

## Crop insurance must to mitigate risks: Survey

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The Economic Survey 2020-2021 had stated that given the significant contribution of the agricultural sector in the Indian economy, coupled with looming "climatic aberrations," crop insurance becomes a necessity to mitigate the risks associated with a majority of the country's farmers.

Even as the Centre has made PMFBY optional for all farmers now, what is worrying is that the high frequency of extreme weather conditions, especially high rainfall, is wreaking havoc.

"Climate patterns have changed drastically in the last five years. Earlier, the onset of monsoon used to be fixed and it would last till September, but now it has got extended as it rains heavily in October as well. This was not there around six-seven years ago and it is causing distress for farmers. However, crop insurance can help farmers cope with

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**Ashish Agrawal** | AGRI-BUSINESS & CSC, BAJAJ ALLIANZ GENERAL INSURANCE

it," Ashish Agrawal, head - agri-business & CSC, Bajaj Allianz General Insurance, said.

"When we have to do the pricing or underwriting, we rely on historical weather data for the last 25-30 years... but reliance on historical data is no longer a fool-proof mechanism because every year, the weather pattern is changing," he added.

In fact, Indian Council of Agricultural Research (ICAR), in its latest annual report, has stated that climatic hazards are estimated to reduce agricultural growth by about one-fourth.