farmer in agriculture? In other words, is it meeting the stated objectives of the scheme? Sadly, no.

Then again, Vide GR SCY-102018-791-S.I dated 30/10/2018 the GoG declared drought in 51 talukas of the state (Annexure 2). Accordingly, the villages/farmers in those areas would be eligible for claims for crop loss sustained on account of the drought. However, the insurance companies refused to entertain the claims saying that there was no drought in the Kharif 2018 season. This would seem to be contravening the data on which the GoG declared the drought. However, the twist to this lies in the

⁴ Hindu Business Line
<https://www.thehindubusinessline.com/economy/agri-business/unseasonal-rains-gujarat-declares-rs-3795-cr-relief-package-for-farmers/article30059800.ece#>

⁵ Hindu Business Line
<https://www.thehindubusinessline.com/economy/agri-business/unseasonal-rains-spell-trouble-for-gujarat-groundnut-growers/article29843965.ece>

date from which the drought was to be given effect in the said GR which says “The Declaration of drought would come into effect on 1st December 2018 and would continue to be in effect for six months from this date unless revoked earlier by an order of the state Government.” How and why the GoG decided to give effect a month later may possibly be because the official Kharif season ends in October or November. The insurance companies could have refused the claims saying that the drought was after the official end of the Kharif season. This would mean a huge saving for them!!!

Again, in Kharif 2018, Mr.A. of Dasada taluka in Surendranagar district says that the castor farmers received a good pay-out but the Cotton (Irrigated) farmers received a meagre pay-out or less farmers received pay-outs.⁶ He says that this is so that the insurance company can report and show the numbers of claim pay-outs. So the crop with the lower SI and less acreage (castor) saw more pay-outs than the one with a higher SI and more acreage (Cotton-I) and hence the company could certainly have made a huge profit”.⁷ A modest *hypothetical* calculation would be:

Crop	SI / ha.	Average acreage* (ha.)	Indemnity level	Approximate pay-out**
Castor	45,000	52,924	70	1,33,36,84,800
Cotton (I)	80,000	2,20,280	70	9,86,85,44,000

*derived by averaging the acreage of 2008-09, 2009-10, 2010-11, 2014-15 & 2015-16

**70% of the SI for an approximate 80% of the acreage

The experience of farmers on claim settlements is borne out by data on insurance pay-out (claims settled) in the table below. The maximum number and proportion of farmers who benefitted from it is in the Kharif 2016 season. Since then the numbers and proportion have been falling, with Kharif 2018 showing only 7.77% of farmers as receiving claims. What is intriguing is that Kharif 2016 saw a good monsoon while the subsequent years, particularly Kharif 2018 were bad monsoon years, i.e. the claim settlement in the good monsoon year outstrips the claim settlement in the relatively worse years.

Claims cleared ⁸

	Farmers insured	Farmers benefitted	
Kharif 2016	1,842,386	639,228	34.69%
Rabi 2016-17	132,753	39,668	29.88%
Kharif 2017	1,490,610	404,610	27.14%
Kharif 2018 [#]	15,53,000	120,700	7.77%

⁶ Claim pay-outs are reported as “farmers benefitted” and “total claims paid (in Rs.)” and not (also) by districts or crops.

⁷ The APY data of the Directorate of Agriculture bears out the claim of the farmer that castor has lower acreage than Cotton (I) in Surendranagar district in the years 2008, 2009, 2010 and 2014-15 and 2016-17, the years for which this data was available.

⁸ Rajya Sabha Questions 2017
<https://data.gov.in/node/5100341/download?toKen=eyJ0eXAiOiJKV1QiLCJhbGciOiJIUzI1NiJ9.eYlpc3MiOiJodHRwczpcL1wvZGF0YS5nb3YuaW5cLyIsImF1ZCI6Imh0dHBzOlwvXC9kYXRhLmdvdj5pblwvliwiaWF0IjoxNTc5NjAzMzAwLzJuYmYiOiE1Nzk2MDMzMzMDAsImV4cCI6MTU3OTYwMzZMcWwZGF0YSI6eyJuaWQiOiI1MTAwMzQxIn19.qiPWTR70vCTjOy91zxc8d1cg2sCWDN0vOZtYjcVXe8>

Source for Kharif 2016, Rabi 2016-17 and Kharif 2017: <https://pmfby.gov.in/stateWiseDataPage>

[#] Source: Indian Express, Ahmedabad edition, Dec. 26, 2019
<https://indianexpress.com/article/cities/ahmedabad/gujarat-number-of-farmers-enrolled-under-fasal-bima-yojana-down-by-12-in-kharif-2019-6185222/>

This is also in line with the all-India figures, as revealed by Centre for Science and Environment (CSE) report which examined the scheme. “The CSE report cited state-wise data from the Ministry of Agriculture and Farmers Welfare to show that insurance companies had only settled 32.45% of the claims made till April 2017. ... While farmers raised claims for nearly Rs 6,000 crore, they were paid less than Rs 2,000 crore.” (Jatin Gandhi, Hindustan Times, New Delhi, July 22, 2017)

Difference between Gross Premium and Claims disbursed ⁹

Season / Year	Gross premium	Claim paid	Difference	
	Rs. Crore		Rs. crores	%
Kharif 2016	2,305.38	1,229.28	1,076	46.67
Rabi 2016-17	66.32	32.69	33.63	50.70
Kharif 2017	3,155	1,042.26	2,112.74	66.96
Kharif 2018 [#]	3037	2,334	703	23.14
Total	8,563.7	4,638.23	3,925.37	45.83%

The overall difference between the premiums collected and the total claim payouts (barring the Rabi seasons for which data is not available) is to the tune of 46%. This points to a huge gap in the settlement ratio and farmers are right to voice their dissatisfaction with it.

In the table below we try to show the average sum insured per hectare versus the average claim pay-out; the latter is here shown per farmer, whereas it should be per hectare. However, in the absence of data on the area covered by the claim pay-out, this is the best that could be done.

Rajya Sabha Questions 2017

<https://data.gov.in/node/5100341/download?token=eyJ0eXN0IjoiKlV1QzRlCmJGciGCIjOjU1ZTlnIjE9eyJpc3M0IjoidH9wczElLWZlZGF0Yy5xNnB3YScUYls1fmlZC2l6mh0mdHBzOlwvXCk9YXRhbmVudDI5plblwifwiiaWF0IjoxNTc1Sj5NJzAzMzAwLCJyUmYiOiFEIjZkdWZldmZkdAsimV4dCI6ClM2OTU0YTVMzMzMc2M2ZGF0Yy5leG9yY2V0IiwiaMTAwMzMc2QiOiJ19tqPWT70vcTjOfYjIzc8d1cg2scWDND0n0VZFVieXc68>

¹⁰ Source for Kharif 2016, Rabi 2016-17 and Kharif 2017: <https://pmfby.gov.in/stateWiseDataPage>

Source: Indian Express, Ahmedabad edition, Dec. 26, 2019

#1 till November 2019

* The average claim / ha. is not possible to calculate in the absence of data on the area (ha.) covered by the claim payouts.

Average SI vs. Average claim pay-out ¹⁰

Season / Year	Farmers insured	Area insured	Sum insured	Claim paid	Farmers benefited	Av. sum insured / ha.	Av. claim pay-out/ farmer*
	No.	Ha.	Rs. Cr	Rs. Cr	No.	Rs.	Rs.
Kharif 2016	18,42,386	25,66,907	11,250.18	1,229.28	639,228	43,827	19,230
Rabi 2016-17	1,32,753	2,74,660	1,073.30	32.69	39,668	39,077	8,241
Kharif 2017	14,90,610	23,33,354.21	11,110.89	1,042.26	404,610	47,617	25,759
Kharif 2018 [#]	15,53,000	22,42,000	11907	2,334	120,700	53,108	1,93,372
Kharif 2019 [#]	13,69,000	25,45,000	14137	47.22 ^{#1}	20,000 ^{#1}	55,548	23,610

As is evident from the above table, the average claim pay-out in all seasons except Kharif 2018 is far below the average sum insured per hectare. But Kharif 2016 and Rabi 2016-17 being good monsoon years that could be understandable. But Kharif 2018 as discussed earlier saw a delayed monsoon and acute water scarcity in most parts of Gujarat. The total claim pay-outs is also nearly double that of the previous year and yet the number of beneficiaries are far less than even the good monsoon years. This is the reason why the average claim pay-out figure is far higher than the rest of the years.

A glaring omission in the data is the 'total number of claims made' and 'total claims rejected'; without this data it is difficult to ascertain whether the claims made were truly low or whether there is a high incidence of rejection of claims. This is also corroborated by news reports “In 2018, there has been a total premium collection of Rs. 3,200 crore but we don't know how much claims have been approved and settled,” said Pala Ambalia, head of the Gujarat Congress Farmers' Cell.¹¹

The reluctance of insurance companies to settle claims led to 10 farmers of Dasada taluka of Surendranagar district filing petitions in the Hon'ble HC of Gujarat regarding the settlement of the Kharif 2017 crop failure of cotton and castor on account of floods against SBI General Insurance Co. In 2017, Surendranagar was declared as flood-affected by GoG, and farmers were also paid ex gratia amount for it by the government. But the SBI claimed that the CCEs revealed low output and hence no claims were due to them and hence the farmers approached the HC for redress. After one and a half years, on 03/02/2020 the HC directed the SBI General Insurance Co. to settle their claims. 6 out of 10 farmers, on orders of the HC, were paid their dues on 03/02/2020 by DD. There are more such instances.¹²

No receipts, unless asked for

The other issue that many farmers complain of is the general trend, at least in the initial two years of 2016 and 2017, of insurance companies not issuing receipts to the farmers. Some farmers filed claims for crop losses in 2017 and the claims were rejected; following which they sought legal remedy to press their claims. “It is when the lawyer asked for the receipt that the farmers came to know that they ought to have receipts”, says Mr. A. of Dasada taluka of Surendranagar district.

So firstly, this begs the question: why did the farmers not know that they must have a receipt? The insurance companies had to have undertaken an intensive awareness drive in each of the district and blocks which have been allotted to them (each insurance company is mandated to spend 0.5% of the total gross premium per season towards publicity and

¹¹ The Hindu: <https://www.thehindu.com/elections/lok-sabha-2019/non-payment-of-crop-insurance-riles-farmers-in-gujarat/article26836384.ece>

¹² Ahmedabad Mirror: <https://ahmedabadmirror.indiatimes.com/ahmedabad/others/400-farmers-approach-guj-hc-over-crop-insurance/articleshow/72116463.cms>

advertisement). But the farmers have mostly said that they did not know and have not seen advertisements giving out such crucial details. While the insurance companies, on their websites, have put out some details, but the claims do not square up with the farmers' awareness levels. For instance, the website of Reliance General Insurance provides some details of the kind of awareness-creation mechanisms deployed for the purpose. But it does not appear to be adequate for the purpose (Annexure 3). They have 11 districts to serve, and 4 hoardings per district are certainly not enough. Or again, 2 newspaper ads "in leading newspapers of the state" is a vague claim (in districts the particular district papers are more widely read than the state-wide newspaper) and certainly not enough as publicity. The social media (SM) that they employ is Linkdin and Twitter, and clearly the people (at least the majority of them) who would be availing the benefits of PMFBY would not be on these two platforms. There is a video in Gujarati as well on the website which provides very basic information about the risks covered, the crops covered and the helpline number and the i-kisan website for online submission of application. However, the online application would be a non-starter to begin with since most farmers who would avail of the loans and thus the PMFBY would not be conversant with this mode; the most important constraint would be the availability of network connection for doing the same.

A word on the seasonal vagaries, in Gujarat, since 2016 is merited. The year 2016 was overall a good monsoon year. 2017, while not being a bad monsoon year, did face issues of heavy rains and huge crop losses in some districts like Banaskantha, Patan, Morbi, Jamnagar and Surendranagar,¹³ so much so that the government not only declared relief packages but the Chief Minister himself spent a few days in Banaskantha to personally supervise the relief and rehabilitation.¹⁴ But the incidence of farmers filing claims was low due to lack of awareness of the process. The clamour for claims was thus not there in the initial two years of the scheme. Drought was declared the following year, from December 2018, in 51 talukas of the state (GR no. SCY-102018-791-S.I, Revenue Department, 30th Oct. 2018). The clamour for claims started then and not before that.

Sagar Rabari, President, Khedut Ekta Manch-Gujarat (KEM-G) says, "the awareness about the scheme was low in the initial years but increased subsequently, around end of 2017 and in 2018. That increase was due to the activists working on agrarian issues, media attention on the scheme following widespread reports of farmers facing difficulties in filing claims, unwillingness of the insurance companies in settling claims and reports of huge profits made by them. The resultant awareness was certainly not on account of the publicity and awareness creation efforts of the insurance companies."

¹³ Hindu Business Line: <https://www.thehindubusinessline.com/economy/agri-business/gujarat-flood-crop-losses-put-at-867-cr/article9830319.ece>

¹⁴ Hindu Business Line: <https://www.thehindubusinessline.com/news/gujarat-cm-to-camp-at-floodhit-districts-for-next-5-days/article9794119.ece>

The companies may claim that they are/were doing their best to publicise the scheme. However, if they were doing so from the beginning, then the claims during the heavy rains of 2017 should have seen farmers making claims for crop losses in the affected districts of Patan, Morbi, Surendranagar, Jamnagar and Banaskantha. However, a majority of them were unable to do so primarily because they were unaware of the process of filing claims.

Post-2018 the companies can claim that their efforts are in fact enough – since most people know about the scheme. However, as reported earlier, the scheme by 2018 was already well known due to the media reporting on the difficulties of farmers in getting their claims processed, not knowing how to get them processed etc. In the absence of any data as to the amount spent, we are unable to get an idea whether the companies did spend the mandated amount i.e. 0.5% of the total gross premium per district.

Secondly, as Mr.A. recounts, “We asked the Bank for the receipt (for the Kharif 2019 crop), and the Bank told us that it is to be issued by the Insurance Company. The Bank officer, in front of us, called up the Insurance Company's office in Ahmedabad but there was no response to it. I got the receipt only now, in January 2020.” They also report that the Banks often express their impatience and displeasure at having to issue receipts since it is the Insurance Companies' responsibility to issue/send/post the receipts to the policy holders.

There is a pertinent point that Mr.A. raises in support of his anger with the scheme. “*khedutoe 100% neeyamo nu paalan karvanu ane companiyo maate koi neeyamo nathi, emni same koi pagla nathi levaata*” (Farmers have to abide by the rules 100% but the same is not applicable to the companies, there are no steps taken against them). There are fines and penalties for not having an office, or a phone or helpline or for delayed settlement. AIC has only one office in Ahmedabad and district and taluka officers operate from there as was revealed by the AIC call centre in Delhi which was contacted on the helpline number. Whether AIC or other insurance companies have been fined Rs. 5,000/- per day per taluka for not having an office set-up is not known, but we assume that such a step has not been taken; till date no such news of insurance companies being fined have come to light. However, the SBI General Insurance Co. has been blacklisted by the GoG in 2019 for failing to pay the insurance claims of farmers affected by the floods in Banaskantha district in 2017.¹⁵

“Farmers, mostly, are either unlettered or even if literate, are generally less aware and the banks and insurance companies take full advantage of this situation.” How so, you probe. “*Paani patraks* (crop record) which used to

¹⁵ <https://www.gstv.in/the-agriculture-department-blacklisted-sbi-general-insurance-company-gujarati-news/>

be earlier regularly and diligently filled up after due verification at the individual farm level by the village panchayat *gram sevaks* are now not filled up at the village level". So how is acreage derived? Sagar Rabari, President, KEM-G says: "since the last many years the Agriculture Directorate, which compiles the data, relies on insurance data since there are not enough human resources at the panchayat level who can collect and enter the data." But insurance data can be misleading on two counts: firstly, the data / acreage as recorded by the insurance companies is not the real acreage since, as farmers report, "no matter what is sown, the farmer will only declare whichever is likely to fetch a higher loan". Secondly, the farmer seeking a loan is mostly unaware of insurance and premium calculations, the bank officials fill up the crop data by themselves and often it is contrary to the actual sowing operations on the ground. For instance, in Kharif 2016 Mr. GDP of Dasada taluka in Surendranagar district was shown in the receipt as having sown wheat (irrigated) in his field, which he came to know when he asked for the receipt and says, "I have not sown wheat in my field for the last 20 years or so" (Annexure 4).

Again, the GoG is very cagey when it comes to publicly disseminating the Crop Cutting Experiments (CCE) data.¹⁶ A farmer Shri Ratansinh Dodiya had sought data on the CCEs conducted and what was revealed by the CCEs. He was denied the information on grounds that "such data falls under the confidential category and there are all possibilities that such information can be misused, hence under the section 8(1) (K), 8(1) (G), 8(1) (j), of the Right to Information Act-2005, this information can't be disclosed or shared". The reluctance of the government to put this data in the public domain in a timely fashion, and moreover to deny the information makes the government's efforts to suppress the information more conspicuous.¹⁷ (Annexure 5). Data on CCEs is crucial and it ought to be available at the block and district panchayat level, along with the copy of the *rojkaam* (daily work logbook) in the local panchayat stating how many experiments were conducted and how much yield was recorded, says Sagar Rabari, President KEM-G.

Both of these taken together (reluctance to part with the CCE data and the ad hoc derivation of acreage and crops) opens up the field for manipulation of acreages, crops, yields, and crop loss to suit the insurance companies' needs.

Premium rates

And along with all of the above, the premium rates for the various crops in the districts of Gujarat raise another issue. The government claims are that the farmer pays a flat premium rate of 2% for Kharif crops, 1.5% for Rabi crops and 5% for commercial crops, while the difference is borne by the

¹⁶ CCE is a crucial component of the PMFBY since it helps to determine the overall yield in the village/area and in estimating the threshold yields. These then become determinants of the claim pay-outs and the premium rates and SOF. The SLCCCI is supposed to base their decisions on SOF on past yield data based on CCEs, cropped acreage and arrive at estimated yield during the proposed season. For premium rates, to be decided by the insurance companies, they would rely on 10 years of historical yield data to be provided to them by the state government. For all this to happen, CCEs become a crucial component of the exercise.

¹⁷ First India, Ahmedabad, Wednesday, December 25, 2019

government. However, it is not uniformly so. Our comparisons of the premium rates for various crops in all the districts of Gujarat show that there are many crops for which the premium is 2% or 1.5% or 5% or less for commercial crops and in these cases the entire premium amount is borne by the farmer. And these are not isolated instances. In the Kharif 2018 and 2019 seasons the district of Chhota Udepur saw a uniform premium rate of 2% for all crops. This effectively means that Chhota Udepur, one of the poorer and backward districts of Gujarat, did not receive a single paisa by way of government subsidy in premium and it was entirely farmers' contribution.

Chhota Udepur (Kharif 2016, 2017, 2018 and 2019) ¹⁸

Crop	K 16	Ins. Provider	K 17	Ins. Provider	K 18	Ins. Provider	K 19	Ins. Provider
Castor	-	AIC	5.00	IFFCO-Tokio	2.00	Bharti-AXA	2.00	Bharti-AXA
Cotton (I)	-		8.00		2.00		2.00	
Cotton (UI)	-		6.15		2.00		2.00	
Groundnut	-		12.00		2.00		2.00	
Jowar	-		15.00		2.00		2.00	
Maize	-		7.57		2.00		2.00	
Paddy (I)	-		5.88		2.00		2.00	
Paddy (UI)	-		6.73		2.00		2.00	
Tur	-		9.88		2.00		2.00	
Urud	-		3.43		2.00		2.00	
Banana ¹⁹	-		-		-		-	

¹⁸ GoG, Dept. of Agriculture and Cooperation, GR no. PFB-102016-786-K-7, Dtd. 14/07/2016

GoG, Dept. of Agriculture and Cooperation, GR No: PFB-102016-875-K-7, Dtd. 01/04/2017

GoG, Dept. of Agriculture and Cooperation, GR No: PFB-102018-1703-K-7, Dtd. 07/06/2018

GoG, Dept. of Agriculture and Cooperation, GR No: PFB-102019-1389-K-7, Dtd. 04/07/2019

¹⁹ Banana is a notified minor crop for Chhota Udepur district (2 talukas) per the GR No.: PFB-102016-875-K-7, dated 16/04/2016; this GR does not carry the details of the SOF and actuarial premium rates. SOF and premium rates are to be found in GR No.: PFB-102016-786-K-7, dated 14/07/2016, which however, does not carry the SOF and premium rates for Cluster 1 districts of which Chhota Udepur was a part and allotted to AIC.

We now show the premium rates for Castor²⁰ – of which Gujarat is one of the highest producers. It is a generally hardy crop and suited to the dry conditions of Gujarat; in other words, a low risk crop. In the major districts where it is grown the premium rates are in the low range of 2%-4%. But in Tapi district it was 38% in 2017 which rose to 60% in 2018 and 2019. And what is more, Tapi in south Gujarat receives heavy rainfall and castor is not even mentioned as a crop there.

*The main crops of Tapi are paddy, sorghum, sugarcane, groundnut, cotton, and the horticultural crops are Mango, Sapota, Banana, Papaya, Custard apple, Okra, Brinjal, Onion, Chili and Tomato.*²¹

Clearly the high premium rate of 60% is not warranted, and in fact, castor does not even merit to be declared as a notified crop for Tapi district.

²⁰ Because of its deep root system, drought hardiness and quick growth, it finds a place of prestige in the cropping systems of dryland agriculture in semi-arid zones of India. ... The plant is considered to be very resistant to drought but even then about 80-100 mm evenly distributed rainfall is required for optimum growth. ...

Soil: Castor can be successfully grown on any type of soils except clays as the castor crop is highly susceptible to water logged conditions. It is generally grown on red loam soils in peninsular Indian and on light alluvial soils in northern states. Inferior soils not fit for valuable commercial and food crops are often used for raising castor crop. The crop cannot tolerate alkalinity of soil but withstand slight to moderate acidity of soil.
https://kvk.icar.gov.in/API/Content/PPupload/k0447_29.pdf

²¹ [http://www.crida.in/CP-2012/statewiseplans/Gujarat%20\(Pdf\)/NAU,Navsari/GUJ%2020-Tapi%2031.05.2011.pdf](http://www.crida.in/CP-2012/statewiseplans/Gujarat%20(Pdf)/NAU,Navsari/GUJ%2020-Tapi%2031.05.2011.pdf)

**Premium rates (%) across districts under PMFBY –
Kharif 2016, 2017, 2018, 2019 ²²**

District	Castor							
	K 16	Ins. Provider	K 17	Ins. Provider	K 18	Ins. Provider	K 19	Ins. Provider
Rajkot	NA	AIC	37.00	NIA	12.00	Rel. Gen.	12.00	Rel. Gen.
Tapi	-	HDFC-Ergo	38.00	NIA	60.00	Rel. Gen.	60.00	Rel. Gen.
Surat	NA	AIC	-	NIA	-	Rel. Gen.	-	Rel. Gen.
Navsari	-	HDFC-Ergo	-	NIA	-	Rel. Gen.	-	Rel. Gen.
Dang	-	HDFC-Ergo	-	NIA	-	Rel. Gen.	-	Rel. Gen.
Valsad	-	HDFC-Ergo	-	NIA	-	Rel. Gen.	-	Rel. Gen.
Amreli	3.50	HDFC-Ergo	7.43	NIA	2.67	Univ. Sompo	2.67	Univ. Sompo
Panchmahal	NA	AIC	7.43	NIA	2.72	Univ. Sompo	2.72	Univ. Sompo
Bharuch	3.00	HDFC-Ergo	7.43	NIA	2.96	Univ. Sompo	2.96	Univ. Sompo
Mehsana	2.00	HDFC-Ergo	7.43	NIA	4.00	Univ. Sompo	4.00	Univ. Sompo
Gandhinagar	NA	AIC	7.43	NIA	4.00	Univ. Sompo	4.00	Univ. Sompo
Narmada	3.00	HDFC-Ergo	-	NIA	-	Univ. Sompo	-	Univ. Sompo
Jamnagar	5.21	HDFC-Ergo	9.13	IFFCO-Tokio	2.00	Bharti AXA	2.00	Bharti AXA
Mahisagar	NA	AIC	5.00	IFFCO-Tokio	2.00	Bharti AXA	2.00	Bharti AXA
Dahod	-	HDFC-Ergo	-	IFFCO-Tokio	-	Bharti AXA	-	Bharti AXA
Gir Somnath	2.00	HDFC-Ergo	5.00	IFFCO-Tokio	2.00	Bharti AXA	2.00	Bharti AXA
Vadodara	3.00	HDFC-Ergo	10.00	IFFCO-Tokio	2.00	Bharti AXA	2.00	Bharti AXA
Ch. Udepur	NA	AIC	5.00	IFFCO-Tokio	2.00	Bharti AXA	2.00	Bharti AXA
Junagadh	-	HDFC-Ergo	-	AIC	-	AIC	-	AIC
Ahmedabad	4.25	HDFC-Ergo	3.50	AIC	5.00	AIC	5.00	AIC
Botad	-	HDFC-Ergo	-	AIC	-	AIC	-	AIC
Sabarkantha	NA	AIC	5.00	AIC	3.00	AIC	3.00	AIC
Kutch	3.00	HDFC-Ergo	3.00	AIC	5.00	AIC	5.00	AIC
Morbi	7.61	HDFC-Ergo	4.00	SBI	13.00	Univ. Sompo	13.00	Univ. Sompo
Banaskantha	3.00	HDFC-Ergo	8.00	SBI	3.08	Univ. Sompo	3.08	Univ. Sompo
Sulthan	3.58	HDFC-Ergo	6.00	SBI	4.23	Univ. Sompo	4.23	Univ. Sompo
Patan	NA	AIC	8.00	SBI	9.50	Univ. Sompo	9.50	Univ. Sompo
Anand	NA	AIC	4.00	SBI	-	Univ. Sompo	-	Univ. Sompo
D. Dwarka	9.59	HDFC-Ergo	27.00	NIA	18.00	Rel. Gen.	18.00	Rel. Gen.

Porbandar	4.00	HDFC-Ergo	28.00	NIA	3.00	Rel. Gen.	3.00	Rel. Gen.
Bhavnagar	NA	AIC	26.00	NIA	12.00	Rel. Gen.	12.00	Rel. Gen.
Aravalli	NA	AIC	28.00	NIA	3.00	Rel. Gen.	3.00	Rel. Gen.
Kheda	4.00	HDFC-Ergo	27.00	NIA	3.00	Rel. Gen.	3.00	Rel. Gen.

The major castor-producing districts are highlighted in grey cells. The sudden jumps or drops are highlighted in blue fonts.

Premium rates for farmers are higher or equal to the subsidy by state and central government combined for many crops, in many seasons and districts and in many cases not at all. The instances listed below have been derived from the PMFBY website www.pmfby.gov.in “premium calculator”.

- ♦ Kharif 2018 and Kharif 2019; Cotton (I); Gir Somnath district, for SI of Rs. 85,000/- per ha. for an actuarial premium of 2% the farmer has paid Rs. 1,700/- while “premium paid by government” is Rs. 0!!

- ♦ Rabi 2018-19; Wheat (I); Gir Somnath district; for SI of Rs. 58,000/- per ha. for an actuarial premium of 1.52% the farmer paid Rs. 870/- while the government paid Rs. 11.6/-.

- ♦ Rabi 2019; Onion; Gir Somnath district; SI Rs. 70,000/- per ha. and actuarial rate of 1.52% the farmer paid Rs. 1,064/- while the government paid Rs. 0!!

- ♦ Rabi 2018; Cumin;²³ Junagadh; SI Rs. 55,000/- per ha. @ 5% the farmer paid the entire Rs. 2,750/- the government nothing at all.

- ♦ Rabi 2019, Cumin; Surendranagar; SI Rs. 50,000/- @ 5% the farmer paid the entire Rs. 2,500.

- ♦ Rajkot had the highest average yield of Cotton (I) in 2008-09, 2009-10 and 2010-11, followed by Bhavnagar.²⁴ Under PMFBY, the Bhavnagar farmers paid a premium of Rs. 2,400/- and 2,600/- @ 4% in Kharif 2018 and 2019 respectively and the government paid Rs. 0 while the Rajkot farmer paid Rs. 2,900/- and 3,000/- as premium @ 25.80% and the government paid Rs. 12,064/- and 12,480/- as premium subsidy. Agro-climatic conditions in both districts are similar.²⁵ While there is not much difference in the premium payments by the farmers the government is paying much more as subsidy in Rajkot than in Bhavnagar. The anomaly is very striking and the reason unknown.

²² GoG, Dept. of Agriculture and Cooperation, GR no. PFB-102016-786-K-7, Dtd. 14/07/2016

GoG, Dept. of Agriculture and Cooperation, GR No: PFB-102016-875-K-7, Dtd. 01/04/2017

GoG, Dept. of Agriculture and Cooperation, GR No: PFB-102018-1703-K-7, Dtd. 07/06/2018

GoG, Dept. of Agriculture and Cooperation, GR No: PFB-102019-1389-K-7, Dtd. 04/07/2019

²³ Cumin is a very weather sensitive crop, and farmers routinely suffer damage and loss.

²⁴ Directorate of Agriculture, Gujarat State https://dag.gujarat.gov.in/images/directorofagriculture/pdf/apy_1011_final.pdf

²⁵ North Saurashtra: This sub-zone includes the districts of Amreli, Bhavnagar, Jamnagar, Rajkot and Surendranagar. The region receives 537 mm of rainfall and the climate is semi-arid. (Study Relating to Formulating Long-Term Mechanization Strategy For Each Agro Climatic Zone/State In India, <http://farmech.dac.gov.in/06035-04-ACZ13-15052006.pdf>)

We are not here arguing for more premium rates and/or more government share of subsidy; rather the point being made is the rationalisation of the premium rates. The report on PMFBY by CSE has also found that Gujarat pays the highest actuarial premiums, while there being no correlation between the premium rates and total production or the reported crop loss. Moreover, where premium rates are low, in the 2-3% range, the government can think of bearing the entire burden of the premium.

We now compare the premium rates for different crops in 6 districts for the 2 seasons – Kharif 2016 and 2017. The two sets of districts are Jamnagar, Devbhumi Dwarka and Morbi in Saurashtra and Narmada, Navsari and Tapi in South Gujarat. They are contiguous districts with similar agro-climatic conditions and cropping pattern.

Actuarial Premium Rates (% of SI) in 3 districts of Saurashtra^{26 27}

District →	Jamnagar		Devbhumi Dwarka		Morbi	
Notified Crop ↓	Kharif 16	Kharif 17	Kharif 16	Kharif 17	Kharif 16	Kharif 17
Ins. Provider →	HDFC-Ergo	IFFCO-TOKIO	HDFC-Ergo	NIA	HDFC-Ergo	SBI
Bajra	-	-	-	-	12.86	15.00
Mung	-	13.00	4.00	27.00 (+23)	-	5.00
Jowar	-	-	-	-	-	3.00
Udad	4.00	13.00 (+9)	-	-	-	-
Groundnut	20.12	22.80	25.06	28.00	39.85	57.00 (+17.15)
Castor	5.21	9.13	9.59	27.00 (+17.41)	7.61	4.00
Sesamium	3.25	20.00 (+16.75)	15.14	27.50 (+12.36)	17.37	18.00
Cotton (I)	14.60	22.75 (+8.15)	8.00	30.00 (+22)	11.12	17.00
Cotton (UI)	-	10.00	-	-	11.10	18.00

The above table makes it clear that there is a significant difference in the premiums quoted in the three districts for some crops. For instance, for groundnut the premium in Jamnagar in 2016 is 20.12% while it is 39.85% in Morbi, nearly double. Similarly for sesamium, it is 3.25% in Jamnagar while it is 15.14% in Devbhumi Dwarka, nearly 5 times that in Jamnagar while it is 17.37% in Morbi, six times more than Jamnagar. Castor also has a vast difference – in 2017 it was 9.13

²⁶ The major crops notified in the 3 districts of Saurashtra per the GR of 2016 are: Groundnut and Cotton Irrigated, while the minor crops are Mung, Jowar, Bajra, Udad, Groundnut, Castor, Sesamium, Cotton (irrigated and unirrigated), while for 2017 they are: Groundnut and Cotton (Irrigated and Unirrigated), while the minor crops are Mung, Jowar, Bajra, Udad, Groundnut, Castor, Sesamium, Cotton (irrigated and unirrigated).

²⁷ GoG, Dept. of Agriculture and Cooperation, GR no. PFB-102016-786-K-7, Dtd. 14/07/2016

GoG, Dept. of Agriculture and Cooperation, GR No: PFB-102016-875-K-7, dtd. 01/04/2017

GoG, Dept. of Agriculture and Cooperation, GR No: PFB-102018-1703-K-7, Dtd. 07/06/2018

GoG, Dept. of Agriculture and Cooperation, GR No: PFB-102019-1389-K-7, Dtd. 04/07/2019

in Jamanagar while it was 27% in Devbhumi Dwarka (three times that of Jamnagar) but only 4% in Morbi (half of Jamnagar and nearly seven time less than Devbhumi Dwarka). In 2017, groundnut in Morbi district attracted a premium rate of 57% of the SI!!! If we compare the two years there is a very obvious jump in the premium rates. Mung, Cotton (I), Castor in Devbhumi Dwarka, Sesamium, Udad in Jamnagar and Groundnut in Morbi show a substantial rise in premium rates between the two years.

Actuarial Premium Rates (%age) in 3 districts of S. Gujarat ^{28 29}

District →	Navsari		Narmada		Tapi	
Notified Crop ↓	Kharif 16	Kharif 17	Kharif 16	Kharif 17	Kharif 16	Kharif 17
Ins. Provider →	HDFC-Ergo	NIA	HDFC-Ergo	NIA	HDFC-Ergo	NIA
Paddy (Irr)	2	37 (+35)	2	-	2	38 (+36)
Paddy (UI)	2	42 (+40)	2	7.43	2	39 (+37)
Jowar	-	-	2.61	7.43	3.19	40 (+36.81)
Maize	-	-	2	7.43	2	38.25 (+36.25)
Udad	2	37 (+35)	2	2.50	2	41.33 (+39.33)
Tur	2	38.65 (+36.65)	5.62	4 (-1.62)	2	42.15 (+40.15)
Math	-	-	-	-	-	37.67
Groundnut	-	-	-	-	2.50	37.25 (+34.75)
Castor	-	-	3	-	-	38
Mung	-	-	-	-	2	-
Cotton (Irr)	-	-	2	7.43	2	39.60 (+37.60)
Cotton (UI)	-	-	3	7.43	2	40 (+38)
Banana	-	-	2	6	-	-

In the case of S. Gujarat, there is no stark difference between the three districts for the year 2016, and even for the district of Narmada between the two years. However, for Navsari and Tapi districts, there is a huge jump between the two years as shown in the table above; premium rates in Navsari and Tapi hover in the range of 37-42% of the SI, which would be high by any reckoning.

The premium rates are a percentage of the Sum Insured (SI) per hectare and the premium amount will increase if the SI increases. The

²⁸ Major crops of the 3 districts of S. Gujarat per the GR of 2016 (Annexure to GoG, A & C Dept.'s GR No. PFB-102016-875-K.7 Dated 16-4-2016) are: Cotton (Irrigated and Unirrigated), and Paddy (Irrigated and Unirrigated) while the minor crops are Paddy (Irrigated and Unirrigated), Jowar, Udad, Tur, Groundnut, Maize, Cotton (irrigated and unirrigated) and Banana. Major crops of the 3 districts of S. Gujarat per the GR of 2017 are: Cotton (Irrigated and Unirrigated), Tur and Paddy (Irrigated and Unirrigated) while the minor crops are Math, Jowar, Udad, Tur, Groundnut, Maize, Cotton (irrigated and unirrigated) and Banana.

²⁹ GoG, Dept. of Agriculture and Cooperation, GR no. PFB-102016-786-K-7, Dtd. 14/07/2016

GoG, Dept. of Agriculture and Cooperation, GR No: PFB-102016-875-K.7, dtd. 01/04/2017

GoG, Dept. of Agriculture and Cooperation, GR No: PFB-102018-1703-K-7, Dtd. 07/06/2018

GoG, Dept. of Agriculture and Cooperation, GR No: PFB-102019-1389-K.7, Dtd. 04/07/2019

SI is linked to the approximate cost of production of the crop per hectare. But premium rates are based on the risk calculation and claims in the preceding season and it is also a burden on the farmers/policy holders.

*“There is a misunderstanding that insurance companies settle claims from their pocket. Not many understand that it is the customers who pay for it. “Last year's claims, yet to be settled, have pushed up the actuarial premium for groundnut in Gujarat by one-third. Actuarial premium rate for groundnut and cotton in Rajkot has gone up to 58.7 per cent from 44 per cent last year,” the sources said.*³⁰

How insurance companies calculate the risk factor in districts for different crops is a matter on which the insurance companies should be more forthcoming. The decisions on premium rates are mired in secrecy and it is not known how and on what parameters insurance companies decide the premium rates, and how and on what basis the government approves the same.

Claims of windfall profits for insurance companies

Given the situation just recounted, it is no surprise that reports of windfall profits by insurance companies started to make the rounds since the first year (Scroll.in; CSE; The Wire). These have been refuted by the government,³¹ the banks, the insurance companies, IRDAI etc. Their contention is that the insurance companies also have to bear the cost of reinsurance as well as claim pay-outs etc. and over some years the profit margins would flatten out. The point that the various agencies and individuals make is that premiums and subsidies together with low claim-payouts contribute to the profits. While this may be true, the other part of the story is equally important.

It has been found that the companies have *not* set up the mandated infrastructure in terms of offices (state, district and taluka), qualified staff, phones and helplines, and the much needed awareness drives through multiple media. Almost all people that we have spoken to attested to lack of offices, or phone calls not being answered or queries being stalled or ignorance about training programmes, or billboards or pamphlets.

Per the data on offices of insurance providers in Gujarat gleaned from the *Handbook on Indian Insurance Statistics 2017-18*,³² all but 2 providers (NIA and UIL) of the 10 (AIC, HDFC-Ergo, IFFCO-Tokio, Reliance General, Universal Sompo, Bharti AXA and Bajaj-Allianz) have inadequate office infrastructure (Annexure 6). More importantly, there has been a minimal or insignificant increase in the number of offices in the years since the introduction of PMFBY i.e. 2016 over the earlier year. This means that new offices were not set up.

³⁰ Hindu Business Line: <https://www.thehindubusinessline.com/economy/poll-year-bounty-after-rich-harvest-gujarat-farmers-get-crop-loss-claims/article9860077.ece#>

³¹ Hindu Business Line: https://www.business-standard.com/article/pti-stories/no-windfall-gains-to-private-insurers-under-pmfby-centre-120020701562_1.html

³² Handbook on Indian Insurance Statistics 2017-18, www.irdai.gov.in [State-wise Number of Offices of General & Standalone Insurers]

For instance, IFFCO-TOKIO was the sole insurance provider in 33 districts for the Rabi 2017-18 season; however, it has a total of only 14 offices in Gujarat in 2018! Per its website³³ however it has 23 offices in 19 districts, which means that 14 districts did not have offices. Universal Sampo has a total of 5 offices, whereas it has been allotted 11 districts. HDFC-Ergo General Insurance Co. too has a total of 10 but its website says it has 8 only.³⁴ They provided PMFBY to 22 districts in Kharif 2016 but had only 9 offices then. Reliance General seems to have an adequate number of offices, 14, according to the number of districts that they are servicing, which is 11. Per the website,³⁵ it has 20 offices. However, only 3 of the 11 districts in the 2 clusters that they service have offices viz. Rajkot, Surat and Bhavnagar; the rest of the 8 districts (Tapi, Navsari, Dang, Valsad, Devbhumi Dwarka, Porbandar, Arvali and Kheda) have no offices. Similarly for Bharti AXA, which has 6 and 7 offices in 2017 and 2018 respectively for 6 districts. But on checking on the website of Bharti-AXA it appears that they have in fact 14 offices.³⁶ But 3 of those are situated in one city only viz. Vadodara, which is one of the 6 districts it is serving. The rest of the 5 districts (Jamnagar, Mahisagar, Dahod, Gir Somnath and Chhota Udepur) in the cluster allotted to them have no office!! Bajaj-Allianz is shown as having 22 offices, but the website³⁷ showed 18. Of these, only 4 are in the districts allotted to it, the rest of the 7 districts have no offices. Agriculture Insurance Company of India (AIC) however, has only 1 office in Gujarat and on checking for it on the website it showed up only one office in Ahmedabad and was corroborated by their office when contacted on the helpline number. This is a concern since it has been selected the most number of times.

This is also a grievance that farmers voice with regard to the insurance providers, viz. they have a minimal or no presence in the district and no one knows them. If they are not present in the district headquarters, how are the farmers to inform the insurance company, for instance, about change of crop plan which they are supposed to do within a week of sowing! Clearly it would be impossible for an individual farmer to take time out during the busy sowing season for this task (which may entail going to Ahmedabad or elsewhere).

There are provisions for penalty of Rs. 5,000/- per day / taluka for not opening offices which is mentioned in the GR. Whether the insurance companies which did not have offices in the districts, as mentioned above, were in fact fined for this omission is not known.

The point about inadequate awareness drives has been made in the preceding section.

³³ Accessed on 8th Jan. 2020.

³⁴ Accessed on 8th Jan. 2020.

³⁵ Accessed on 8th Jan. 2020.

³⁶ Accessed on 8th Jan. 2020.

³⁷ Accessed on 8th Jan. 2020.

The helpline number, as per reports from farmers, has been announced in each district. The experience, however, has not been a positive one. The experience of the farmers with helplines has been very negative. The farmers report that the “the toll-free numbers are of Gurgaon and elsewhere (outside Gujarat). Most of the times the calls remained unanswered; when they were answered however, the replies were in Hindi and the farmers being unfamiliar with it, found it difficult to understand what was being told to them, further, the insurance companies asked the farmers to inform them of crop-damage within 72 hours of occurrence of crop-loss/damage; however, when the farmers tried to do so the calls would not go through”, says Sagar Rabari, President, Khedut Ekta Manch-Gujarat (KEM).

If the helpline is not user-friendly, especially given the demographics that it is meant for viz. farmers of Gujarat, then it should be considered as tantamount to not providing the facility. There is a provision of penalty for this omission as well, of Rs. 1,000 but whether the problematic provision has been treated as non-compliance and been penalised is not known.

One of our respondents told us that they were unaware of the 72-hour deadline for reporting crop-loss. “When they told us of the insurance policy, why did they not inform us of this rule as well?”

And then the issue of filling insurance forms online.

“The crop-loss form is in English. How will an ordinary farmer fill it? Some of us youths who are educated then volunteered and helped them in filling the forms and directed them as to the next steps. ... Even the insurance policy is to be filled online. Naturally most farmers are unable to do it. So they go to the panchayats which have computers and internet connection and someone over there fills it for them upon a payment of Rs. 50 or 100 and then gives them a print-out which they will bring to the cooperative society and we prepare an Excel sheet of all the farmers and give it to the Bank and the Bank then passes it on to the Insurance Company”, said Mr. PP, Secretary of the cooperative society. It is the farmers, the cooperative society and the volunteers in the community that are doing the work that the insurance company ought to be doing.

It is these savings on costs (human resources to fill the forms, receipts and copies of policy document, awareness drives, offices, phones and helplines) that companies resort to which constitutes unearned and unmerited profits. This adds to the general complaint of pay outs being far less than claims and in no way commensurate to losses suffered. Profit, in itself, is not an issue but deliberately denying services and product delivery to the beneficiaries, resulting

in them having to run from pillar to post, reducing them to supplicants should constitute a major failure of the scheme.

Decreasing coverage

We began by noting the farmers' perception of PMFBY which was called a “flop scheme” and the data³⁸ proves this. The aim of the PMFBY was/is to increase the coverage of farmers progressively and to increase the proportion of non-loanee farmers, i.e. those voluntarily opting for the scheme, among them.

Total farmers covered in Gujarat

Season / Year	Farmers insured	Total for the entire year	(+) / (-)
Kharif 2016	18,42,386	19,75,139	-
Rabi 2016-17	1,32,753		
Kharif 2017	14,90,610	17,47,606	-2,27,533 (-11.5%)
Rabi 2017-18	2,56,996*		
Kharif 2018**	15,53,000	15,53,000	-1,94,606 (-11.13%)
Kharif 2019#	13,69,000	13,69,000	-1,84,000 (-13.44%)

* derived by deducting the Kharif '17 figures from the consolidated 2017-18 figure

**Rabi 2018-19 figures are not available.

#State Level Bankers' Committee Report 2018-19

As per the last Agri Census conducted in 2015-16 the total number of registered farmers in Gujarat is 53,19,775.³⁹ The total farmers insured in Gujarat, as the above table shows, are therefore **37.13%, 32.85%, 29.19% and 25.73%** for the four years respectively. The insurance coverage thus extends to much less than half the total farmers of Gujarat after four years of being in operation, **and has progressively fallen**. More importantly, the number of farmers opting for loans (and hence insurance) fell by 11.5% from 2016-17, a further 11.13% in 2017-18 and a further 13.44% in 2019. A total of 6,06,139 farmers thus have opted out of the scheme since its beginning. The aim was to increase the coverage of farmers, but the number has instead fallen. The proportion of farmers voluntarily opting for insurance is negligible, as the table below shows. It is indeed a “flop scheme”.

³⁸ While compiling the data for the state of Gujarat, we have relied on multiple sources since all data is not available in one place. We have gleaned data from Lok Sabha, Rajya Sabha and Vidhan Sabha questions available online or as hard copies, State Level Bankers' Committee Report, and news reports in daily newspapers. The data thus has gaps; e.g. some parts of Rabi 2017-18 and 2018-19 data is missing. Comparison of data over years is hence difficult in some cases. Some data items such as “total claims filed” is not available anywhere.

³⁹ Starred Question no. 63 of the 2nd sitting, 3rd session, 14th Gujarat Assembly, dated 21st February 2019; <https://indianexpress.com/article/cities/ahmedabad/rise-in-number-of-small-marginal-farmers-in-gujarat-5595669/>

Proportion of non-loanee (mandatory) farmers vs. loanee (voluntary) farmers ⁴⁰

YEAR	LOANEE FARMERS	NON-LOANEE FARMERS	TOTAL
2016-17	19,70,507 (99.76%)	4,685 (0.23%)	19,75,192
2017-18	12,31,067 (99.8%)	2,547 (0.20%)	12,33,614

Both the above findings are supported by the all-India figures which have also registered a decline, both overall coverage and that of non-loanee farmers. According to a report in Scroll.in “coverage among loanee farmers declined by 87.8 lakh or 20% from 2016-17 to 2017-18, a Lok Sabha reply in Parliament said. ... However, the same reply says, the number of non-loanee farmers covered by the scheme has declined by 5.6% or 7.8 lakh enrollments”. ⁴¹

It is difficult then to believe the claim, as reported in The Hindu, of the CEO of PMFBY and Joint Secretary at the Ministry of Agriculture and Farmers' Welfare, that the percentage of farmers enrolled for PMFBY through non-loanee route has gone up from 5 per cent at the inception to a good 42 per cent now, especially given that 2018 and 2019 were not good monsoon years. ⁴² At the very least we can say that it does not apply to Gujarat.

With the farmers dropping out the total area covered by the scheme, which aims to cover 50% of the total agricultural area of the country, is falling. Total geographical area of Gujarat is about 196 lakh hectares. Out of this, 99.66 lakh hectares is the net cultivable area which is approximately 50% of total geographical area. Total gross cropped area is about 122.11 lakh hectares in the state. ⁴³

The coverage in Kharif 2016 is 25.75% of the total area under cultivation. This declined in 2017 and 2018 but increased in Kharif 2019. The gain in area is to the tune of 3,03,000 ha, as much as was lost in the previous two years. ⁴⁴ However, it is still only 25% of the net sown area.

Season / Year	Area insured (Ha.)	% of the net sown area	(+) / (-)
Kharif 2016	25,66,907	25.75	-
Kharif 2017	23,33,354.21	23.41	(-2,33,553)
Kharif 2018 [#]	22,42,000	22.49	(-91,354)
Kharif 2019 [#]	25,45,000	25.53	(+3,03,000)

⁴⁰ Lok Sabha Unstarred question no. 2915, dated 13/03/2018 in Ruchbah Rai, “Pradhan Mantri Fasal Bima Yojana: An Assessment of India's Crop Insurance Scheme”, ORF Issue Brief No. 296, May 2019, Observer Research Foundation, pp. 9

⁴¹ Scroll: <https://scroll.in/article/909670/the-modi-years-do-farmers-have-better-protection-against-crop-losses>

⁴² The Hindu Business Line: <https://www.thehindubusinessline.com/specials/india-file/insurance-sector-beset-with-its-own-problems/article30009241.ece>

⁴³ Report On Task Force To Derive Suggestions To Increase Agriculture Development In Gujarat https://niti.gov.in/writereaddata/files/Gujarat.pdf

⁴⁴ The area coverage data available is uneven; the Rabi figures for 2017-18 and 2018-19 are not available. Hence the analysis is only based on the Kharif 2016, 2017, 2018 and 2019 figures.

⁴⁵ State Level Bankers' Committee Report 2018-19

Since the total number of farmers opting for loans and hence the scheme has fallen, the average area insured per farmer has increased – from 1.39 ha. in Kharif 2016 to 1.56 ha. in Kharif 2017, which declined in Kharif 2018 to 1.44 ha. but climbed up sharply in Kharif 2019 to 1.88 ha.

The All-India figures for 2016 and 2017 also showed similar trends. As per ORF Brief “the number of insured farmers has declined by 14 percent from Kharif 2016 to Kharif 2017, and the total area insured has decreased by one percent over the span of one year. The PMFBY has therefore failed to achieve its main targets, i.e. increasing the area and the number of farmers insured.”⁴⁵

If farmers are dropping out of the scheme then it is defeating the purpose of the scheme, i.e. to bring the maximum number of farmers within the ambit of insurance so as to ensure the continuation of agriculture as a profession.

Conclusion

The foregoing discussion and data make it clear that on many crucial counts like coverage of farmers, coverage of area, timely assistance to farmers the PMFBY is not meeting its stated objectives. The complaints of farmers are widespread, not concentrated in one district or region; neither are they restricted to the initial season or two to attribute it to teething problems; they persist in the fourth year. The anger of farmers and their organisations thus is born of their negative experience with it. After spending such huge amounts to impart security to farmers, if the farmers are left to their own devices and have to make ends meet on their own, the scheme cannot be said to be successful by any standards.

The contribution of GoG to the PMFBY by way of its share of the premium has ranged from nearly 27% of the state's agriculture budget in 2016-17 and has fallen in the two subsequent years. Nearly a quarter of the state's agriculture budget is taken up by this scheme which benefits only about 37.13%, 32.85%, 29.19%, and 25.73% of total farmers in Gujarat for the years 2016-'17, Kharif 2018, and Kharif 2019 respectively and services less than a quarter of the agricultural land. That money can certainly be better utilized towards creating sorely needed agriculture infrastructure – irrigation, storage (warehouses and cold storages), transportation services, extension services, research and development...

There are many elements of the scheme such as premium rates, choice of notified crops, SOF, which appear to be arbitrarily decided since the mode or parameters considered for these decisions are not in the public domain. “However, it is unclear how states should

⁴⁵ ORF Issue Brief No. 296, May 2019, Pradhan Mantri Fasal Bima Yojana: An Assessment of India's Crop Insurance Scheme.

choose the major crops during a season for different districts, which results in the exclusion from insurance coverage of farmers who grow non-notified crops. Further, state governments use their discretionary powers to decide how much land will be insured and the sum insured, to reduce their burden of subsidy premiums.”⁴⁶ CCE data is altogether not in the public domain. All of these, and more, may be contributing to the lack of it finding favour with farmers as attested to by the falling number of farmers opting for the scheme despite being aware of the need for insurance.

Lack of data in the public domain, suppression of some elements of data, and/or reluctance to part with crucial information does not inspire confidence in the scheme and opens avenues to doubt the motives of the government or insurance companies. This is one major reason that farmers cite behind their desire that the scheme be made voluntary rather than mandatory.

But there are two crucial issues, apart from the operational streamlining dealt with above, which need to be factored into the running of the scheme. The first of these pertains to the much-touted “efficiency” of the private sector in delivering services. *Nothing in the operationalising of the scheme by the private players displays efficient service delivery.* If that were so then there should have been a stark difference between the performance of the private players vis-à-vis the public sector ones. However, that is not the case. The claim that it has shifted the liability of “unlimited claims” to the private players is also not true since “the government has also guaranteed to provide protection to them in case the premium to claims ratio exceeds 1:3.5 or the percentage of claims to “Sum Insured” exceeds 35% whichever is higher”.⁴⁷ Apart from these, the insurance companies also safeguard their interests by taking reinsurance cover. Besides, the ‘profit motive’ that guides the private concerns will shift the burden of costs on to the farmer and if ‘political’ considerations prevent them from doing so then their clout and cartel will prevail over the government to bear the costs. In neither case is it beneficial to the farmer. If efficiency is not brought about, costs are not rationalised what is the justification for private players?

Moreover, if the farmer has to incur additional cost for filling forms and then legal costs (court cases) to claim their dues then it is resulting in undue expenses to farmers already beset with low or negative incomes and delaying claim pay-outs, defeating the objective of “timely assistance” to farmers. “Not only does the scheme not meet its objectives, it is in fact bleeding farmers”, says P.P. of Arvalli district.

The paucity of infrastructure (offices), user-unfriendly technology

⁴⁶ Ibid.

⁴⁷ ‘Crop insurance scheme benefits companies more than farmers’, Business Standard, July 18 2018

(out-of-state helpline numbers) and inadequate or unqualified staff (unanswered phones, inability to answer the farmers' queries), not enough awareness-creation and advertisement, not issuing receipts or copies of policy, ought to be treated as a major flouting of the terms of recruitment. Seen another way, these could be savings on cost and could have contributed to the windfall 'profits' that have been decried nationally.

Certainly it would be unfair to treat the simple difference between the gross premium and the total claims as the net profit for the insurance company. The legitimate profits are also not what the farmers are grudging. What is being bemoaned though are the genuine costs, such as outlined above, which the companies should be incurring and which they are not. *It is these cost-cutting measures to derive 'profits' which are being contested.* In truth, they ought to be treated as a malpractice and penalized.

Which brings up a final issue: can this activity be solely profit-driven? After all there is a fundamental difference between vehicle or health insurance and crop-insurance. The liberalized economic scenario has made agriculture more unsustainable as an occupation. Additionally, climate-change driven erratic weather patterns add to the insecurity and vulnerability of farmers. Given the socio-economic background of a majority of the farmers, and their near-precarious existence crop insurance cannot be viewed as anything other than an absolute necessity – no different from other basic services. Profit-motives cannot be allowed to dictate its operation and functioning.⁴⁸

To quote from the ICRIER study on the PMFBY

“Although crop insurance has been in the country since 1972, yet it has been beset with several problems such as lack of transparency, high premium, delay in conducting crop cutting experiments and non-payment/delayed payment of claims to farmers.”

The same problems that beset the earlier schemes persist with PMFBY as well. Clearly, in the case of farmers, insured is not necessarily secured.

⁴⁸ One cannot, in all fairness, expect private insurance companies to work on anything other than the profit motive. Indeed, the increasing awareness among farmers and hence more claims have dented their profits, making some companies like ICICI-Lombard, Tata AIG, Cholamandalam MS and Shriram General Insurance to exit the sector altogether. <https://www.financialexpress.com/economy/foreign-private-insurers-opt-out-of-pm-fasal-bima-yojana-as-claims-skyrocket/1761816/>

Reliance General Insurance की प्रधानमंत्री पाक बीमा फसल योजना के जरिये किसान को पाक नुकसान का धीराना मिलने पर कम्प्लेन .

आप श्री को मेरा प्रणाम

मे **Pratik Patel** जो बोलूनदरा (**Bolundara**) का रहने वाला हु जो गुजरात के अरवल्ली डिस्ट्रिक्ट के मोडासा तेहसीलमे स्थित है. मेरी आप को शिकायत है की मेरे वहां जोबी किसान भैया हेय सबने गुजरात गॉवमेंट द्वारा नक्की की हुई प्रधान मंत्री फसल बीमा योजना जिसमे रिलायंस जनरल इन्शुरन्स कंपनी की पोलिसी ली हुई थी और जो इस साल खरीफ फसल का नुकसान जो हमारे अरवल्ली डिस्ट्रिक्ट मे हुवा है उसकी जानकारी हमने कंपनी और सरकारी दफ्तरमें दीथी लेकिन कंपनी की ओरसे नातो सर्वे हुवाहै अभी तक और नातो किसानो को सहाय मिली है. गुजरात गॉवमेंट ने हमारे अरवल्ली डिस्ट्रिक्टमे 33% पाक नुकसान जाहेर किया है और पाक नुकसान सहाय भी 33% सहाय का भुक्तान भी किया है. लेकिन रिलायंस जनरल इन्शुरन्स कंपनी ने अभी तक ना तो सर्वे किया है और नातो कोई भी पाक नुकसान का भुक्तान किया गया है. रूल्स यह है की जोबी नुकसान गोवेमेंट नक्की करें उसके हिसाबसे कंपनी को भी किसानो को पाक नुकसान चुकाना पड़ता है पर ये कंपनी वाले प्रीमियम के पैसे लेने का जानते है किसानो से पर वापस जो नुकसान हुवा है पाक का वो देने का पाता नई चलता उन्हें. जो भी प्रीमियम किसान भरता है उतना ही स्टेट गॉवमेंट भी भर्ती है. मेरे बोलुन्द्र (**Bolundara**) गाँव के 56 किसान ऐसे है जिन्होंने प्रीमियम भरा है पर जो 33% किसानो को पाक का नुकसान हुवा है वो नई मिला और जिस टाइम 72 घंटे की अंदर जो जान करनेकी रहती है वोभी सरकारी दफ्तर मे की है. खाली गाँव मे एक किसान को 100 रुपया मिले है जो उसका प्रीमियम 459 उसने भरा था और सरकारने 600 भरे होंगे तो ये कंपनी वाले क्या किसान को भरपाई करते है. तो आपको निवेदन है सभी 56 किसान को उसने प्रीमियम भरा है उसका विमाका जो 33% फसल का नुकसान है वो मिलना चाइये है.जो कंपनी वाले मन मानी करते है वो बंधन हो यह बिचारे 56 किसान है उनहोका यहाँ कोई सुने वाला नई है आप न्याय दिलाई ये और नुकसान का पैसा दिलाई ये. जो डॉक्यूमेंट है 56 हमारे पास उसमेसे मेने 1 अटैच किया हुवा है आपको.

आपका आभारी

Pratik D Patel

pgportal.gov.in

Your grievance with Registration Number - PMOPG/E/2019/0703138 - has been Disposed of. Visit <http://pgportal.gov.in> for details



UV Raval 1:42 PM



to RGICL, Pratik7257, com... ^

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To RGICL Services •
rgicl.services@relianceada.com

Cc Pratik7257@gmail.com
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महोदय श्री .

आप एक बात ध्यान में ले की मेरा प्रीमियम अमाउंट है वो 3318.78/- है और उसके सामने मेरा पाक का विमा कवर है वो 66375/- है. जो सरकारने नक्की किया नुकशान वो 33 % है तो मेरा पाक का कवर 66375/- है तो उसके 33 % के हिसाब से 21903.75/ जमा होने चाइये है मेरे खातेमें नुकशान के तो अभी 4 दिन पहले मेरे खातेमें जो जमा हुआ है वो अमाउंट है 1078.59/- तो ये विमा कंपनी ने कितने हिसाबसे वो निक्शन की राशि जमा किहे जो 1 % भी नई है और सरकार ने तो हमारे तेहसीलमें 33 % नुकशान जाहेर किया है तो कैसे ये कंपनी वाले किसानो को उल्लू बनाते है और छेतर पिंडी करते है मेरे को उसका सही उतर चाइये है मेरे गाँव में 56 किसान है सबको ऐसे उल्लू बनाया गया है जो 1 % से भी कम नुकशान गिनके पैसा जमा किया है उन्होके खातेमें जो हकिकतमें 33 % नुकशान है.

आपके रिप्लाइ की वेट करूंगा सभी किसानो को न्याय मिलना चाइये है.

आप का आभारी
उदितनारायण रावल

Show quoted text



Annexure 3

Government of Gujarat
Revenue Department
Sachivalaya, Gandhinagar
SCY-102018-791-S.1

Date: /10/2018

30 OCT 2018

Drought Declaration Certificates

Declaration of Drought

Having taken into account the conditions as arising from rainfall deficiency, decline in the availability of ground and surface water, poor crop conditions, and parameters related to remote sensing & socio-economic parameters etc. ascertained the distress situation that is likely to develop in the area affected by these conditions through sample field verification, and, on the basis of reports available from the collectors of concerned districts, the state Government has decided to declare drought of a severe/Moderate nature in the following tehsils etc. in the state:

Sr.No.	Name of the District	Name of the Taluka	Category of Drought
1	2	3	4
1	Ahmedabad	Mandal	Moderate
2	Ahmedabad	Viramgam	Moderate
3	Ahmedabad	Detroj	Moderate
4	Banaskatha	Wav	Moderate
5	Banaskatha	Sulgam	Severe
6	Banaskatha	Kankrej	Moderate
7	Banaskatha	Tharad	Moderate
8	Banaskatha	Bhabhar	Moderate
9	Banaskatha	Deesa	Moderate
10	Bhavnagar	Gariadhar	Moderate
11	Devbhumi Dwarka	Dwarka	Moderate

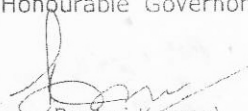
12	Jamnagar	Dhrol	Moderate
13	Jamnagar	Jodia	Moderate
14	Kutch	Lakhpatt	Severe
15	Kutch	Rapar	Moderate
16	Kutch	Abdasa	Severe
17	Kutch	Nakhatrana	Moderate
18	Kutch	Bhuj	Moderate
19	Kutch	Bhachau	Moderate
20	Kutch	Mandvi(K)	Moderate
21	Kutch	Mundra	Moderate
22	Kutch	Anjar	Moderate
23	Kutch	Gandhidham	Moderate
24	Mahesana	Jotana	Moderate
25	Mahesana	Visnagar	Moderate
26	Mahesana	Kheralu	Moderate
27	Mahesana	Unjha	Moderate
28	Morbi	Halvad	Moderate
29	Morbi	Malia Miana	Severe
30	Morbi	Wankaner	Moderate
31	Patan	Chanasma	Moderate
32	Patan	Santalpur	Moderate
33	Patan	Patan	Moderate
34	Patan	Sami	Moderate
35	Patan	Shankheshwar	Severe
36	Patan	Harij	Moderate

37	Patan	Radhanpur	Moderate
38	Patan	Sarswati	Moderate
39	Rajkot	Paddhari	Moderate
40	Rajkot	Vichhiya	Moderate
41	Surendranagar	Lakhtar	Moderate
42	Surendranagar	Dhrangadhra	Moderate
43	Surendranagar	Muli	Moderate
44	Surendranagar	Dasada	Moderate
45	Surendranagar	Sayla	Moderate
46	Banaskatha	Deodar	Moderate
47	Banaskatha	Dhanera	Moderate
48	Banaskatha	Lakhani	Moderate
49	Devbhumi Dwarka	Kalyanpur	Moderate
50	Surendranagar	Limbdi	Moderate
51	Surendranagar	Thangadh	Moderate

The Declaration of drought would come into effect on 1st December 2018 and would continue to be in effect for six months from this date unless revoked earlier by an order of the state Government.

The State Government hereby authorizes the Collectors/Deputy Commissioners of the concerned districts to undertake relief measures in the notified area.

By the order and in the name of Honourable Governor of Gujarat.



(Pankaj Kumar)

Additional Chief Secretary,
Revenue Department,
State of Gujarat.

Annexure-12							
Extract of Ground Truthing Reports (GT)							
Drought-2018-19: List of No. of Villages with more than 33% crop loss (Taluka wise)							
Sr. No	District	Taluka	Total No. of Villages	No. of Villages under GT @10%	No. of Villages with 33% to 50% Crop Loss	No. of Villages with more than 50% Crop Loss	Remarks
1	2	3	4	5	6	7	8
1	Ahmedabad	Mandal	37	4	4	0	
2	Ahmedabad	Virangam	68	7	7	0	
3	Ahmedabad	Detroj	52	5	6	0	
4	Banaskatha	Wav	78	8	0	8	
5	Banaskatha	Suigam	43	4	0	5	
6	Banaskatha	Kankrej	103	10	0	11	
7	Banaskatha	Tharad	123	12	0	13	
8	Banaskatha	Lakhani	53	5	3	3	
9	Banaskatha	Dhanera	78	8	5	3	
10	Banaskatha	Bhabhar	53	5	0	6	
11	Banaskatha	Deodar	64	6	7	0	
12	Banaskatha	Deesa	113	11	12	0	
13	Bhavnagar	Gariadhar	50	5	0	6	
14	Devbhumi Dwarka	Dwarka	43	4	0	6	
15	Devbhumi Dwarka	Kalyanpur	66	7	0	4	
16	Jamnagar	Dhrol	42	4	4	0	
17	Jamnagar	Jodia	37	4	0	4	
18	Kutch	Laknpat	92	9	0	9	
19	Kutch	Rapar	97	10	0	10	
20	Kutch	Abdasa	135	14	0	14	
21	Kutch	Nakhatrana	129	13	0	13	
22	Kutch	Bhuj	142	14	0	14	
23	Kutch	Bhachau	71	7	0	7	
24	Kutch	Mardvi(K)	90	9	0	9	
25	Kutch	Mundra	62	6	0	6	
26	Kutch	Anjar	67	7	0	7	
27	Kutch	Gandhidham	8	1	0	1	
28	Mahesana	Jotana	35	4	5	0	
29	Mahesana	Visnagar	58	6	8	0	
30	Mahesana	Kheralu	50	5	7	0	
31	Mahesana	Unjha	32	3	4	0	
32	Morbi	Halvad	67	7	0	10	
33	Morbi	Malia-Miana	46	5	0	10	
34	Morbi	Wankaner	101	10	0	10	
35	Patan	Chanasma	60	6	0	10	
36	Patan	Santalpur	71	7	10	4	
37	Patan	Patan	68	7	10	0	
38	Patan	Sami	58	6	11	0	
39	Patan	Shankheshwar	36	4	12	0	
40	Patan	Harij	46	5	0	10	
41	Patan	Radhanpur	56	6	7	3	
42	Patan	Sarswati	72	7	9	0	
43	Rajkot	Paddhari	58	6	0	6	
44	Rajkot	Vichhiya	46	5	0	5	
45	Surendranagar	Lakhtar	43	4	0	5	
46	Surendranagar	Dhrangadhra	65	7	1	6	
47	Surendranagar	Thangadh	29	3	0	4	
48	Surendranagar	Muli	54	5	0	5	
49	Surendranagar	Dasada	89	9	0	9	
50	Surendranagar	Sayla	71	7	0	7	
51	Surendranagar	Limbdi	60	6	0	6	
Total			3367	339	132	269	

IEC REPORT (KHARIF 2019)

State	Activities	QTY
Odisha	Banner	600
	Poster	3100
	Brochure	62000
	Newspaper ads	1
	Hoarding	26
	Mobile Van	6
	Wall Painting	67
	TV Ad	8 days
	Social media campaign	2 weeks

State	Activities	QTY
Gujarat	Banner	600
	Poster	10000
	Brochure	200000
	Newspaper ads	2
	Hoarding	44
	Mobile Van	11
	Wall Painting	6
	TV Ad	3 days
	Bus advertising	50
	Social media campaign	1 day

State	Activities	QTY
Madhya Pradesh	Banner	100
	Poster	500
	Brochure	15000
	Newspaper ads	2
	Mobile Van	6
	TV Ad	5 days

Please note :

- 1) Banner, Brochure and poster were placed in the prominent places like agriculture office, bust stand, Mandis, Chowks/ cross roads, etc where we can get maximum farmer footfalls
- 2) Mobile Vans were deployed on field immediately post receipt of Notification from respective states (Minimum one van per district)
- 3) Newspaper ads were placed in the leading newspapers of State

** Numbers shared are till July 2019

Source: <https://www.reliancegeneral.co.in/Insurance/Rural-Insurance/PMFBYIECReports.aspx>



Source: <https://www.reliancegeneral.co.in/Insurance/Rural-Insurance/PMFBYAIECAActivity.aspx>

Bharti AXA – Awareness Generation Activities

Awareness Generation Activities Carried out under PMFBY

Bharti AXA General Insurance Company Ltd has actively carried out awareness generation activities in the states in all the four seasons (Kharif 2017, Kharif 2018, Rabi 2017-18, Rabi 2018-19). Right from distribution of leaflets, display of posters and banners in vernacular language, we have made our efforts to reach out to the maximum number of farmers. Reaching out to the last mile has its own set of challenges. We have used marketing strategies that are effective in rural areas including van campaigns, auto-rickshaw campaigns, performance of street plays, etc. These have helped us to increase the penetration of the scheme and increase the number of farmers insured under the scheme.

Source: <https://www.bharti-axa.co.in/crop-insurance>

મોડે નંબર:	225470928	અરજી નંબર:	201751919																									
<div>પાન-૪ વિમાની ગણતરી</div> <table><thead><tr><th>નંબર</th><th>પાકનું નામ (A)</th><th>કુલ પિરાણની રકમ(રૂ.) (B)</th><th>આરક્ષીત વિમાની રકમ(રૂ.) (C)</th><th>પ્રીમિયમ(રૂ.) (D)</th></tr></thead><tbody><tr><td></td><td>પિપત મઈ</td><td>42087.50</td><td>42087.50</td><td>631.31</td></tr><tr><td></td><td>પિપત મઈ</td><td>41102.75</td><td>41102.75</td><td>616.54</td></tr><tr><td></td><td>પિપત મઈ</td><td>52611.00</td><td>52611.00</td><td>789.17</td></tr><tr><td colspan="3">કુલ આરક્ષીત વિમાની રકમ (રૂ.)</td><td>135801.25</td><td>કુલ પ્રીમિયમ(રૂ.) 2037.02</td></tr></tbody></table> <div>ઘડી (Declaration)</div>				નંબર	પાકનું નામ (A)	કુલ પિરાણની રકમ(રૂ.) (B)	આરક્ષીત વિમાની રકમ(રૂ.) (C)	પ્રીમિયમ(રૂ.) (D)		પિપત મઈ	42087.50	42087.50	631.31		પિપત મઈ	41102.75	41102.75	616.54		પિપત મઈ	52611.00	52611.00	789.17	કુલ આરક્ષીત વિમાની રકમ (રૂ.)			135801.25	કુલ પ્રીમિયમ(રૂ.) 2037.02
નંબર	પાકનું નામ (A)	કુલ પિરાણની રકમ(રૂ.) (B)	આરક્ષીત વિમાની રકમ(રૂ.) (C)	પ્રીમિયમ(રૂ.) (D)																								
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મરજી સાથે અન્ન(મનદાન ઓળામ પત્ર / પ્રાઈવીય વાઈસન્સ / નરેગા જોબ કાર્ડ / કિયાન કોટો પાસપુક્રોની નકલ બંધિલ છે																												
પત્ર: સ્વજન: અરજદારનું નામ: Gampat Devji Patel																												
સહી અથવા અંગૂઠાનું નિયામન(નોંધ: અંગૂઠાનું નિયાત લેખ તો પોત્ર્ય રીતે ઓળખાવવું)																												
પેશુદાર માધ્ય ૧,૨,૩ ની માહિતી અવશ્ય આપવાની રહે છે.																												
પેક દ્વારા સરનાર વિગતો		બેંકનું નામ DENA BANK																										
૧. પ્રીમિયમ નેટ	તારીખ	ગ્રાંત્ય નું નામ DENA Bajana																										
૨. સબસીડી પ્રીમિયમ(રૂ.)		બેંક બચત ખાતા નંબર																										
		બેંક IFSC																										
		અરજી નંબર 201751919																										
		મંડળીના સભ્ય તરીકે લેખ મેળવેલ છે?	ના																									
		મંડળીનું નામ																										
		મંડળીનો બેંક અકાઉન્ટ નંબર																										
		ખેડૂતનો મંડળીમા લેખ અકાઉન્ટ નંબર																										
કંપની United India Insurance Company Ltd.		બેંકનો સિક્કો તારીખ અને સ્થાનો																										
સુ કદ ઓફ તારીખની સર્વાધારા લેખિલ છે. કેન્દ્રી ચકાસતી બેંક રૂડ સાથે ફેલ છે.																												
		13.08.31	PAGE: 2 / 2																									

inexure I - પ્રધાન મંત્રી ફલવ શ્રીમા યોજના હેઠળ વિચારણી ખેડૂત માટેનું દરખાસ્ત પત્ર (ફરેક નોટીફાઇડ એરીયા માટે અલગ ફોર્મ ભરવું)

જાહેરાત પત્રક ભર્યા તારીખ : 17-Jan-2017 11:34 am અરજી નંબર : 201751919 2016-2017

પ્રાન-૧ અરજદારની વિગતો
 રજદારનું નામ : Ganpat Devji Patel બેંક નંબરનો બારકોડ :
 રજદારનું સરનામું : ૦ બેંક માટે નંબર/બારકોડ નંબર 225470928
 ટ્રીફાઇડ એરીયા છલ્લો : સુરેન્દ્રનગર નાલુકો : દસાલ મોબાઈલ નંબર :
 ઇંગ : MALE જન્મ તારીખ : ઇ-મેઈલ :
 પુસ્ત ખાતદાર છો ? હા ક્યા પ્રકારનો ખેડૂત છો ? અન્ય
 ક વિચારણા ધરાવો છો ? હા પાક વિચારણાનો પ્રશ્ન હવેનો ઉપરોક્ત છે ? ના
 ઇલાખનો પુરાવો

પ્ર-૨ ખાતેદારની વિગત				ખાતાની કુલ જમીન (હે.આરે.ચોમી)	
નંબર	ગ્રામ	ખાતા નંબર	ખાતેદારનો કુલ નંબર તથા નામ		
	નાના ગોરેયા	456	1 ગણપતભાઈ દેવજીભાઈ પટેલ	4.1785	

પ્ર-૩ પાકની વિગત				કુલ હેક્ટર (હે.આરે.ચોમી)	
નંબર	ગ્રામ	ખાતા નંબર	સરવે નંબર	કુલ હેક્ટર હે.આરે.ચોમી	પ્રાપ્તિશીલ(%)
	નાના ગોરેયા	456	62	1.2950	1.50
	નાના ગોરેયા	456	316	1.2647	1.50
	નાના ગોરેયા	456	335	1.6188	1.50

Can seeking info on crop yield from govt cause breach of privacy?

Haresh Jhala

Gandhinagar: The state government's agriculture department has denied to share crop yield information under the RTI act reasoning that it can breach privacy, confidentiality and can endanger someone's life.

The RTI applicant farmer has decided to take this message to the people of Gujarat and he has got his personal vehicle painted with slogans stating, if the farmer seeks information about crop insurance it can put national security at threat and unity at risk.

Angry with the agriculture department's bizarre attitude farmer Ratansinh Dodiya on Tuesday said, had the department shared information about crop yield, sample cutting to calculate the estimate in Surendranagar and Morbi district crop production, the information has the potential to expose the agriculture department and insurance



company's nexus and scam. Agriculture department's RTI officer has given reason for denying information, ***“Under the Crop Estimate Calculation Scheme (Pak Andaj Mojni yojana), government calculates hectare wise average major crop production based on sample crop harvest, this exercise is done Taluka wise. Same data is later used for the calculation of crop insurance amount under the crop insurance scheme. As the state and the central government contributes in paying insurance premium, both's (sic) interests are involved in it. So such data falls under the confidential category and there are all possibilities that such information can be misused, hence under the section 8(1) (K), 8(1) (G), 8(1) (j), of the Right to Information Act-2005, this information can't be disclosed or shared.”***

Farmer has challenged this order before the Appellate authority in the state agriculture department, he will be heard on Tuesday in Gandhinagar. But, he is firm to roam across the state and spread the state government's lame excuses to educate the farmers.

Source: First India, Ahmedabad, Wednesday, December 25, 2019

No. of Offices of Insurance Providers in Gujarat

	2014	2015	2016	2017	2018
1. Agri. Insur. Co. of India Ltd. (AIC)	1	1	1	1	1
2. HDFC Ergo Gen. Insurance Co. Ltd.	9	9	9	9	10
3. United India Ins. Co. Ltd.	96	98	101	105	105
4. The New India Assurance Co. Ltd.	141	145	152	177	185
5. IFFCO-TOKIO Gen. Ins. Co. Ltd.	9	10	10	12	14
6. SBI General Insurance Co. Ltd.	3	3	9	9	9
7. Reliance Gen. Ins. Co. Ltd.	13	13	13	14	14
8. Universal Sompo Gen. Ins. Co. Ltd.	5	5	5	5	5
9. Bharti AXA Gen. Ins. Co. Ltd.	4	5	6	6	7
10. Bajaj-Allianz Gen. Ins. Co. Ltd.	21	22	21	22	22

Source: Handbook on Indian Insurance Statistics 2017-18, www.irdai.gov.in [State-wise Number of Offices of General & Standalone Insurers]

Centre for Financial Accountability (CFA) engages and supports efforts to advance transparency and accountability in financial institutions. We use research, campaigns and trainings to help movements, organisations, activists, students and youth to engage in this fight, and we partake in campaigns that can shift policies and change public discourse on banking and economy.

We monitor the investments of national and international financial institutions, engages on policies that impact the banking sector and economy of the country, demystify the world of finance through workshops and short-term courses and help citizens make banks and government more transparent and accountable, for they use public money.