

In a first, universal cattle insurance scheme on cards

SANJEEB MUKHERJEE
& SUBHOMOY BHATTACHARJEE
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After having introduced crop insurance, the Central government is planning a universal livestock insurance scheme, covering all kinds of indigenous and cross-bred cattle and, maybe, yaks and mithuns too.

The broad contours of the cattle scheme could be spelt out in the Budget though this has not been independently confirmed. The cost for the Budget, in the first year, could be scaled up later, depending on the take-up of the scheme and so will not have a significant expenditure implication for next year. This could come as a big relief to millions of cattle farmers in India who had to suffer huge losses owing to animal diseases. In 2022, more than 150,000 cattle died due to the lumpy skin disease, most of whom were indigenous.

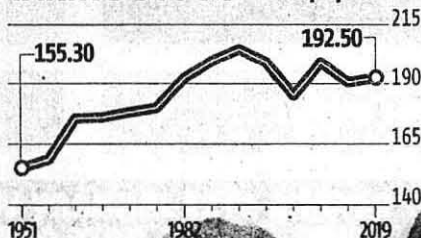
The scheme could be formalised on the lines of the Pradhan Mantri Fasal Bima Yojana (PMFBY), which is for the crop sector, sources said.

The maximum premium a farmer has to pay under the PMFBY is a flat 1.5 per cent of the sum insured for kharif crops and 2 per cent for rabi crops.

For horticulture and cotton crops, the premium is capped at 5 per cent.

Sources said just as in the case of the PMFBY, in the universal insurance scheme for cattle, the share of the premium paid by farmers might be kept significantly

TAKING STOCK Cattle population in India (in mn)



Source: National Dairy Development Board (NDDB)

low and states and the Centre could share a portion of the premium subsidy. The proposal, some say, also blends into the "cow protection" drive of the ruling dispensation.

Currently, most insurance companies have their own cattle insurance products.

That apart, the Centre had run a centrally sponsored scheme called Livestock Insurance Scheme on a pilot basis

in 2005-06 and 2006-07 of the 10th Five-Year Plan and 2007-08 of the 11th Five-Year Plan in 100 select districts. Thereafter, it was implemented on a regular basis from 2008-09 in 100 newly selected districts of the country.

Under the scheme, only cross-bred and high-yielding cattle, and buffaloes are insured at the

maximum of their current market price. The premium is subsidised to the tune of 50 per cent. The cost of the subsidy is borne by the Central government.

The benefit of the subsidy is provided to a maximum of two animals per beneficiary for a policy of three years at the outside.

According to an official document, the "Livestock Insurance Scheme" was formulated with the twin objectives of providing a protection mechanism to the farmers and those in cattle rearing against any loss of their animals due to death and to demonstrate the benefit of the insurance of livestock to the people and popularise it with the ultimate goal of attaining qualitative improvement in livestock and their products.

India, at over 193 million, has one of the world's largest cattle populations.

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