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MINISTRY OF FINANCE AND PLANNING

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My No. }

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Your No. }

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Date }

Budget Circular No : 160

Secretary, Ministry of Economic Development  
Secretary, Ministry of Agriculture  
Commissioner General, Department of Agrarian Development  
Director General, Department of Irrigation  
Director General, Department of Wildlife Conservation  
Director General, Department of Agriculture  
Director General, Mahaweli Authority of Sri Lanka  
Director, National Fertilizer Secretariat  
All District Secretaries

**Crop Insurance Cover for Farmers Receiving Subsidized Fertilizer under the  
“Kethata Aruna Pohora Diriya” Programme**

In terms of budget proposals 2013, it has been decided to secure Farmers' contribution for Compulsory Insurance Scheme as a remedial measure to mitigate damages caused to cultivations due to Droughts, Floods and Wild Elephants. Accordingly, action will be taken to enroll every farmer receiving subsidized fertilizer a member of an Insurance Scheme to be implemented by the National Insurance Trust Fund (NITF) under a compulsory insurance contribution of Rs. 150/- at the time of the purchase of each chemical fertilizer bag of 50 kg from 'Yala' season 2013 onwards.

**01. Crop Insurance Beneficiaries**

As the initial step of this undertaking, this Insurance Cover is to be implemented for farmers receiving subsidized fertilizer for cultivation of Paddy.

## 02. Losses to be covered under this Insurance Policy

- i. Floods
- ii. Drought
- iii. Wild Elephants

## 03. Details of insurance benefits

Under this scheme insurance benefits will be paid subject to a maximum limit of Rs. 25,000/- per hectare (Rs. 10,000 per acre) in the event of a total damage.

Stage of cultivation at the time of damage	40% of the total compensation within 30 days from the date of sowing	60% of the total compensation up to blooming from 31 <sup>st</sup> day of sowing	100% of the total compensation until the nearing of harvesting from blooming stage
Extent of cultivation	(2)	(3)	(4)
Per one Acre or	Rs. 4,000/-	Rs. 6,000/-	Rs. 10,000/-
Per one Hectare	Rs. 10,000/-	Rs. 15,000/-	Rs.25,000/-

To receive compensation under columns (2), (3) and (4) above, the respective cultivation should have been totally damaged under each stage. If the damage is less than that, the amount of compensation will be calculated in proportionate to the extent of damage.

## 04. Charging of Insurance Premium and Implementation of the Scheme

- i. Insurance premium will be decided in proportionate to the amount of fertilizer to be purchased (at the rate of Rs 3/- per Kg) as to be Rs. 150/- per one subsidized fertilizer bag of 50 Kg during each cultivation season.
- ii. This insurance premium will be charged at the time of purchasing of fertilizer at the Agrarian Service Centers and Cooperative Societies which are selling subsidized fertilizer
- iii. The Insurance premium collected from farmers should be deposited in an Account of the same institution collecting those contributions. The certified schedules of receipts as per annexed No.01 should be submitted along with the remittance of such collection for the credit of the NITF's Account number 033-1005-0-2467951 being operated at Queen's Branch of the Peoples Bank, on weekly basis.
- iv. The amounts paid for the purchase of the fertilizer and amount paid for the insurance premium should be shown separately in the receipt to be issued to farmers. Farmers

should be instructed to submit the original of this receipt along with the Application for Compensation (Annexure 02)

- v. The insurance entitlements will be paid to the insured and if the insured is not alive at the time of payment, it will be made available to his/her legal heirs.
- vi. This insurance cover is valid only in respect of the cultivation season for which the subsidized fertilizer is obtained.

**05. Procedure of Reporting on Cultivation Losses.**

The duly filled application (Obtainable free of charge from the Agriculture Research and Production Assistants) should be submitted to the Agricultural Research and Production Assistant, Mahaweli Unit Manager or Irrigation Project Manager within 30 days of such losses.

Agricultural Research and production Assistant or Mahaweli Unit Manager in consultation with the Chairman and the Secretary of the respective Farmer Organization having checked and verified the information given in the application should submit the application to the Divisional Officer of Agrarian Development in the area.

The Divisional Officer of Agrarian Development should register the application, verify the information given and submit same to the Divisional Cultivation Losses Insurance Assessment Committee as per Section 06 herein, for recommendation.

**06. Assessment of Cultivation Losses – Assessment Committee on Cultivation Losses**

Following the reporting of losses of the cultivated paddy concerned for which subsidized fertilizer had been used, action should be taken by Divisional Cultivation Losses Insurance Assessment Committee to determine the losses and the amount of compensation payable in proportionate to loss incurred. This Committee shall consist of the following officers of the respective area.

- a. Divisional Secretary (Chairman)
- b. Assistant Director of Agriculture or Representatives of Departments of Wildlife Conservation/Irrigation or Mahaweli Residential Project Manager as the case may be
- c. Divisional officer of Agrarian Development
- d. Agriculture Instructor/Agriculture Research and Production Assistant for identifying the damaged cultivations

The Cultivation Loss Assessment Committee should assess the damages based on the stage of the cultivation as referred to under sub-heading 03 above

**07. Payment of Compensation**

Following the submission of recommendations of the Divisional Committee for the assessment of cultivation losses by the Divisional Officer of Agrarian Development to the Deputy/Assistant Commissioner of Agrarian Development, those applications should be forwarded to the Chairman, NITF for processing the payment of Compensation, and all such approved payments will be credited by the NITF to the bank account of the insured.

**08. Direction of Crop Insurance Programme**

The paddy cultivation insurance programme related to fertilizer subsidy is to be implemented under the supervision and guidance of the District Cultivation Insurance Committee consisting of the following officers.

- i. District Secretary/Government Agent
- ii. District Director of Agriculture
- iii. Deputy/Assistant District Commissioner of Agrarian Development.
- iv. Assistant District Director of National Fertilizer Secretariat.

Database system which includes all information relating to this Crop Insurance Scheme should be maintained at Agrarian Services Centers, District Offices and Head Office of the Department of Agrarian Development.

Sgd. P.B. Jayasundera  
Secretary to the Treasury

Copies to:

1. Secretary to the President
2. Auditor General
3. Chairman, NITF

## Annexure 01

Serial No:.....

### The report on the Insurance Premium to be charged from Farmers

Agrarian Services Centre : .....

Year:.....

Cultivation Season: Yala/Maha...../...../.....

No	Name of Farmer	N.I.C. No	Official receipt No	Quantity of Fertilizer issued (Kgs)	Value of the insurance premium charged (Rs.)	Remarks
	(2)	(3)	(4)	(5)	(6)	(7)

**Certification:**

I certify that the names of Farmers indicated at column (2) of the above table are correct with the list of names available at the Agrarian Services Centre, and quantity and value of fertilizer issued (refer column (5)) are tallied with official receipt (column 4) issued, the total value of Rs.....have been credited to the NITF Account number 033-1005-0-2467951 Queen’s Branch of the Peoples Bank. Accordingly the cheque No..... accompanied by credit note issued in the name of NITF by.....of ..... Bank is attached herewith.

Date:.....  
(Delete which ever words inapplicable)

.....  
Divisional Officer of Agrarian Services  
(Rubber Stamp)

Chairman,  
National Insurance Trust Fund

**Application for Claiming Compensation as per Crop Insurance Cover under the “Kethata Aruna Pohora Diriya” Programme**

Agrarian Services Centre

- 1) Name of Farmer:.....
- 2) Address:.....
- 3) NITF registered No .....
- 4) N.I.C. Number:.....
- 5) Agrarian Services Centre area:.....
- 6) Agricultural Research and Production Assistant’s Division:.....
- 7) Name of Farmer Organization:.....
- 8) Paddy Land’s
  - 1. Name:.....
  - 2. Number:.....
  - 3. Extent Acres.....Roods.....Perches.....
- 9) Date of loss .....Cultivation Season.....  
Period (accurately)
- 10) Harvesting/damages in areas adjoining your paddy land.....  
.....  
.....
- 11) Amount paid as Insurance Premium: Rs.....Receipt No:.....  
(Pl. attach a photo copy)
- 12) Description of the loss/damage:.....  
.....  
.....

13) Amount of compensation claimed Rs:.....

i. Are you contributing to Crop Insurance Scheme in respect of cultivation under paddy subsidized fertilizer other than this Scheme? Yes/No

ii. If contributed, give particulars:.....  
.....  
.....

14) Bank Account Number to which the compensation to be credited:.....  
(Pl. attach a photocopy of first page of the Bank Account Pass Book)

I certify that the information given above is true and correct and I am entitled to receive compensation under this Insurance Cover.

.....  
Signature of Farmer

Date:.....

**Recommendation of the Farmer Organization:**

Certified that the particulars furnished above are true and correct.

.....  
Chairman of the Farmer Organization  
Date:.....

.....  
Secretary of the Farmer Organization  
Date:.....

**Recommendation of Agriculture Research and Production Assistant (AR&PA) / Mahaweli Unit Manager(MUM) / Irrigation Project Manager (IPM)**

The application of Mr/Mrs..... for claiming insurance entitlements for cultivation losses referred to above is recommended and submitted/not recommended.

Reason for non-recommendation:.....  
.....

Date :.....

.....  
AR & PA/M.U.M./I.P.M.  
(Rubber Stamp)

**Certification of Agrarian Development Divisional Officer:**

My No:.....

The application for claiming insurance benefits relating to cultivation losses of Mr/Mrs..... particulars of which are indicated above is recommended and submitted to the Assessment Committee/ the application not recommended.

Reason for non-recommendation:.....  
.....  
.....

Divisional Officer of Agrarian Development  
(Rubber Stamp)

Date :.....

**Certification of the Divisional Cultivation Losses Insurance Assessment Committee**

1. Nature of the loss: Total loss:  Partial loss:  Minor loss:

2. Cultivation stage

(a). First stage  (Up to 30 day from sowing – 40% of the total coverage)

(b). Second stage  (From the date of sowing upto blooming stage – 60% of the total coverage)

(c). Final stage  (From blooming stage up to harvesting - 100% of the coverage)

3. Remarks:.....  
.....  
.....

4. Amount of compensation recommended Rs:.....



Submitted the report of the Divisional Cultivation Losses Insurance Assessment Committee in respect of the application of Mr./Mrs..... recommending entitlement of insurance compensation for loss of cultivation.

Board of Cultivation Loss Insurance Assessment

Name of the Member	Post	Signature

Recommended/not recommended

My No:.....

.....

Divisional Secretary  
(Chairman of the Committee)

Date:.....