



SNS COLLEGE OF TECHNOLOGY

**An Autonomous Institution
Coimbatore - 35**

Accredited by NBA – AICTE and Accredited by NACC – UGC with 'A+ Grade
Approved by AICTE, New Delhi and Affiliated to Anna University, Chennai.

DEPARTMENT OF AGRICULTURE ENGINEERING

19AGT203 – AUTOMATION TECHNIQUES IN AGRICULTURE ENGINEERING

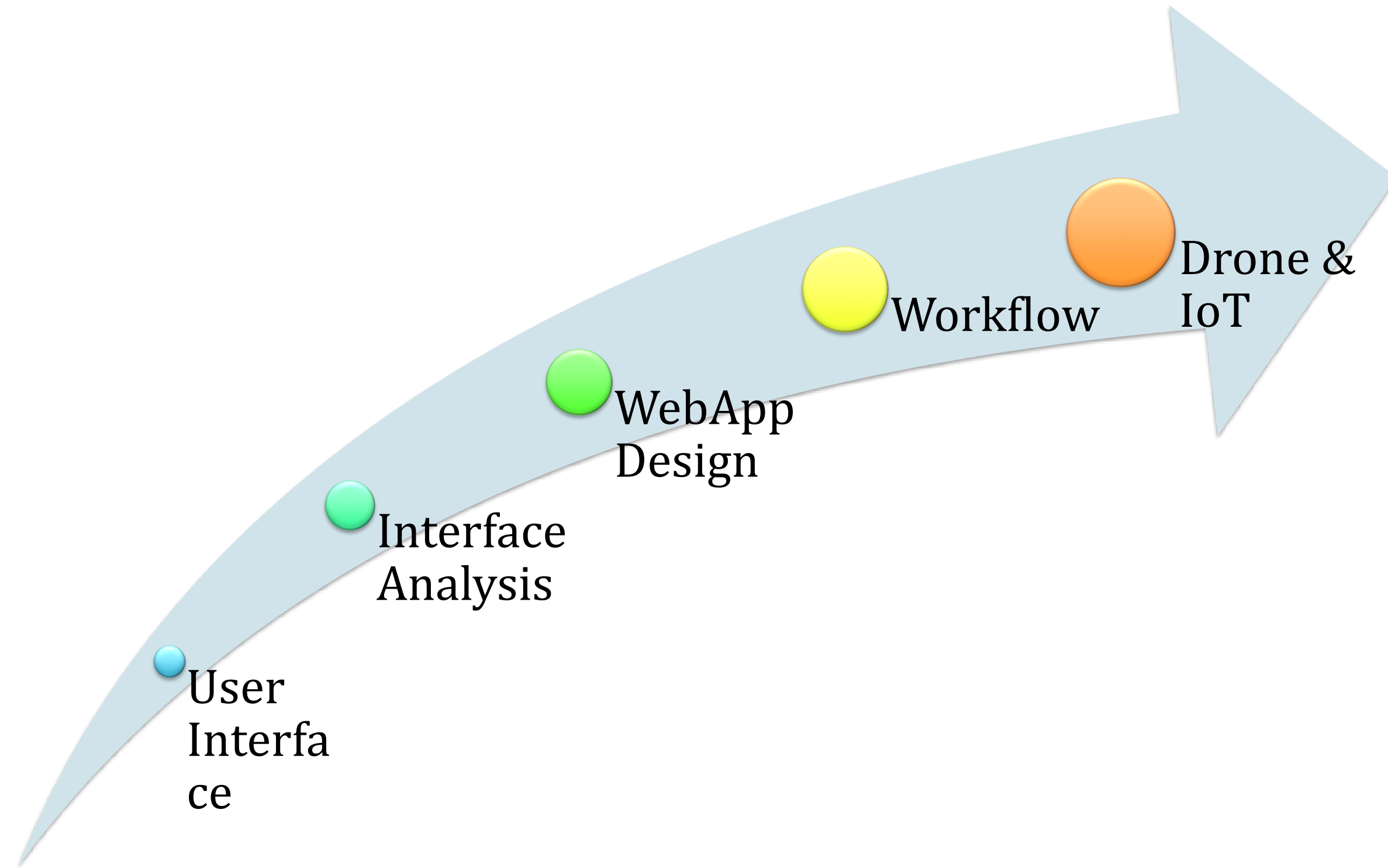
II – YEAR IV SEMESTER

UNIT 5 – DRONE AND IoT IN AGRICULTURE

TOPIC 3 - CROP INSURANCE



Last Class Review





Crop Insurance!!!



- ❖ Crop insurance is a means of protecting the agriculturist against financial losses due to uncertainties that may arise from crop failures/losses arising from named or all unforeseen perils beyond their control





Objectives!!!



- ❖ To provide insurance coverage and financial support to the farmers in the event of natural calamities, pests & diseases.
- ❖ To encourage the farmers to adopt progressive farming practices high value in-puts and higher technology in Agriculture.
- ❖ To help stabilize farm incomes, particularly in disaster years.





Crop Insurance and Agriculture Insurance in India- National crop insurance scheme (India)

1. Crops covered:-

The crops in the following broad groups in respect of which i) the past yield data based on Crop Cutting Experiments (CCEs) is available for adequate number of years, and ii) requisite number of CCEs are conducted for estimating the yield during the proposed season:

- a. Food crops (Cereals, Millets & Pulses)
- b. Oilseeds
- c. Sugarcane, Cotton & Potato (Annual Commercial/annual Horticultural crops)

Other annual Commercial/annual Horticultural crops subject to availability of past Yield data will be covered in a period of three years. However, the crops which will be covered next year will have to be spelt before the close of preceding year.



Risks covered & exclusions:

Comprehensive risk insurance will be provided to cover yield losses due to non-preventable risks, viz.:

- i) Natural Fire and Lightning
- ii) Storm, Hailstorm, Cyclone, Typhoon, Tempest, Hurricane, Torando etc.
- iii) Flood, Inundation and Landslide
- iv) Drought, Dry spells
- v) Pests/Diseases etc.

Losses arising out of war & nuclear risks, malicious damage & other preventable risks shall be excluded.



Sum insured /limit of coverage

The Sum Insured (SI) may extend to the value of the threshold yield of the insured crop at the option of the insured farmers. However, a farmer may also insure his crop beyond value of threshold yield level upto 150% of average yield of notified area on payment of premium at commercial rates.

In case of Loanee farmers the Sum Insured would be atleast equal to the amount of crop loan advanced.

Further, in case of Loanee farmers, the Insurance Charges shall be an additionality to the Scale of Finance for the purpose of obtaining loan.

In matters of Crop Loan disbursement procedures, guidelines of RBI/NABARD shall be binding.



Premium Rates....

S N.	Season	Crops	Premium rate
1.	Kharif	Bajra & Oilseeds	3.5% of SI or Actuarial rate, which ever is less
		Other crops (cereals, other millets & pulses)	2.5% of SI or Actuarial rate, which ever is less
2.	Rabi	Wheat	1.5% of SI or Actuarial rate, which ever is less
		Other crops (other cereals, millets, pulses & oilseeds)	2.0% of SI or Actuarial rate, which ever is less
3.	Kharif & Rabi	Annual Commercial annual Horticultural crops	Actuarial rates



Sharing of risk!!!

Risk will be shared by IA and the Govt. in the following proportion.

Food crops & Oilseeds: Till, complete transition to Actuarial regime in a period of five years takes place, claims beyond 100% of premium will be borne by the Govt. Therefore, all normal claims, i.e. claims upto 150% of premium will be met by IA and claims beyond 150% shall be paid out of Corpus Fund for a period of three years. After this period of three years claims upto 200% will be met by IA and above this ceiling out of the Corpus Fund.

Annual Commercial crops/annual Horticultural crops: Implementing Agency shall bear all normal losses, i.e. claims upto 150% of premium in the first three years and 200% of premium thereafter subject to satisfactory claims experience. The claims beyond 150% of premium in the first three years and 200% of premium thereafter shall be paid out of Corpus Fund. However, the period of three years stipulated for this purpose will be reviewed on the basis of financial results after the first year of implementation and the period will be extended to five years if considered necessary.

To meet Catastrophic losses, a Corpus Fund shall be created with contributions from the Govt. of India and State Govt./UT in 50:50 basis. A portion of Calamity Relief Fund (CRF) will be used for contribution to the Corpus Fund.



Estimation of crop yield

The State /UT Govt. will plan and conduct the requisite number of Crop Cutting Experiments (CCEs) for all notified crops in the notified insurance units in order to assess the crop yield.

The state/UT Govt. will maintain single series of Crop Cutting Experiments (CCEs) and resultant yield estimates, both for Crop Production estimates and Crop Insurance.

S N.	Unit Area	Minimum number of C.C.E.s required to be done
1.	Taluka/Tehsil/Block	16
2.	Mandal/Phirka/any other smaller unit area comprising 8-10 villages	10
3.	Gram Panchayat comprising 4-5 villages	08



See You at Next Class!!!!