



## COCONUT PALM INSURANCE SCHEME (CPIS) IN INDIA: SAFEGUARDING COCONUT FARMERS' LIVELIHOODS

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### **Abstract**

*The Coconut Palm Insurance Scheme (CPIS) in India serves as a crucial mechanism for safeguarding the livelihoods of coconut farmers by providing financial protection against natural calamities, pests, and diseases. Administered under the auspices of the Ministry of Agriculture and Farmers Welfare, CPIS offers coverage for coconut palms, shielding farmers from risks including cyclones, floods, and debilitating diseases such as root wilt and leaf wilt. This abstract outlines the fundamental aspects of CPIS, including its coverage parameters, premium structures, claim resolution protocols, enrollment procedures, and governmental backing. Highlighting the scheme's subsidized premiums and collaborative implementation through state agricultural departments and insurance entities, this abstract underscores CPIS's role in mitigating the vulnerabilities inherent in coconut farming. It underscores the importance of proactive participation by farmers in enrolling for CPIS, adhering to prescribed guidelines, and leveraging the scheme's benefits to fortify their livelihoods. Through CPIS, India endeavors to foster resilience in the coconut farming sector, thereby ensuring the sustainability of this vital agricultural pursuit and the prosperity of its practitioners.*

**Keywords:** *Coconut Palm Insurance Scheme (CPIS), Natural calamities, Premium subsidies, Claim settlement, Ministry of Agriculture and Farmers Welfare.*

### **Introduction**

The Coconut Palm Insurance Scheme (CPIS) is a government-backed program aimed at supporting small and medium coconut farmers in India by mitigating the financial risks associated with coconut cultivation. Coconut farming entails various uncertainties such as changes in climate, natural disasters, and attacks by pests and diseases, all of which can lead to substantial losses for farmers. Administered by the Coconut Development Board, an agency established under the Ministry of Agriculture in the Government of India, CPIS provides insurance coverage to coconut farmers to protect them from unexpected losses. In the event of complete destruction of their crops due to any of the aforementioned risks, the scheme covers the cost of replanting, thereby helping farmers recover and maintain their livelihoods. The primary objective of CPIS is to ensure the stability and sustainability of the coconut industry by providing financial security to farmers. By participating in the scheme, coconut farmers gain peace of mind knowing that they are protected against unforeseen events that could potentially devastate their livelihoods. This initiative not only safeguards farmers' investments but also contributes to the long-term success and growth of the coconut farming sector in India.

The objectives of the Coconut Palm Insurance Scheme (CPIS), implemented by the Coconut Development Board (CDB) in India, are multifaceted and geared towards providing financial security, stability, and sustainability to coconut growers.

### **The main objectives of the scheme include**

**Financial Assistance:** CPIS aims to provide financial support to coconut growers by offering insurance coverage against natural and climatic disasters such as cyclones, floods, droughts, and pest



attacks. This assistance helps farmers cope with the financial losses incurred due to crop damage or destruction.

**Income Stabilization:** The scheme seeks to stabilize the income of coconut growers, particularly during times of disaster or crop failure. By providing insurance coverage, CPIS ensures that farmers have a safety net to rely on, mitigating the adverse effects of income fluctuations caused by unforeseen events.

**Risk Mitigation:** CPIS endeavors to minimize the risks associated with coconut farming by providing insurance coverage for various perils. By mitigating risks such as crop loss due to natural calamities or pest infestation, the scheme helps protect farmers' investments and ensures the sustainability of coconut cultivation.

**Encouraging Replantation:** One of the objectives of CPIS is to encourage farmers to replant coconut palms in the event of crop damage or loss. By offering financial assistance for replantation, the scheme incentivizes farmers to reinvest in their coconut farms, thereby contributing to the rejuvenation and expansion of coconut cultivation.

**Promoting Industry Restoration:** CPIS aims to promote and restore the coconut farming industry in India by providing support to growers affected by adverse events. By facilitating the recovery of coconut farms and ensuring the continuity of coconut cultivation, the scheme plays a vital role in sustaining the industry's growth and resilience. Overall, the Coconut Palm Insurance Scheme (CPIS) serves as a crucial instrument for enhancing the financial security, stability, and sustainability of coconut growers in India, while also contributing to the revitalization and growth of the coconut farming industry.

### **Eligibility Criteria for the Coconut Palm Insurance Scheme (CPIS)**

Minimum of 5 healthy nut-bearing coconut palms in a contiguous area are required for the farmer to be eligible for the coverage. Both Dwarf and Hybrid palm trees that are in the age group of 4-60 years are eligible for the insurance. Tall palm trees that come under the age group of 7-60 years are also eligible for the coverage. Unhealthy and old palms are not entitled to the coverage under the scheme. All healthy palms within the eligible age group can be insured. Partial insurance of a plantation in the contiguous area is not allowed. Insurance coverage is offered from the 4th/7th year to the 60th year of the palm tree's life. The insurance is divided into two age groups, 4-15 years and 16-60 years, for determining the premium and sum insured. Exclusion of Partial Insurance: Partial insurance of a plantation in the contiguous area is not allowed under CPIS. Coverage Duration: Insurance coverage is offered from the 4th/7th year of the palm tree's life up to the 60th year. Age Groups for Premium Calculation: The insurance is divided into two age groups for determining the premium and sum insured: 4-15 years and 16-60 years.

These eligibility criteria provide clear guidelines for coconut farmers to determine whether their coconut palms qualify for insurance coverage under the Coconut Palm Insurance Scheme (CPIS). It's essential for farmers to adhere to these criteria and fulfill any additional requirements specified by the implementing authorities to participate in the scheme effectively.

### **Risks Covered By the Coconut Palm Insurance Scheme (CPIS)**

The scheme provides coverage against the following natural and climatic disasters: Storms, hailstorms, typhoons, cyclones, tornadoes, floods and heavy rains. Pest attacks that cause irrecoverable damage to the coconut palms. Forest fires, bush fires, accidental fires and lightning that destroy the palm completely. Earthquakes, Tsunamis & landslides. Severe droughts that can result in death or make the palm unproductive.



### **Risks Not Covered by the Scheme**

The scheme does not provide coverage for losses caused by: Theft, war, rebellion, revolution. Natural Perishability or uprooting. Premium Allotment :Under the Coconut Palm Insurance Scheme (CPIS), the premium subsidy for the insurance amount is divided and paid by three entities as follows: Coconut Development Board (CDB): 50% of the premium subsidy. State Government: 25% of the premium subsidy. Farmers/Growers: 25% of the premium subsidy. The premium subsidy amount is provided to the Agricultural Insurance Corporation of India Ltd (AIC) in advance and is adjusted on a quarterly or yearly basis. In the event of any dispute between the State Government and its responsibility to bear 25% of the premium, farmers/growers are required to pay 10% of the premium from their own funds to maintain their interest in the insurance scheme. This allocation of premium subsidy ensures that the financial burden of crop insurance is shared among the government agencies and the farmers/growers, promoting equitable participation in the scheme and facilitating its effective implementation for the benefit of coconut farmers.

To enroll in the Coconut Palm Insurance Scheme, the eligible farmer/cultivator can follow these steps: Enroll by 31st March of every year. If failed to enroll in March, sign up during subsequent months. The insurance will be covered from the first day of the following month after enrollment. In case of a risk, intimate Agricultural Insurance Corporation of India Ltd (AIC) within 15 days from the date of disaster with required details. Submit Loss Assessment Certification provided by Coconut Development Board/Agriculture/Horticulture Department/State Agriculture University within 15 days from the date of intimation. AIC will review and evaluate the loss and release the premium within one month from the evaluation date. Pay premium through cash, cheque, or bank draft, drawn in favour of AIC.

Claim settlement under the Coconut Palm Insurance Scheme (CPIS) follows a structured process aimed at ensuring timely and fair compensation to coconut farmers in the event of insured losses. Here's an overview of the claim settlement procedure:

**Intimation of Loss:** When a coconut farmer experiences a loss covered under CPIS, they must inform the Agricultural Insurance Corporation of India Ltd (AIC) within 15 days of the disaster. The farmer should provide all necessary details related to the incident, including the extent of damage and relevant documentation.

**Submission of Loss Assessment Certification:** Within 15 days of the intimation, the farmer must submit the Loss Assessment Certification provided by the Coconut Development Board, Agriculture/Horticulture Department, or State Agriculture University. This certification serves to document and validate the extent of the loss incurred due to the insured event.

**Review and Evaluation:** AIC's committee will review and evaluate the loss based on the documentation submitted by the farmer. The evaluation process includes verifying the extent of damage and assessing the eligibility for compensation according to the terms of the insurance policy.

**Premium Adjustment:** Upon completion of the evaluation, the premium subsidy amount allocated by the Coconut Development Board, State Government, and the farmer is adjusted accordingly. Any discrepancies in the premium subsidy or payment are addressed during this stage.



**Compensation Disbursement:** Once the evaluation process is finalized, and the claim is approved, the compensation amount is disbursed to the farmer. The compensation typically includes a portion funded by the Coconut Development Board, State Government, and the farmer, as per the agreed-upon subsidy ratio.

**Closure of Claim:** With the disbursement of compensation, the claim settlement process is concluded. The farmer receives financial support to recover from the insured loss, thereby facilitating the restoration of their coconut farming operations.

It's essential for farmers to adhere to the timelines and procedures outlined in the claim settlement process to ensure a smooth and expedient resolution of their claims under the Coconut Palm Insurance Scheme (CPIS). Additionally, transparency and communication between the farmer and the insurance authorities play a crucial role in facilitating effective claim settlement and ensuring the farmer's interests are adequately protected.

### **Conclusion**

Safeguarding coconut farmers' livelihoods through initiatives like the Coconut Palm Insurance Scheme (CPIS) is paramount for ensuring the resilience and sustainability of India's coconut farming communities. CPIS serves as a crucial safety net, providing financial protection against the myriad risks faced by coconut farmers, including natural disasters, pest infestations, and crop diseases. By offering comprehensive insurance coverage and promoting sustainable agricultural practices, CPIS empowers coconut farmers to mitigate risks, stabilize their incomes, and make informed decisions about their farming operations. This, in turn, fosters resilience, self-reliance, and empowerment within coconut farming communities, contributing to their socio-economic well-being and long-term prosperity.

Furthermore, CPIS plays a pivotal role in preserving the cultural heritage and economic significance of coconut farming in India. By safeguarding farmers' livelihoods, CPIS ensures the continuity of coconut cultivation, which not only sustains rural economies but also preserves traditional farming practices and environmental resources for future generations. In essence, CPIS stands as a testament to the government's commitment to supporting and empowering coconut farmers, recognizing their invaluable contributions to the agricultural landscape of India. Through its proactive approach and collaborative efforts, CPIS exemplifies a sustainable model for ensuring the welfare and resilience of coconut farming communities, thereby securing their livelihoods and fostering prosperity for years to come.

### **References**

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