

POLICIES DON'T COVER 'NON-STANDING' CROPS**Crop Insurers May
Not Get Swarmed
with Locust Claims**

Hit would be minimal if infestation is controlled before monsoon as rabi harvest's done: Officials

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Mumbai: Swarms of locusts are ravaging north and central parts of India, the country's farming heartland, potentially sharpening the lockdown-induced economic loss, but insurers may escape with light damages in the pest attacks that are already drawing parallels with the Exodus for their intensity – at least on television screens and social media.

With the harvest of rabi, or winter crops, having ended earlier in February, the claim liability on the insurance industry would be "minimal" if infestation is controlled before the onset of monsoon in mid-June when the Kharif season begins, two top industry officials told E.T. Existing policies do not cover losses incurred on 'non-standing' crops such as fruits, vegetables or seasonal lentils. For farmers cultivating such mid-season crops, the shield doesn't exist in the shape of the Pradhan Mantri Fasal Bima Yojana (PMFBY).

"The rabi crops have already been harvested and the summer crops of kharif will be planted only in mid-June or July with the onset of monsoons," said one of the officials cited above. "While a large portion of farmlands would be lying idle at this time, farmers in Rajasthan, Gujarat and Maharashtra historically plant vegetables and fruits on their fields in this period, which would be impacted. However, these losses are not covered by insurers."

The PMFBY is the Centre's crop insurance scheme implemented by the respective states and the insurers under contracts. The sche-



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me was started in January 2016 to standardise crop insurance and make it viable for private insurers as well. These tenders are renewed on a seasonal basis.

"As per PMFBY guidelines, yield losses on account of pest attacks are only for standing crops, limiting the loss liability incurred by insurance companies," said another insurance official. "However, failure to control the infestation before mid-June could lead to a second wave of attack that would impact kharif crop seedlings. This is a cause of major worry among insurers as the impact on crops would be much greater than observed this time around."

The ongoing desert locust attack is being touted as the worst India has seen in 27 years, with more than 1 lakh hectare of land-cover infected by these insects. The worst affected states are Rajasthan, Gujarat, Maharashtra, Punjab and Uttar Pradesh, where large swarms have reportedly attacked local vegetation and crops in several districts.

"Locust attacks are not new in India; however, the size of this swarm is massive," said Ashish Agarwal head agri-business at Bajaj Allianz General Insurance. "The attacks typically only happen after rainfall in June and July, but this year due to continuous rains they got proper environment for breeding."