

Stakeholders Meet on Agriculture Insurance

January 3, 2008, Patna

Summary

For the economic growth of the Indian poor farmers, Indian Society of Agribusiness Professionals (ISAP) in association with Oxfam International is making efforts to improve the life of rural masses, under the Economic Justice Campaign. A Stakeholders Meet on Agriculture Insurance was organized by ISAP and Oxfam International with the support of media partner 'Bihar Times' at The Bihar Chamber of Commerce, Patna on 3rd January 2008. The event marks importance of agriculture insurance for the economic growth of farm sector in Bihar.

Dr Akhilesh Prasad Singh Hon'ble Minister of State for Agriculture, Consumer Affairs, Food & Public Distribution Government of India inaugurated the meet and it had a participation of about one hundred important dignitaries and officials including Dr Samar Verma, Senior Trade Policy Advisor, Oxfam GB, Oxford, Dr R.K.P. Singh, Advisor Bihar Kisan Ayog, Mr Kumar Gautam, OXFAM International, Mr C P Awasthi, Agriculture Insurance Company of India, Mr R P Acharya, AGM, NABARD, Mr R T Sharma, Manager Agribusiness, State Bank of India, Mr S K Bansal, Chairman, Madhya Bihar Grameen Bank, Dr K M Singh Director BAMETI, Mr Sanjay Singh Dy Dir Agriculture and other State Government official, Prof Gopalji Trivedi former VC RAU Pusa, Mr KPS Keshri MD Amrpali Foods, Dr V N Sahai Regional Director RAU Pusa, Senior Economist Prof Inder Deo Sharma & Dr Pyare Lal, Mr Sudhansu Kumar, President Mango Growers Association, Farmer representative from Uttar Pradesh Mr K K Singh and NGOs/ farmers groups, farmers and media persons etc from Bihar.

In his inaugural address, Dr Akhilesh Prasad Singh, Minister of State for Agriculture highlighted the miserable condition of Indian farmers in the state and emphasized on the need for reforms in agriculture insurance scheme.

The meet was conducted in four sessions- The pre-lunch sessions were-the inaugural session followed by the technical session where the speakers highlighted the technical issues related to agricultural insurance and credit. The post-lunch sessions were plannary Speakers from various organizations mentioned above also made presentations and expressed their views during the meet. Different stakeholders shared their ideas during group discussions and contributed their views on accessing agriculture insurance and problems faced by farmers and their solutions. Thereafter, under the leadership of Dr Pyare Lal Director, BIES, Patna, each of the group leaders made presentations. Dr K M Singh, Director, Bihar Agricultural Management & Extension Training Institute (BAMETI) made the concluding remarks.

Major Findings

- Every year the farmers in the state are facing financial losses due to heavy rains, flood, drought, failure of crops, death of animals etc.
- About 3% farmers participate in agriculture insurance
- Less than 1% farmers make claim for compensation and of these only 4% farmers get compensation.
- Lack of information about Agriculture Insurance Schemes amongst farmers
- All farmers are not part of the scheme, only *loanee* farmers are being allowed to participate
- Scheme is not becoming very popular & effective due to poor services
- Notified unit area is not helping farmers
- Major crops - Horticulture, Floriculture, Medicinal & Aromatics Plants and other major crops are not covered under insurance scheme
- Agriculture Insurance is not covering cattle, farm machinery and loss from wild animals
- Rain and weather insurance is not helping farmers in the state
- Sharecroppers are not allowed to participate in agriculture insurance scheme
- Scheme advertisements are not published timely
- Role of banks and other agencies is not proactive
- Implementation of Agriculture Insurance schemes is not very effective
- Farmers do not get compensation amount in time
- Process of agriculture insurance is not very easy
- Farmers are not the part of various committees
- There is no motivation on agriculture insurance scheme for banks and other officers
- There is lack of coordination between various state government department and agencies.

Suggestions

- Need to create awareness - information should be available at village panchayats
- Inclusion of *non-loanee* farmers
- Scheme needs to be made popular at the village level
- Panchayat may be considered as unit area
- Horticulture, Floriculture, Medicinal & Aromatics Plants and other major crops should be covered under insurance scheme
- Agriculture Insurance should also cover cattle, farm machinery and loss from wild animals
- Weather based Insurance should be adopted very fast for the entire state
- Agriculture insurance should be available for share croppers
- Government circulars/ advertisements should be published timely

- Role of banks should be farmer friendly and need of active their participation
- Notification of Agriculture Insurance should be given in the passbook of KCC
- Insurance should be based on farmer's field not on bank loan
- Insurance should be based on production not for crop
- Insurance limit should be based on farmer's estimated income from production
- It should cover farm produce losses during storage
- Rate of insurance premium should be nominal, small and marginal farmers should get more subsidy in insurance premium
- Payment of compensation amount should be made in shorter time.
- Farmer representative, Village Panchayat should be the part of analysis team for compensation and production data should be collected at panchayat level
- Agriculture Insurance processes should be easy
- Farmer should be part of the coordination committees
- Banks officer/ staff should get orientation training to provide better service
- Role of Banks should be proactive and GOI should initiate
- Public private partnership may be encouraged, Non Governmental Organizations and private participation should also be encouraged
- Department of Agriculture, Cooperative, Horticulture, Bank and Insurance Company etc should work with coordination for Agriculture Insurance
- Agriculture Insurance Agent should be deputed
- Land record should be available in computer as it may help non loanee farmers
- State Department should include Agriculture Insurance in the agenda of Rabi and Kharif seminars