

AS INTRODUCED IN LOK SABHA

Bill No. 116 of 2012

**THE PROVISION OF COMPENSATION TO FARMERS AFFECTED BY
NATURAL CALAMITIES BILL, 2012**

By

SHRI CHANDRAKANT KHAIRE, M.P.

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BILL

*to provide for payment of compensation to farmers affected by natural calamities and for
matters connected therewith.*

BE it enacted by Parliament in the Sixty-third Year of the Republic of India as follows:—

1. (I) This Act may be called the Provision of Compensation to Farmers Affected by Natural Calamities Act, 2012. Short title and extent.

(2) It extends to the whole of India.

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2. In this Act, unless the context otherwise requires,—

Definitions.

(a) “appropriate Government” means in case of a State, the Government of that State and in all other cases, the Central Government;

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(b) “farmer” means a person who owns agricultural land not exceeding ten acres and includes a share cropper or a person who cultivates land belonging to other under the tenancy system;

(c) "natural calamity" includes drought, flood, cyclone, hailstorm, landslide, cloud burst, tsunami, earthquake or fire especially in forest and adjacent areas or such other conditions as may be notified by the appropriate Government from time to time; and

(d) "prescribed" means prescribed by rules made under this Act.

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Formulation of comprehensive Insurance Scheme by the Central Government.

3. (I) The Central Government shall formulate a comprehensive Insurance Scheme providing for insurance cover against natural calamities to standing crops, agricultural equipments and other related accessories or items required by farmers for carrying out agricultural operations.

(2) The Insurance Scheme shall be implemented and monitored by such public sector insurance company, as the Central Government may deem appropriate. 10

(3) All expenditure incurred in implementing and monitoring the scheme shall be borne by the Central Government.

4. (I) Whenever any district is affected by a natural calamity, the District Collector concerned or such other officer, as the appropriate Government may specify, shall cause to conduct a survey of the district and prepare a report on such survey within one month of the occurrence of the natural calamity. 15

(2) Without prejudice to the generality of the foregoing provision, the report prepared under sub-section (I) shall include,—

(a) such details, as may be prescribed, about the farmers who have been affected by natural calamity; 20

(b) extent and estimate of loss or damage to crops due to natural calamity;

(c) amount of loan taken by the farmers for raising the crop; and

(d) extent and estimate of loss of agricultural equipments and other necessary accessories. 25

(3) The report prepared under sub-section (I) shall be forwarded by the District Collector to the Central Government.

5. (I) The Central Government shall, on receipt of the report from the District Collector, make its recommendations about the loss or damage in each case in such manner as may be prescribed and forward them to the insurance company entrusted under sub-section (2) of section 3 for implementing and monitoring the Insurance Scheme. 30

(2) The insurance company shall, within one month from the date of receipt of recommendation, pay such amount as compensation to the farmers as recommended by the Central Government.

6. The Central Government shall issue, from time to time, necessary directives to the insurance company, for carrying out the purposes of this Act. 35

Central Government to issue directives to insurance companies.

7. The provisions of this Act shall be in addition to and not in derogation of any other law for the time being in force.

Act not to be in derogation of other laws.

8. (I) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act. 40

(2) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days, which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both the Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule. 45

Power to make rules.

STATEMENT OF OBJECTS AND REASONS

Crops are affected by natural calamities very often. Every year, the standing crops are destroyed due to either drought or heavy floods and farmers suffer in silence. Presently, there is drought like situation in several parts of the country.

It is true that we have crop insurance scheme for farmers but it does not cover all types of crops against all natural calamities. The insurance coverage is not comprehensive as it is based on premium amount and many factors are not taken into account while determining the loss suffered by farmers. Moreover, the crop insurance is not a statutory mechanism.

In view of the above, it is proposed to put in a place a permanent statutory mechanism to ensure that the farmers get their due compensation in the event of natural calamities.

Hence this Bill.

NEW DELHI;
August 7, 2012.

CHANDRAKANT KHAIRE

FINANCIAL MEMORANDUM

Clause 3 of the Bill provides that the Central Government shall formulate a comprehensive Insurance Scheme providing for insurance cover against natural calamities to standing crops, agricultural equipments required by farmers for carrying out agricultural operations. It also provides that all expenditure incurred in implementing and monitoring the scheme shall be borne by the Central Government. The Bill, therefore, if enacted, will involve expenditure from the Consolidated Fund of India. It is estimated that a sum of rupees five hundred crore may be involved as recurring expenditure per annum.

No non-recurring expenditure is likely to be involved.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 8 of the Bill gives power to the Central Government to make rules for carrying out the purposes of the Act. As the rules will relate to matters of detail only, the delegation of legislative power is, of a normal character.

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(*Shri Chandrakant Khaire, M.P.*)

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