

Minutes of the PMFBY meeting held at JK House Chanakyapuri New Delhi on 27-01-2017 with the representatives of empanelled Insurance Agencies (IAs) under the chairmanship of Financial Commissioner (FC) Agriculture Production Department (APD), J&K Government.

In order to reach out to all the empanelled insurance Agencies (IAs) and to generate a healthy competition through active participation in the bidding process for the notified crops in the notified areas as approved for implementation of PMFBY w.e.f. Kharif 2017, an interactive meeting was held with the Senior Executives of IAs under the chairmanship of Financial Commissioner (FC) Agriculture production Department (APD) at JK House, Chanakyapuri, New Delhi on 27-01-2017.

The meeting was attended by Mission Director PMFBY (J&K) Sh. Altaf Aejaaj Andrabi and Deputy Mission Director Sh. K.K. Sharma, representatives from SKUAST Jammu and the representatives from empanelled Insurance Agencies(IAs) viz; AIC of India Ltd; IFFCO-TOKIO (GIC) Ltd; Bajaj Allianz (GIC) Ltd; ICICI Lombard (GIC) Ltd; HDFC ERGO (GIC) Ltd; Future Generali India (GIC) Ltd; Reliance (GIC) Ltd, SBI (GIC) Ltd; Tata AIG (GIC) Ltd; Universal Sompo (GIC) Ltd; Oriental Insurance Company Ltd; and New India Insurance Company Ltd. List of participants is enclosed as Annexure "A".

At the very outset, Mission Director PMFBY welcomed Sh. Pramod Jain, FC Agriculture Production Department (J&K) and the Senior Executives of IAs for their participation in the meeting at a short notice. He also gave a brief overview of the developments which have taken place in the back drop of fresh notification / bid offer issued by the J&K Govt. for inviting rates of premium from the empanelled IAs in order to have healthy and fair competition in the best interest of the famers. He also informed that as per the notification, 07 crops are to be covered in the first phase viz; Paddy, Maize, Apple, Mango, Saffron (Kharif season) and Wheat, Mustard (Rabi season) covering 20 districts. All the terms and conditions as notified in the bid document were discussed at length and a brain storming interaction session was held with the representative of IAs in which the concerns/ apprehensions of IAs were discussed. Some of the important issues discussed in detail are as under:-

1. **Crop cutting experiments (CCEs):** The issue of standardisation of CCEs for Horticultural crops, it was clarified that a module has been firmed up in practice since long by the SKUAST-J/K which shall be

taken as a base while doing the CCEs and will form a part of PMFBY strategy to be adopted for Horticultural crops. Application of technology such as canopy analyzers/ videography/ smart phones alongwith field skill/knowledge will also be a part of the process in order to bring more transparency and objectivity in conducting the CCEs. In this context, on farm- demonstration programme for better understanding of CCEs as requested by IAs for the Horticultural crops is being arranged on 03-02-2017 at SKUAST-K for the satisfaction of the IAs. Necessary intimation is being made to the Director Research SKUAST-K by the Mission Director. Moreover, a detailed Manual about the process of conducting CCEs will also be made available to the IAs.

2. **Effect of Hailstorm:** Representatives of the IAs expressed their concern for addressing the qualitative loss caused to the fruits due to hail storm and in this regard Mission Director, PMFBY replied that the qualitative loss occurred to the crop due to hail storm shall be converted into quantitative loss as per the assessment made by the District Level Technical Committee (DLTC).
3. **Blossom Loss:** The IAs showed their concern for calculating the blossom loss to the crop due to adverse weather conditions. Mission Director clarified that the same is to be calculated from the blossom statement as is already in practice for assessment of crop yield in the initial stages of the crop and the same shall be duly authenticated by the District Level Technical Committee (DLTC) for calculating the extent of loss at the blossom stage.
4. **Threshold Yield (TY):** The IAs sought a clarification for the number of years to be taken as base for arriving at TY. Mission Director clarified that last 07 years yield data is to be counted towards TY. Moreover, TY for all the notified crops in the notified CD blocks will also be made available to the IAs, which will form a benchmark for assessing the Yield loss.
5. **Calculation of indemnity levels:** The IAs suggested that a proper integration of latest technology and other standard methods for CCEs shall be adopted for arriving at losses due to various causes as envisaged in the Operational Guidelines (OGs) of PMFBY. A proper/rational use of Normalized Difference Vegetation Index (band based), Radar technology (optical form) etc; will be taken into account wherever possible, for

arriving at reasonable indemnity levels along with weekly weather statements.

6. **Yield Data of Newly Carved CD-Block:** As per the query raised for the newly carved out CD Blocks and their yield data base, it was suggested that, for this purpose, the parent block will be taken as the representative block for considering the yield data. The necessary list of parent blocks / newly created blocks will be provided to the IAs.
7. **Three Years Contract and Automatic Weather Stations (AWS):** The IAs emphasised for one year contract instead of a 03 years contract in the bid offer as the same will be more farmer friendly especially in case of horticultural crops. In addition to this, installation of Automatic Weather Stations (AWS) by the State / Central Govt. at each block level i.e., at reference unit area (RUA) instead of IAs as prescribed in the bid document was also projected to be a better option and was considered by IAs as more farmer-friendly as it will lower their investment and this reduces the premium rates. The Operational Guidelines provide a provision for the same, they pointed out. Mission Director suggested that installation of the AWS by the IAs will have no bearing on the farmers' share of premium which is capped at 1.5%, 2.0% & 5.0% for Rabi, Kharif and horticultural crops respectively. Regarding a 03 year contract, he suggested that 03 year contract will be more sustainable. However, the Chair referring to on these issues averred that the matter would be taken up in the competent forum and change, if any, would be communicated to the IAs well in time.

At the end, the Chair summarised all the issues raised by the IAs with an assurance that all issues would be looked into urgently by the Mission Director, so that authenticity as well as reliability of the system is ensured within the framework of OGs for achieving reliable indicative results.

All the participating Insurance Agencies (IAs) assured the Chair that they looked forward to participate in the bidding process for the notified crops in the notified areas to be covered under PMFBY w.e.f. Kharif 2017.

(Altaf Aijaz Andrabi)
Mission Director,

Pradhan Mantri Fasal Bima Yojana, J&K