

No 3/1/2014-Plant-C  
Government of India  
Department of Commerce  
(Plantation Division)

New Delhi, Udyog Bhawan  
Dated the 16th September, 2016

To

1. The Chief Secretary, Government of Assam, Andhra Pradesh, Kerala, Karnataka, Sikkim, Tamil Nadu and West Bengal.
2. Secretary, Ministry of Finance, Department of Expenditure, North Block, New Delhi.
3. Secretary, Ministry of Finance, Department of Financial Services, Jeevan Deep Building, Parliament Street, New Delhi
4. The Chairman, Coffee Board/ Rubber Board/ Tobacco Board/ Spices Board/Tea Board
5. Executive Director, IRDA, Hyderabad, Andhra Pradesh.
6. Chief General Manager, RPCD, Reserve Bank of India, Mumbai.
7. Managing Director, NABARD, Mumbai.

**Subject: Administrative Approval for implementation of Revenue Insurance Scheme for Plantation Crops (RISPC) on pilot basis in the selected eight districts of seven States for two years commencing from the year 2016-17.**

Sir/Madam,

I am directed to say that with a view to protect small growers of plantation crops from anticipated losses in revenue caused by fall in domestic/international prices and or yield loss due to adverse weather parameters/pest attacks or failure of crops due to any other factor beyond human control, a Central Sector Revenue Insurance Scheme for Plantation Crops (RISPC) has been approved by the Government of India. Initially, the scheme will be implemented in the selected 8 districts of 7 States. The list of selected districts is at Annexure. Insurance premium subvention under RISPC will be provided for small growers of Rubber, Tea, Coffee (Robusta & Arabica), Tobacco and Cardamom (Small & Large) having landholding upto 10 hectares.

2. The duration of pilot scheme shall be one crop cycle commencing from the year 2016-17 which may spread over 2 years. RISPC is compulsory for small growers registered with the respective Board in the pilot districts/growers availing themselves of benefits under other schemes of Government through Commodity Boards and or growers availing loans from public financial institutions/ Bodies including Boards. The scheme is optional for other small growers. Large growers can also participate in the scheme by paying the actuarial premium. The scheme is expected to benefit around 1,86,000 small growers in the selected 8 districts covering an area of around 2,11,000 hectares.

3. RISPC will be implemented by Commodity Boards through Insurance Companies registered with IRDA mainly engaged in agriculture/rural insurance business. The selection of Insurance Companies will be made by the respective Commodity Board.

4. Since the Scheme is compulsory for loanee growers, participation of lending banks/cooperatives in the scheme is necessary. Banks/Cooperatives lending to growers shall finance the grower's share of premium; besides crop loan/ investment credit, as the case may be. Premium amount shall be debited from the accounts of growers by banks/cooperatives on receipt of communication from the Commodity Board for coverage of crop/area.

Contd./

5. The insurance premium, calculated on actuarial basis, shall be shared by the Central Government (through Commodity Boards), concerned State Governments and growers in the ratio of 75:15:10. In case the State Government in the area/region covered by the scheme does not come forward to contribute its share of premium, growers' share of premium will increase to that extent.
6. The time period for issuance of policy shall be as per the crop season. The insurance policies shall be issued at the beginning of the crop season and claims to be settled after the end of the crop season. At the end of the pilot scheme, Impact Evaluation Study will be got done by the Department of Commerce, Government of India to consider extending the coverage of the scheme. Detailed Operational Guidelines of RISPC is enclosed. The same has been uploaded on the Department's website [www.commerce.gov.in](http://www.commerce.gov.in).
7. Details of the scheme have already been circulated. The State Governments, where the pilot districts are located, are requested to contribute State's share of 15% of premium in the interest of growers of the State. State Governments are further requested to issue necessary instructions to concerned Departments/agencies at the State level to facilitate the implementation of the scheme and make necessary budget provision to meet State's share of premium which is crucial for the successful implementation of the scheme.
7. Department of Financial Services, Government of India is requested to issue appropriate instructions to RBI/NABARD for the participation of lending banks in the implementation of the scheme.
8. Implementation of the above scheme will require close monitoring and periodic review. Monitoring/Grievance Committee to be set up by the Commodity Board at the District level alongwith Insurance Companies will be responsible for monitoring the scheme.
9. Adequate publicity of the scheme needs to be done, particularly in the pilot districts. All possible means of electronic and print media, growers' fair, exhibition, short films, documentation etc., shall be utilized by the Commodity Boards and Insurance Companies to create and disseminate awareness about the provisions and benefits of the scheme amongst the cultivators and the agencies involved in implementing the scheme.
10. The above scheme will come into force with immediate effect.
11. Commodity Boards and the concerned State Governments are requested to take immediate necessary action for the implementation of the scheme under intimation to this Department.

Receipt of this letter may please be acknowledged.

This issues with the approval of competent authority.

Yours faithfully,



(Anita Karn)

Director(Plantation)

Encl. as above

Copy to:

1. APC/Principal Secretary(Agri/Coop/Hort.) of Assam, Sikkim, West Bengal, Andhra Pradesh, Kerala, Karnataka and Tamil Nadu
2. Director(Insurance )Ministry of Finance, Department of Financial Services, JeevanDeep Building, Sansad Marg, New Delhi-110001
3. Deputy Director General, NSSO, AS wing, FOD Hqrs Faridabad, NSSO, MoS&PI, CGO Complex, NH-IV, Faridabad.
4. Director, IASRI, Library Avenue, Pusa, New Delhi-110012
5. Director General, Indian Meteorological Department, Lodhi Road, New Delhi
6. Director, MNCFC, Pusa, Delhi.

*A. Karn*  
(Anita Karn)  
Director(Plantation)

Copy for information to:

1. Sr. PPS to Secretary, DoC
2. PPS to AS&FA, DoC
3. PPS to AS(Plantation)
4. Chief Controller of Accounts, DoC
5. Pay & Accounts Officer, DoC
6. Under Secretary (Finance).DoC

## List of 8 Pilot Districts under RISPC

Crop	State	Pilot District	No. of growers (upto 10 Ha)	Area covered (Ha)
Rubber	Kerala	Pallakad	71900	36000
Tea	Tamil Nadu	Coonoor (Nilgiris)	38311	27000
	West Bengal	Jalpaiguri	9000	8000
	Assam	Golaghat	10044	9224
Coffee (Robusta)	Karnataka	Chikmagalur	14853	25574
Coffee(Arabica)	Karnataka	Chikmagalur		45520
Tobacco	Andhra Pradesh	West Godavari	11424	24406
Cardamom (small)	Kerala	Idukki	25000	28925
Cardamom (large)	Sikkim	East Sikkim	5200	6204
		<b>Total</b>	<b>185732</b>	<b>210853</b>