



## Performance of NAIS

**Gurdev Singh**

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**INDIAN INSTITUTE OF MANAGEMENT  
AHMEDABAD-380 015  
INDIA**

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**Gurdev Singh**

Indian Institute of Management  
Vastrapur, Ahmedabad – 380 015  
Email: gurudev@iimahd.ernet.in

*This working paper confines its scope to performance of National Agricultural Insurance Scheme (NAIS). It examines the progress of NAIS in India and in one selected state, Gujarat. The two dimensions considered are coverage over time and across the states. It is further disaggregated for different seasons. The performance was studied with respect to number of performance indicators, namely, farmers covered, area covered, sum insured, premium collected, subsidy to small farmers, claims made and farmers benefited. The state-wise performance gives the comparative picture of NAIS among the states. Detailed performance was studied for Gujarat. Again the progress was examined over time and among the districts. Though the data shows impressive growth over time it cannot be termed as satisfactory. The coverage of area as well as loanee farmers has been disappointing. The scheme has many flaws. The mandatory aspect has not been appreciated by farmers.*

## Performance of NAIS

National Agricultural Insurance Scheme (NAIS) was introduced to replace Comprehensive Crop Insurance Scheme from Rabi 1900-2000. Initially, only 9 states/union territories opted for the scheme. This number increased to 17 in Kharif 2000. Over time the number of states and union territories opted for the scheme increased to 24 and two respectively. Arunachal Pradesh, Delhi, Manipur, Nagaland, and Punjab were the states which have not yet adopted the scheme. The scheme was in operation for last 21 seasons. However data on selected performance indicators namely, farmers and area covered, sum insured, premium collected, subsidy claimed by small farmers, claims made and farmers benefited were available for 19 seasons. These data were not available for lastest two seasons (kharif 2009 and rabi 2009-10). We therefore have examined the performance of the scheme for nine full years.

### 1. Performance over time

The performance of NAIS for 19 seasons (10 rabi and 9 kharif) is given in Appendix 1. The relevant data were processed and summarized in Table 1. The number of farmers covered over the 19 seasons added up to 1347 lakhs and insured area to 2109 lakh hectares under different crops in different seasons i.e. on an average 1.6 hectares per farmer in any season. The total sum insured grossed to Rs.148278 crores at aggregated premium of Rs.4427 crores. The sum insured averaged to Rs.7000 per cropped acre covered under NAIS. The premium collected was about 3 per cent of the sum insured. The subsidy to small farmers amounted to Rs.424 crores i.e. 9.6 per cent of the premium collected. The claims reported added to Rs.15230 crores or 10.3 per cent of the sum insured and were paid to nearly 27 per cent of the farmers who had opted for the scheme. The claims averaged to Rs.4245 per farmer or Rs.3000 per acre of cropped area covered. However the claims made were nearly four times the premium collected. From these simple statistics the scheme does not seem to be economically viable for the implementing agency. For farmers it may be considered as another alternative of risk management at farm level and it adds the premium cost to the cost of cultivation of crops.

Both the number of farmers and area covered showed increasing trend with some ups and downs in some years. The number of farmers covered in eight years had increased by 82 per cent (87 lakhs) compared to 63 per cent (102 lakh hectares) increase in area covered. This gave an annual simple growth rate (SGR) of 10.3 per cent for farmers covered as against 7.8

per cent for the area covered. The corresponding compound growth rates were computed at 7.8 per cent for number of farmers and 6.3 per cent for area coverage. The sum insured and premium collected had shown increasing trends but the growth was relatively higher for premium collected i.e. SGR of 30.2 per cent and CGR of 16.6 per cent compared to SGR of 26.7 per cent and CGR of 15.4 per cent for sum insured. It implied increased cost of cultivation and higher coverage of high cost crops.

**Table 1: Progress of NAIS in India**

Particulars	Farmer covered (lakhs)	Area covered (lakh ha)	Rs. in crores		Claims made	Farmers benefited (000)
			Sum insured	Premium collected		
<b>Kharif Season</b>						
Cumulative total	996	1569	106067	3489	11351	25655
Absolute increase	46	45	8755	305	1149	571
Per cent increase	54	34	127	148	94	16
SGR (%)	6.8	4.2	15.9	18.4	11.7	2.0
CGR (%)	5.6	3.7	10.8	12.0	8.6	1.8
<b>Rabi Season</b>						
Cumulative total	351	540	42212	938	3879	10426
Absolute increase	41	58	9411	284	1178	1119
Per cent increase	195	185	587	943	1980	212
SGR (%)	24.4	23.1	73.4	117.9	247.5	26.5
CGR (%)	14.5	14.0	27.2	34.1	46.1	15.3
<b>Overall</b>						
Cumulative total	1347	2109	148278	4427	15230	36081
Absolute increase	87	102	18165	567	2327	1690
Per cent increase	82	63	214	242	182	41
SGR (%)	10.3	7.8	26.7	30.2	22.7	5.1
CGR (%)	7.8	6.3	15.4	16.6	13.8	4.4

Though in general kharif has been the main season the performance for rabi season was more pronounced. However this difference had decreased over the years. The increase in number of farmers covered was 54 per cent for kharif compared to 195 per cent for rabi season though in absolute terms the increase was higher for rabi. Similar has been the observation on area increase (34% for kharif and 185% for rabi). However the absolute increase in area was marginally higher for rabi than for kharif. The corresponding simple growth rates for kharif and rabi season were 6.8 per cent and 24.4 per cent for farmers and 4.2 and 23.1 for area, and the corresponding compound growth rates were 5.6 per cent and 14.5 per cent for farmers and 3.7 per cent and 14.0 per cent for area coverage respectively. Though for the sum insured the increase for kharif was almost double the increase for rabi in percentage terms increase over the reference period was lower for kharif (127%) and much higher for rabi (587%). As a result the growth rates for kharif were lower (SGR of 15.9% and

CGR of 10.8%) than for rabi (SGR of 73.4% and CGR of 27.2%). Similarly though the absolute increase in premium collected was higher for kharif (Rs.305 crores) than for rabi (Rs.284 crores) the per cent increase was much higher for rabi (943%) than for kharif (148%) giving higher SGR of 117.9 per cent for rabi compared to only 18.4 per cent for kharif and CGR of 34.1 per cent for rabi and 12.0 per cent for kharif respectively. This reflected on the high cost of cultivation and also high average premium rates for rabi crops.

The claims made did not show a clear trend but because of substantial increase in 2008-09 the per cent increase was 182 per cent. This increase was contributed by both the seasons. Similar pattern was observed with respect to farmers benefited from claims paid. Claims made had one to one correspondence with farmers benefited from compensation paid and hence the both showed similar pattern. However the subsidy to small farmers had shown a decreasing trend except in the last two years when it had increased to almost three time. It implied a substantial increase in small farmers' coverage during last three years.

## **2. Performance across the States**

Currently NAIS has been adopted by 24 states and two union territories by 2008-09. Their performance in the states has been judged on the basis of their contribution to the six selected performance indicators, namely, farmers covered, area covered, sum insured, premium collected, claims made and farmers benefited (Appendix 2). The performance differed significantly across the states. We found that 11 of the states, namely, Andhra Pradesh, Bihar, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, Tamilnadu, Uttar Pradesh and West Bengal accounted for over 90 per cent to total value of individual indicators as shown in Table 2. In fact Bihar contributed significantly only to claims made and farmer beneficiaries, Orissa to farmers covered, sum insured and subsidy claimed, Tamilnadu to subsidy and claims and West Bengal to subsidy claimed.

Seven among the eleven states identified in Table 2 ranked from 1-7 for the first four performance indicators (Table 3). We selected Gujarat with overall rank of 3 and Karnataka with overall rank of 7 for our detailed study as has been pointed out earlier in methodology.

**Table 2: Share of Major States in Selected Performance Indicators (2008-09)**

State	Farmers	Area	Sun insured	Premium	Subsidy	Claims	Benefited
Andhra Pradesh	14.0	14.1	19.8	18.8	21.6	17.4	13.9
Bihar	2.8	2.2	4.2	3.2	3.4	7.1	8.1
Gujarat	6.8	10.3	12.5	17.3	10.5	20.6	20.3
Karnataka	6.8	7.4	7.0	7.5	4.6	9.5	11.1
Madhya Pradesh	12.0	20.3	11.4	11.3	4.8	5.9	6.8
Maharashtra	17.0	10.0	8.4	10.7	14.1	10.0	11.7
Orissa	6.8	4.4	6.2	5.2	8.0	3.3	3.8
Rajasthan	8.9	12.3	8.6	8.0	1.4	7.9	8.7
Tamilnadu	1.8	1.6	3.1	2.3	8.6	7.5	3.5
Uttar Pradesh	9.8	8.7	9.9	6.8	6.7	4.7	5.2
West Bengal	5.3	1.7	4.1	4.8	13.6	3.0	3.4
	92	93	95.2	95.9	97.3	96.9	96.5

**Table 3: Ranking of Major States on Four Performance Indicators**

	State	Farmers	Area	Sum insured	Premium	Overall
1	Andhra Pradesh	2	2	1	1	1
3	Gujarat	6	4	2	2	3
4	Karnataka	7	7	7	6	7
5	Madhya Pradesh	3	1	3	3	2
6	Maharashtra	1	5	6	4	4
7	Rajasthan	5	3	5	5	5
9	Uttar Pradesh	4	6	4	7	6

The area covered under NAIS per farmer averaged to 1.57 hectares in 2008-09 (Table 4). It ranged from 0.46 hectares for Jharkhand to 2.62 hectares for Madhya Pradesh. The only other states for which area covered per farmer was more than 2.00 hectares were Gujarat, Rajasthan and Chhatisgarh and up to 1.00 hectares for were Sikkim, West Bengal, Tripura, Himachal Pradesh, Assam, Kerala and Maharashtra. The sum insured per hectare Rs.3538 for Chhatisgarh to Rs.21278 for Tripura with all India average of Rs.7030 in 2008-09. It was more than Rs.10000 for Sikkim, West Bengal, Uttaranchal, Kerala, Assam, Bihar, Tamilnadu, Pndicheri and Meghayala. In these states the high cost crops were covered. Nevertheless the premium as per cent of the sum insured was highest for Meghalaya (5.51%) followed by Gujarat (4.15%), Maharashtra (3.81%), West Bengal (3.52%) and Karnatka (3.19%) for the state as a whole. It was lowest for Sikkim (1.01%) though per hectare sum insured was the highest in this state. The claims were about 10 per cent of the sum insured. It was highest for Tamilnadu (23.6%) followed by Bihar (16.8%), Gujarat (16.4%), Jharkhand (13.7%), Karnataka (13.5) and Maharashtra (11.8%). The claims were 2.8 times the premium

collected. It was more than 7 times in Bihar followed by 4 times in Jharkhand, Karnataka and Tamilnadu. It was less than premium only in some smaller states such as Goa, J&K, Sikkim and Tripura. The farmers benefited from compensation were 47 per cent in Tamilnadu followed by 42 per cent in Karnataka, 37 per cent in Uttaranchal, 34 per cent in Bihar, and 32 per cent in Maharashtra. Elsewhere it was less than average of 26 per cent for the country as a whole.

**Table 4: Performance of NAIS in States/UTs (2008-09)**

State	Area/ Farmer (ha)	Sum Insured (Rs/ha)	Premium (% of SI)	SI/ Prem (Rs/Re)	Claims (% of SI)	Claims/ Premium	Farmers benefited (%)	Claims/ Farmer (Rs.)
Andhra Prad	1.57	9855	2.84	11.0	8.75	2.11	21	4513
Assam	0.76	14479	2.61	12.4	2.77	1.05	14	2115
Bihar	1.21	13756	2.26	10.1	16.77	7.26	34	8081
Chhattisgarh	2.07	3538	2.59	5.98	5.76	2.22	21	1971
Goa	1.57	2127	1.71	25	0.86	0.50	14	200
Gujarat	2.36	8509	4.15	5.78	16.43	3.34	34	8177
Haryana	1.14	8895	2.72	2.94	5.92	2.13	21	2754
Himachal Prad	0.75	9733	2.10	25.3	4.90	2.34	42	846
Jammu & Kash	1.39	5894	1.91	8.33	0.53	0.28	4	1000
Jharkhand	0.46	6688	2.52	5.96	13.74	4.56	24	1500
Karnataka	1.69	6690	3.19	5.88	13.47	4.23	42	3663
Kerala	0.85	16160	2.11	17.9	4.97	2.35	20	3441
Madhya Prad	2.62	3971	2.96	4.06	5.17	1.71	21	2560
Maharashtra	0.94	5908	3.81	12.60	11.83	3.10	32	2038
Meghalaya	1.17	10976	5.51	18.10	1.39	0.25	6	3200
Orissa	1.02	9953	2.49	14.60	5.29	2.09	18	2942
Rajasthan	2.15	4931	2.77	1.64	9.18	3.10	26	3452
Sikkim	0.50	19800	1.01	0	0.51	0.50	neg	-
Tamilnadu	1.44	13582	2.23	34.90	23.62	4.21	47	3873
Tripura	0.60	21278	2.92	10.70	3.03	0.95	20	1767
Uttar Pradesh	1.38	8061	2.04	9.39	4.68	2.20	24	2067
Uttranchal	1.13	16394	1.79	8.26	7.49	2.83	37	2573
West Bengal	0.51	16561	3.52	27.00	7.25	2.01	18	3340
Andaman & N	2.00	7850	1.91	33.30	0.64	0.33	neg	-
Pondicheri	1.54	13486	1.90	18.90	4.55	1.87	21	3560
<b>Total</b>	<b>1.57</b>	<b>7030</b>	<b>2.99</b>	<b>9.56</b>	<b>9.96</b>	<b>2.85</b>	<b>26</b>	<b>3552</b>

### 3. Performance in Gujarat

Gujarat has opted for NAIS from its inception in rabi 1999-00. Table 6 gives its performance for 16 seasons (eight years) with respect to five selected variables (Appendix 3). It seems the achievements had reached at peak in the year 2000-01 for coverage of both farmers and area. Thereafter it started to decline and the trend continued except some ups in some years for the two indicators. The cropped area covered in 2008-09 was only 16.6 per cent of the gross sown area in the state, a very low coverage indeed.

**Table 6: Sum Insured vis-à-vis Crop Loan Advances**

Year	2004-05	2005-06	2006-07	2007-08	2008-09
a. Crop loan issued (Rs. crores)	4432.14	5543.30	7410.42	7105.17	7723.96
b. Sum insured (Rs. crore)	1986.25	2019.40	2156.01	2249.49	2400.22
c. (b) as % of (a) above	45	36	29	32	31

Kharif being the main season in the state trends in farmers and area covered were similar to overall trends. For rabi season year 2004 was abnormal in the sense that because of delay in receipt of the notification all but one declarations were rejected. Nevertheless there has been declining trend in the two indicators. On the other hand sum insured showed increasing trend with an absolute fall in 2003 while premium collected first increased and then decreased with overall gain of more than 10 per cent in eight years. The sum insured for last five years is compared with the crop loans advances in the state in Table 5. It shows that it was always less than 50 per cent of crop loan advances. In fact this proportion had further reduced to less than one third in the latest three years. Assuming some of the loanee farmers could have gone above the loan amount to threshold yield and there could be some non-loanee farmers opted for NAIS the sum insured should be more than the crop loan advances in any year. It implied that not all the loanee farmers were covered. Why? It needs further investigation.

The behaviour of the sum insured and premium collected kharif season was similar to the yearly trends. In case of rabi season though overall an increasing trend was observed for both these indicators there was very little business in 2004 and it took a couple of years to reach the earlier level. This implied increasing cost of cultivation and coverage of higher value crops. The claims made varied widely from one year to another depending on the yield loss for different crops in different notified areas.



**Table 5: Performance of NAIS in Gujarat**

Period	Farmers	Area (ha)	Sum Insured (Rs.)	Premium (Rs.)	Beneficiaries
<b>Kharif Season</b>					
2001	1254412	2429282	19799970063	735826887	261876
2002	1168727	2280316	20275105433	875686238	671453
2003	1016429	2183096	19102712241	985270054	15114
2004	1067888	2216953	19861998655	1084407135	346955
2005	879618	2526334	19928253492	849025610	34384
2006	863551	1872161	21162896881	821999363	133293
2007	824407	1748035	22143362167	814545620	35306
2008	813458	1794250	23241336350	826352518	283165
<b>Total</b>	<b>7888490</b>	<b>17050427</b>	<b>165515635300</b>	<b>6993113425</b>	<b>1781546</b>
<b>Rabi Season</b>					
2001	28386	47132	330701448	6254896	10517
2002	26750	42647	353259520	8440848	8381
2003	22001	36719	374363832	8455975	78
2004*	17	54	544000	8160	0
2005	11459	20308	265845700	4236412	500
2006	14080	25865	397192654	7016754	3984
2007	14472	25834	351543700	6738895	2169
2008	28232	56417	760822243	13703213	22327
<b>Total</b>	<b>145397</b>	<b>254976</b>	<b>2834273097</b>	<b>54855153</b>	<b>47956</b>
<b>All Seasons</b>					
2001	1282798	2476414	20130671511	742081783	272393
2002	1195477	2322963	20628364953	884127086	679834
2003	1038430	2219815	19477076073	993726029	15192
2004*	1067905	2217007	19862542655	1084415295	346955
2005	891077	2546642	20194099192	853262022	34884
2006	877631	1898026	21560089535	829016117	137277
2007	838879	1773869	22494905867	821284515	37475
2008	841690	1850667	24002158593	840055731	305492
<b>Total</b>	<b>8033887</b>	<b>17305403</b>	<b>168349908400</b>	<b>7047968578</b>	<b>1829502</b>

The observation for the two seasons did not differ much. In eight years taken together the scheme covered more than eighty lakh farmers for 173 lakh hectares of cropped area under different crops i.e. more than two hectares per farmer in any season. A large majority of them (98%) were covered for kharif season. The cumulative sum insured was Rs.1683499 crores i.e. more than Rs.9000 per acre covered. Though rabi season accounted for less than

three per cent of the total sum insured per acre sum insured was higher than the overall average. Similar was the pattern for premium paid. The claims made were a little higher than 40 per cent of the sum insured these were more than three times the premium collected. About 23 per cent of the farmers covered under the scheme got indemnity. This proportion was higher for rabi season though only 2.5 per cent of the beneficiaries got indemnity for rabi crops.

The sum insurable, premium payable and indemnity limit for different crops notified for kharif 2009 and rabi 2009-10 are shown in Table 7. For most of the kharif crops the indemnity rate was 60 per cent rabi crops 80 per cent of the sum insurable as per the threshold yield for different crops. Similarly for most of the kharif crops the premium rate was 2.5 per cent. It was 9.25 per cent for cotton and 1.3 per cent for banana. For rabi crops the premium rate varied from 0.95 per cent for potato to 8.05 per cent for cumin. The normal sum insurable was highest for banana among kharif crops and onion among rabi crops. Among kharif crops it was lowest (Rs.5370) for bajra and among rabi crops for wheat unirrigated (Rs.4100). For higher sum insured up to 150 per cent of value of threshold yield actuarial rates were charged. The actuarial rates were higher than the normal fixed rates except for Ragi and banana among kharif crops and summer bajra, potato, isabgol, onion, garlic, fennel and cumin among rabi crops the actuarial rates were not different from normal rates.

Table 8 gives the area sown and area covered under NAIS for notified crops in Gujarat for the year 2008-09. The total sown area in Gujarat in 2008-09 was 1157 thousand hectares of which only 16.6 per cent (18.5ha) were covered under NAIS in two seasons. Kharif being the main season had accounted for 97 per cent of the total area covered. Groundnut was the most important crop and it alone accounted for 78.2 per cent of the kharif cropped area covered under NAIS. It was followed by bajra (11.5%), paddy (3.7%), castor (3.1%) and maize (2.1%). Other five kharif crops occupied the remaining 1.4 per cent of the cropped area covered in kharif season. In rabi season wheat irrigated was the major crop which occupied 88 per cent of cropped area covered under NAIS followed by onion (5.8%) and potato (3.7%). The remaining five crops accounted for the balance area covered in rabi (2.5%).

The table also shows the proportion of area under individual notified crops covered under NAIS in the two seasons. It was less than 10 per cent for all but two kharif crops (groundnut and bajra). It was highest at 73 per cent for kharif groundnut followed by 30 per cent for kharif bajra. For rabi crops the highest coverage was 5.7 per cent for onion followed

by 4.1 per cent for wheat irrigated and 3.2 per cent for potato. By implication very small proportion of sown area under most of the crops was covered under NAIS. The possible explanation may include:

**Table 7: Crop-wise Indemnity Level, Sum Insurable, Normal and Actuarial Premium Rates for 2009-10 under NAIS**

Crop	Indemnity Level (%)	Sum Insured (Rs.)	Normal Premium (%)	Actuarial Premium (%)
<b>Kharif Season</b>				
Paddy	60	9420	2.50	7.55
Jowar	80	8500	2.50	2.90
Bajra	60	5370	3.50	17.40
Maize	60	6070	2.50	12.45
Ragi	80	7510	2.20	2.20
Udid	60	8930	2.50	8.75
Mung	60	7540	2.50	20.40
Tur	60	11500	2.50	9.30
Math	60	7060	2.50	26.15
Groundnut	60	19200	3.50	26.60
Castor	60	27600	3.50	6.85
Sesamum	60	6910	3.50	15.65
Cotton	60	7810	9.25	9.25
Banana	80	306190	1.30	1.30
				<b>Total</b>
<b>Rabi Season</b>				
Wheat (Irrigated)	90	25500	1.50	4.65
Wheat (unirrigated)	60	4100	1.50	6.85
Rape & Mustard	80	20400	2.00	3.40
Gram	80	12100	2.00	8.60
Potato	80	93700	0.95	0.95
Isabgul	80	18900	4.25	4.25
Onion	80	139900	4.45	4.45
Garlic	60	55800	2.35	2.35
Fennel	60	34000	3.55	3.55
Cumin	80	36500	8.05	8.05
Summer groundnut	90	31800	2.00	7.75
Summer bajra	80	14100	1.65	1.65
				<b>Total</b>

- a. Poor take off of crop loan by farmers.
- b. Crop loans were largely raised after cut of dates for NAIS.
- c. High premium crop like cotton are not included in proposals submitted by farmers.
- d. Some of the high premium crops are replaced by low premium crops.

**Table 8: Coverage of Crops in Notified Areas (2009-10) and Acreage (2008-09) in Gujarat**

Season and Crop	Area Sown (000ha)	District (Notified areas – Talukas)	Area Covered		% of Sown Area Covered under NAIS
			Total (000ha)	% of Sub-total	
<b>Kharif 2008</b>					
Bajra	684	18 (126)	207960	11.5	30.4
Banana	61	3 (7)	375	Neg	0.6
Castor	460	12 (72)	54975	3.1	12.0
Cotton	2417	17 (137)	17517	1.0	0.7
Green Gram	NA	8 (36)	1926	0.1	NA
Groundnut	1910	11(86)	1403282	78.2	73.5
Maize	419	6 (44)	37865	2.1	9.1
Paddy	689	16 (89)	66933	3.7	9.7
Sesamum	246	13 (77)	298	Neg	0.1
Tur	268	11 (59)	3119	0.2	1.2
<b>Kharif Total</b>			<b>1794250</b>	<b>100</b>	
<b>Rabi 2008-09</b>					
S. Bajra	NA	9 (41)	20	Neg	NA
Cumin (Jeera)	356	9 (37)	499	0.9	0.1
Garlic	37	2 (3)	150	0.3	0.4
S. Groundnut	NA	7 (12)	210	0.4	NA
Mustard	246	5 (30)	859	1.5	0.4
Onion	58	1 (4)	3265	5.8	5.7
Potato	57	6 (6)	1757	3.1	3.2
Wheat (Irrigated)	1207	21 (112)	49656	88.0	4.1
<b>Rabi Total</b>			<b>56417</b>	<b>100</b>	

Neg = Negligible (&lt; 0.05)

NA = Not available

#### 4. Performance among Districts in Gujarat

District-wise achievements of NAIS in Gujarat for 2008-09 are given in Appendix 4. Table 9 gives the achievements under six selected performance indicators for the districts divided in three groups, A, B and C. The six districts in Group A together accounted for more than 80 per cent of the achievements in the six indicators. Rajkot ranked at the top for all the performance indicators and it accounted for 26.2 to 40.0 per cent of the total value of individual indicator. Jamnagar ranked second for the first four performance indicators with contribution ranging from 16.4 to 21.1 per cent and Amreli occupied third position for these

indicators with its share ranging from 12.8 to 16.8 per cent. Jamnagar ranked third for claims and fourth for beneficiary farmers. Banaskantha occupied the third place for farmers benefited. Banaskantha, Junagarh and Sabarkantha figured at fourth to sixth places for all the indicators not necessarily in that order.

**Table 9: Share of Districts in State Total (%)**

District	Farmers	Area (ha)	Sum Insured	Premium	Claims Payable	Beneficiaries	Sum Ins (% of CL)
<b>Group A districts</b>							
Amreli	12.8	15.2	16.8	16.8	31.5	25.3	71.7
Banaskantha	7.3	8.8	4.8	4.6	10.3	13.7	24.8
Jamnagar	16.4	19.0	20.5	21.1	13.4	10.3	59.9
Junagadh	8.1	8.7	9.4	9.0	0.5	1.7	33.7
Rajkot	26.2	26.9	29.8	31.1	40.0	36.3	57.8
Sabarkantha	11.1	5.1	4.3	3.7	2.4	8.8	16.0
<b>Total</b>	<b>81.9</b>	<b>83.7</b>	<b>85.6</b>	<b>86.4</b>	<b>98.1</b>	<b>96.1</b>	<b>46.7</b>
<b>Group B districts</b>							
Bhavnagar	3.3	3.4	3.5	3.8	neg	neg	20.5
Panchmahals	2.3	1.0	0.8	0.6	0.4	1.4	33.1
Patan	3.9	4.3	2.6	2.6	neg	0.3	29.5
Porbandar	2.2	2.5	2.6	2.6	neg	neg	65.6
Ahmedabad	1.4	1.8	2.3	1.6	1.4	1.1	12.5
Dahod	2.8	1.1	0.6	0.5	0.1	0.8	53.3
<b>Total</b>	<b>15.9</b>	<b>14.1</b>	<b>12.4</b>	<b>11.7</b>	<b>1.9</b>	<b>3.6</b>	<b>24.0</b>
<b>Group C districts</b>	<b>2.2</b>	<b>2.2</b>	<b>2.0</b>	<b>1.9</b>	<b>neg</b>	<b>0.3</b>	<b>2.3</b>

Six other districts falling under Group B added another 11 to 16 per cent in the first four indicators. Two of these districts, namely, Ahmedabad and Panchmahals also contributed significantly to claims and farmers benefited. The districts in Group O were not actively involved in the scheme and their total share in the six indicators was only marginal. In fact it is surprising that a large majority of districts had very little participation in the scheme which is compulsory for loanee farmers. By implication the crop loan use in these districts was very low. Alternatively loanee farmers in these districts especially were not able to follow the cut of dates for NAIS for submission of proposals due to procedural constraints. May be cut off dates were too early for the farmers to plan their cropping pattern. The third explanation could be avoidance of participation by farmers in the scheme as they might consider it not the worth to adopt. A more comprehensive study would be needed to explore the reality.

Table 10 gives additional information on performance of NAIS in districts of Gujarat (Appendix 5). The per farmer average area covered ranged from 0.85ha in Valsad to 4.00ha in Dangs with an overall average of 2.20ha for the state. The sum insured per hectare varied from Rs.7038 in Banaskantha to Rs.40625 in Narmada with state average of Rs.12969. The subsidy claimed by small farmers was only 2.9 per cent of premium collected for the state and it varied from negligible to 6.3 per cent of the premium collected among the districts. Similarly claims made were nearly 26 per cent of sum insured for the state and among the districts it varied from negligible to 55 per cent (Banaskantha district). For the state as a whole nearly 36 per cent of the farmers were benefited from indemnity for loss in yield. Among the districts it ranged from negligible to 72 per cent of the farmers covered (Amreli district). It implies that both coverage-wise and benefits-wise the performance varied widely across the districts.

**Table 10: Additional Statistics on Performance of NAIS**

Particulars	Lower value	District	High Value	District	State Average
Area (ha/farmer)	0.85	Valsad	4.00	Dangs	2.20
Sum Insured (Rs./ha)	7038	Banaskantha	40625	Narmada	12969
Premium (% of Sum Insured)	1.6	Narmada	5.6	Surendernagar	3.7
Subsidy (% of Premium)	0	Baruch, etc	6.3	Dahod	3.5
Claims (% of Sum Insured)	0	Baroda, etc	55	Banaskantha	26
Farmers benefited (% of farmers covered)	0	Anand, etc	72	Amreli	36
Sum Insured (% of Crop Loan)	Neg	Bharuch, etc	71.7	Amreli	31.3

**Appendix 3.1**  
**NAIS - All India Yearwise / Seasonwise Business Statistics**  
**for 19 Seasons Since Rabi 1999-2000**

S.N.	Season	Farmers covered	Area (ha)	Rs. in Lakhas				Farmers benefited
				Sum insured	Premium	Subsidy	Claims	
1	Rabi 1999-00	579940	780569	35641	542	166	769	55288
2	Kharif 2000	8409374	13219829	690338	20674	4740	122248	3635252
3	Rabi 2000-01	2091733	3111423	160268	2779	824	5949	526697
	<b>Total 2000-01</b>	<b>10501107</b>	<b>16331252</b>	<b>850607</b>	<b>23452</b>	<b>5564</b>	<b>128197</b>	<b>4161949</b>
4	Kharif 2001	8696587	12887710	750246	26162	4762	49354	1741873
5	Rabi 2001-02	1955431	3145873	149751	3015	779	6466	453325
	<b>Total 2001-02</b>	<b>10652018</b>	<b>16033583</b>	<b>899997</b>	<b>29177</b>	<b>5541</b>	<b>55820</b>	<b>2195198</b>
6	Kharif 2002	9768711	15532349	943169	32547	4486	182431	4297155
7	Rabi 2002-03	2326811	4037824	183755	3850	673	18855	926408
	<b>Total 2002-03</b>	<b>12095522</b>	<b>19570173</b>	<b>1126924</b>	<b>36397</b>	<b>5159</b>	<b>201286</b>	<b>5223563</b>
8	Kharif 2003	7970830	12355514	811413	28333	2445	65268	1712269
9	Rabi 2003-04	4421287	6468663	304949	6406	624	49706	2098125
	<b>Total 2003-04</b>	<b>12392117</b>	<b>18824177</b>	<b>1116362</b>	<b>34739</b>	<b>3069</b>	<b>114974</b>	<b>3810394</b>
10	Kharif 2004	12687104	24273394	1317062	45894	2009	103817	2674743
11	Rabi 2004-05	3531045	5343244	377421	7585	412	16057	772779
	<b>Total 2004-05</b>	<b>16218149</b>	<b>29616638</b>	<b>1694483</b>	<b>53479</b>	<b>2421</b>	<b>119874</b>	<b>3447522</b>
12	Kharif 2005	12673833	20531038	1351910	44995	2044	105994	2666221
13	Rabi 2005-06	4048524	7218417	507166	10482	523	33830	980511
	<b>Total 2005-06</b>	<b>16722357</b>	<b>27749455</b>	<b>1859076</b>	<b>55477</b>	<b>2567</b>	<b>139824</b>	<b>3646732</b>
14	Kharif 2006	12934050	19672930	1475925	46730	2655	177491	3131511
15	Rabi 2006-07	4977980	7632882	654221	14288	797	51596	1390430
	<b>Total 2006-07</b>	<b>17912030</b>	<b>27305812</b>	<b>2130146</b>	<b>61018</b>	<b>3452</b>	<b>229087</b>	<b>4521941</b>
16	Kharif 2007	13398561	20754384	1700756	52431	2665	91337	1589973
17	Rabi 2007-08	5044016	7387156	746663	15871	1469	80945	1576748
	<b>Total 2007-08</b>	<b>18442577</b>	<b>28141540</b>	<b>2447419</b>	<b>68302</b>	<b>4134</b>	<b>172282</b>	<b>3166721</b>
18	Kharif 2008	12983876	17693192	1565832	51166	3410	237155	4206590
19	Rabi 2008-09	6169515	8864475	1101333	28989	6895	123742	1645564
	<b>Total 2008-09</b>	<b>19153391</b>	<b>26557667</b>	<b>2667165</b>	<b>80155</b>	<b>10305</b>	<b>360897</b>	<b>5852154</b>
	<b>Grand Total</b>	<b>134669208</b>	<b>210910865</b>	<b>14827819</b>	<b>442739</b>	<b>42377</b>	<b>1523011</b>	<b>36081462</b>

Source: [www.aici.org](http://www.aici.org), Annual Report 2008-09

**Appendix 2**  
**NAIS – Cumulative Business Statistics for 19 Seasons (Rabi 1999-2000 to Rabi 2008-2009)**

State	Farmers (000)	Area (000 ha)	Rs. in lakhs					Benefited (000)
			Sum insured	Premium	Subsidy	Claims made	Claims paid	
A.P.	18920	29734	2930215	83354	9147	256367	176247	3905
Assam	1340	107	15492	404	50	429	423	20
Bihar	3727	4527	622737	14098	1417	104404	102383	1267
Chhattisgarh	5756	11943	422579	10930	654	24277	24268	1231
Goa	7	11	234	4	1	2	2	1
Gujarat	9198	21743	1850192	76771	4440	304022	256172	3133
Haryana	531	604	53727	1464	43	3181	3112	113
H.P.	169	126	12264	257	65	601	601	71
J & K	23	32	1886	36	3	10	10	1
Jharkhand	3747	1735	116032	2919	174	15940	13307	887
Karnataka	9177	15512	1037785	33081	1946	139781	139781	3816
Kerala	318	270	43632	922	165	2168	2168	63
M.P.	16311	42722	1696342	50188	2036	87638	86051	3361
Maharashtra	22555	21120	1247795	47549	5970	147624	147624	7243
Meghalaya	18	21	2305	127	23	32	32	1
Mizoram	0	0	0	0	0	0	0	0
Orissa	9108	9301	925703	23066	3361	48941	48104	1635
Rajasthan	12046	25878	1276063	35341	580	117112	109458	3171
Sikkim	2	1	198	2	0	1	1	*
Tamilnadu	2379	3430	465868	10366	3619	110033	43650	1127
Tripura	15226	9	1915	56	6	58	53	3
Uttar Pradesh	13260	18235	1469864	29941	2812	68778	65987	3192
Uttranchal	142	161	26395	472	39	1977	1338	52
W.B.	7092	3636	602150	21201	5732	43678	42714	1279
A&N	1	2	157	3	1	1	1	*
Pondicheri	24	37	4990	95	18	227	178	5
Total	134665	210898	14826519	442648	42302	1477280	1263665	35578

Source: [www.aici.org](http://www.aici.org), Annual Report, 2008-09



**Appendix 3**  
**Performance of NAIS in Gujarat State**

Kharif	Farmers	Area (ha)	Rs. in thousand		Farmers Benefited
			Sum Insured	Premium	
2001	1254412	2429282	19799970	735827	261876
2002	1168727	2280316	20275105	875686	671453
2003	1016429	2183096	19102712	985270	15114
2004	1067888	2216953	19861999	1084407	346955
2005	879618	2526334	19928253	849026	34384
2006	863551	1872161	21162897	821999	133293
2007	824407	1748035	22143362	814546	35306
2008	813458	1794250	23241336	826353	283165
<b>Total</b>	<b>7888490</b>	<b>17050427</b>	<b>165516734</b>	<b>6993113</b>	<b>1781546</b>
<b>Rabi</b>					
2001	28386	47132	330701	6255	10517
2002	26750	42647	353260	8441	8381
2003	22001	36719	374364	8456	78
<b>2004*</b>	17	54	544	8	0
2005	11459	20308	265846	4236	500
2006	14080	25865	397193	7017	3984
2007	14472	25834	351544	6739	2169
2008	28232	56417	760822	13703	22327
<b>Total</b>	<b>145397</b>	<b>254976</b>	<b>2834273</b>	<b>54855</b>	<b>47956</b>
<b>Yearly</b>					
2001	1282798	2476414	20130672	742082	272393
2002	1195477	2322963	20628365	884127	679834
2003	1038430	2219815	19477076	993726	15192
2004	1067905	2217007	19862543	1084415	346955
2005	891077	2546642	20194100	853262	34884
2006	877631	1898026	21560090	829016	137277
2007	838879	1773869	22494906	821285	37475
2008	841690	1850667	24002159	840056	305492
<b>Total</b>	<b>8033887</b>	<b>17305403</b>	<b>168349908</b>	<b>7047969</b>	<b>1829502</b>

Source: Agricultural Insurance Company of India, Regional Office, Ahmedabad

**Appendix 4**  
**District-wise Performance in Gujarat, 2008-09**

District	Farmers	Area (ha)	Sum Insured	Premium	Subsidy	Claims Payable	Beneficiaries
Ahmedabad	11335	33763	539496	13418	208	84092	3324
Amreli	107646	281968	4043589	141347	3403	1924258	77426
Anand	1599	5571	101957	2367	32	0	0
Banaskantha	61777	162661	1144775	38749	436	627577	41892
Baroda	1102	2010	17421	898	36	44	12
Bharuch	31	119	1398	25	1	0	0
Bhavnagar	27882	62746	846135	31571	1149	32	64
Dahod	23493	20416	161821	4043	2554	2869	2430
Dangs	4	16	275	7	0	0	0
Gandhinagar	70	63	982	44	1	2	3
Jamnagar	138159	351653	4917243	177433	5086	817471	31313
Junagadh	68397	161889	2252768	75219	2507	31225	5087
Kheda	1776	5088	86716	2007	40	1972	236
Kutch	3197	11892	122851	4392	22	1703	352
Mehsana	7973	8526	75702	3038	89	527	257
Narmada	35	32	1300	21	1	0	0
Navsari	46	68	1035	26	1	0	0
Panchmahals	19642	19139	194794	4870	272	22796	4380
Patan	32915	79853	615516	21763	205	311	884
Porbandar	18779	46201	619303	21787	694	0	0
Rajkot	220451	496813	7152067	261561	9176	2446676	110845
Sabarkantha	93104	94057	1032354	31423	1029	148228	26885
Surendranagar	2264	6111	72458	4043	110	126	102
Valsad	13	11	203	5	*	0	0
<b>Total</b>	<b>841690</b>	<b>1850667</b>	<b>24002159</b>	<b>840056</b>	<b>24753</b>	<b>6109909</b>	<b>305492</b>

Source: Agricultural Insurance Company of India, Regional Office, Ahmedabad

**Appendix 5**  
**District-wise Performance Ratios for NAIS in Gujarat (2008-09)**

Districts	Area/ farmer (ha)	Sum Insured (Rs./ha)	Premium (% of Sum Insured)	Subsidy (% of Premium)	Farmers benefited (%)	Claims/ Sum Ins (%)	Sum Insured (% of Crop Loan)
Ahmedabad	2.98	15979	2.5	1.6	29	16	12.5
Amreli	2.62	14341	3.5	2.4	72	48	71.7
Anand	3.48	18301	2.3	1.4	0	0	3.9
Banaskantha	2.63	7038	3.4	1.1	68	55	24.8
Baroda	1.82	8667	5.2	4.0	1	neg	0.9
Bharuch	3.84	11748	1.8	4.0	0	0	0.1
Bhavnagar	2.25	13485	3.7	3.6	0.2	0	20.5
Dahod	0.87	7926	2.5	6.3	10	2	53.3
Dangs	4.00	17188	2.6	0	0	0	0.6
Gandhinagar	0.90	15587	4.5	2.3	4	neg	0.1
Jamnagar	2.55	13983	3.6	2.9	23	17	59.9
Junagadh	2.37	13916	3.3	3.3	7	1	33.7
Kheda	2.86	17043	2.3	2.0	13	2	4.6
Kutch	3.72	10331	3.6	0.5	11	1	10.0
Mehsana	1.07	8879	4.0	2.9	3	1	2.6
Narmada	0.91	40625	1.6	4.8	0	0	0.2
Navsari	1.48	15221	2.5	3.8	0	0	0.1
Panchmahals	0.97	10178	2.5	5.6	22	12	33.1
Patan	2.43	7708	3.5	0.9	3	neg	29.5
Porbandar	2.46	13405	3.5	3.2	0	0	65.6
Rajkot	2.25	14396	3.7	3.5	50	34	57.8
Sabarkantha	1.01	10976	3.0	3.3	29	14	16.0
Surendranagar	2.7	11857	5.6	2.7	5	ng	1.8
Valsad	0.85	18455	2.5		0	0	0.1
<b>Total</b>	2.20	12969	3.5	2.9	36	26	31.3

Source: Derived from Appendix 3.4