

No. 4/2/2007-Plant-B
Government of India
Ministry of Commerce & Industry
Department of Commerce

To,

The Chairman,
Coffee Board,
Bangalore.

New Delhi, the 9th April, 2007

Subject: Weather (Rainfall) Insurance Scheme as a Risk Management Support for Coffee Growers- reg.

Sir,

I am directed to convey the approval of the Government of India to the implementation of Weather (Rainfall) Insurance as a Risk Management support for coffee growers as per details below:-

- (i) Implementation of the scheme for Coffee Growers by the Coffee Board, entailing an expenditure of Rs.22.87 crore per annum, covering small coffee growers having plantations only upto a size of 10 hectares. This amount is proposed to be paid as a budgetary grant to the Coffee Board.
 - (ii) Categorisation of three coverage options viz. Blossom Showers (i.e. rainfall between 1st March to 15th/30th April), Backing Showers (i.e. the rainfall received during 17 to 35 days after the completion of Blossom Showers) and Monsoon Showers (i.e. the rainfall received during 1st July to 31st August);
 - (iii) Maximum sum insured per hectare for Robusta and Arabica is at Rs.20,000/- and Rs.30,000/- respectively.
 - (iv) The premium will be shared on 50:50 basis between the growers/permanent plantation workers and the Government,
 - (v) The 50% subsidy on the premium amount would be subject to a ceiling of Rs.2000/- for Robusta and Rs.2500/- for Arabica per hectare.
 - (vi) Authorisation to the Coffee Board to approve and implement any further modifications in the Scheme, in consultation with the Agricultural Insurance Co. Ltd. (AICL), subject to the condition that all such modifications would be in consonance with the basic objectives of the scheme and within the available resources of the scheme.
2. The approved scheme of Weather (Rainfall) Insurance would provide an effective risk management aid to those coffee growers likely to be impacted by adverse rainfall incidence.

3. This issues with the concurrence of Finance Division vide their Dy. No. 1048/FD/07 dated 9.4.2007.

Yours faithfully,

(Vijay Kapoor)

Under Secretary to the Govt. of India.

Copy to :

1. Shri K.L. Sharma, Deputy Secretary (Cabinet), New Delhi w.r.t. Cabinet Sectt. communication No. CCEA/10/2007- (i) dated 28th March, 2007.
2. Secretary, Department of Expenditure, New Delhi.
3. Secretary, Department of Economic Affairs, New Delhi.
4. Sutapa Majumdar, Director (IE), Planning Commission, New Delhi.
5. PPS to Commerce Secretary, Department of Commerce.
6. PS to AS (Plantations), Department of Commerce.
7. Finance Division, Department of Commerce, New Delhi.
8. B&A Section, Department of Commerce, New Delhi.
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(Vijay Kapoor)

Under Secretary to the Govt. of India

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