

## **PRESS NOTE**

Cabinet, in its meeting today, has approved Prime Minister Fasal Bima Yojana, which is a path breaking scheme for farmers' welfare. The highlights of this scheme are as under:

- i) There will be a uniform premium of only 2% to be paid by farmers for all Kharif crops and 1.5% for all Rabi crops. In case of annual commercial and horticultural crops, the premium to be paid by farmers will be only 5%. The premium rates to be paid by farmers are very low and balance premium will be paid by the Government to provide full insured amount to the farmers against crop loss on account of natural calamities.
- ii) There is no upper limit on Government subsidy. Even if balance premium is 90% it will be borne by the Government.
- iii) Earlier, there was a provision of capping the premium rate which resulted in low claims being paid to farmers. This capping was done to limit Government outgo on the premium subsidy. This capping has now been removed and farmers will get claim against full sum insured without any reduction.
- iv) The use of technology will be encouraged to a great extent. Smart phones will be used to capture and upload data of crop cutting to reduce the delays in claim payment to farmers. Remote sensing will be used to reduce the number of crop cutting experiments.