



Farmers Opinion On Crop Insurance Scheme Pradhan Mantri Fasal Bima Yojana (Pmfby)

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ABSTRACT

Agriculture is the major industry in India and about 80 percent of the population is directly and indirectly dependent on agricultural activities. It is the backbone of the Indian economy and contributes 16 percent to the Indian economy. The development and progress of the country depends on the development of agriculture sector. However, farmers in India face many problems and issues in engaging in agricultural activities. Therefore, Government of India has given high priority to the farmers to improve their agricultural activities by providing adequate and high income from agriculture by providing crop insurance schemes. In 2016 the government introduced the Pradhan Mantri Fasal Bima Yojana (PMFBY) to overcome the shortcomings of earlier crop insurance schemes. The primary objectives of the scheme are to support sustainable production in the agricultural sector with four aspects namely financial support, income stabilization, promotion of adoption of modern techniques and flow of credit features. Therefore, this study examines the actual effectiveness of the PMFBY scheme from the perspective of farmers. Descriptive and exploratory research methods were used and multi-stage random sampling technique was used to determine and identify sample insured farmers. From the analysis results, the study concludes that, that majority of the insured farmers opined that the crop insurance scheme PMFBY provides financial support to farmers not in on-time and moderately provides benefits to farmers. At the same time, almost all the farmers opined that all banks provide crop loans under PMFBY scheme and the scheme does not provide timely financial assistance for unexpected losses.

Keywords: Farmers opinion, PMFBY, Crop Insurance, Agriculture, Agricultural insurance

1. INTRODUCTION

Agriculture is the major industry in India and about 80 percent of the population is directly and indirectly dependent on agricultural activities. As such, it is the backbone of the Indian economy and contributes 16 percent of the GDP to the Indian economy. The development and progress of the country depends on the development of agriculture sector. However, farmers in India face various issues and problems in engaging in agricultural activities, such as heavy and light monsoons throughout the year, erratic weather, drought, floods and various climatic uncertainties. Due to climate uncertainty, farmers face pest, disease, low yield, lack of colour, low quantity and quality and other problems in agriculture. Therefore, Government of India has given high priority to the farmers to improve their agricultural activities by providing adequate and high income from agriculture by providing crop insurance schemes. Since 1972, the Government of India has introduced various crop insurance schemes to empower farmers and recently, i.e., in 2016, the government introduced the Pradhan Mantri Fasal Bima Yojana (PMFBY) to overcome the shortcomings of earlier crop insurance schemes. The primary objectives of the scheme are to support sustainable production in the agricultural sector with four aspects namely financial support, income stabilization, promotion of adoption of modern techniques and flow of credit aspects. Therefore, this study examines the actual effectiveness of the PMFBY scheme from the perspective of farmers.

2. REVIEW OF LITERATURE

Relevant literature review is important for effective conduct and completion of the study. A number of studies have been carried out on the analysis of PMFBY scheme in India. Some important studies have been revealed in this part of the study.

Kumar, S D et al. (2023), conducted a study on farmers' views on crop insurance schemes. The study covered a large area with 600 sample farmers. The survey found that most of the farmers were not fully aware of the different insurance schemes and their benefits, most of the farmers opined that the premium value was high compared to the value of the claim.

Deepika B, et al. (2023) studied awareness level of farmers in PMFBY scheme in Haryana. The primary objective of the study is to know and identify the awareness of the farmers in using the PMFBY scheme. The study found that most of the farmers are getting various information about the availability of insurance schemes and adequate awareness is being given to banks and authorities about the benefits of PMFBY scheme.

Kalimuthu & Priyanka (2023) conducted a study on crop insurance schemes in Coimbatore city. The ultimate objectives of the study were to know the level of awareness of farmers about crop insurance schemes and the opinion and attitude of farmers towards using the schemes. The study found that although many insurance schemes have been launched in India since 1972, not all schemes have fully catered to all aspects of farmers.

Srinivasan S, et al. al (2022) critically examined the effectiveness of crop insurance schemes. The primary objective of the study is to compare various insurance schemes implemented in India since 1972. The study found that PMFBY's latest crop insurance scheme addresses several deficiencies in existing insurance schemes. In this project the insurance company uses several modern technologies to accurately identify the affected area. However, these schemes have not fully benefited the farmers in all respects.

Hem Raj, et al (2021) studied the contribution of Pradhan Mantri insurance schemes in Indian agriculture sector. The study found that the number of people insured under this scheme is low and claims are very low in the study area. The study further revealed that most of the sampled farmers were not happy with the insurance schemes and its features in terms of insurance, risk mitigation and customer support.

Dhaliwal R (2014) critically examines the effectiveness of agricultural insurance schemes in India. The study also indicated the extent to which agricultural insurance schemes in India reduce farmers' losses and that agricultural insurance schemes do not fully reduce losses in the agricultural sector.

3. OBJECTIVE OF THE STUDY

The ultimate objective of the study is to know the farmers opinion on using PMFBY crop insurance scheme.

4. MATERIALS AND METHOD

Descriptive and exploratory research methods were used and multi-stage random sampling technique was used to determine and identify sample insured farmers. Mayiladuthurai district consists of five blocks namely Mayiladuthurai (54), Kuthalam (51), Sembanarkoil (57), Sirkazhi (37), Kollidham (42) and comprises 241 Grama Panchayats. All five blocks are selected as sample blocks and each 10 percent gram panchayats are randomly selected as sample panchayats i.e., total 24 grama panchayats. Also, every 10 insured farmers were determined and randomly selected from the selected gram panchayats, i.e., total 240 insured farmers were selected as sample farmers.

5. RESULTS AND DISCUSSION

Before analyzing farmers' opinion of using crop insurance scheme, it is important to know the demographic profile of the sample farmers. The analysis result is as follows.

Table 1: Demographic profile of sample farmers (n = 240)

S. N	Demographic Factors	Count	%
1.	Age:		
	Upto 30	47	19.58
	31-50	108	45.00
	Above 50	85	35.42
2.	Gender		
	Male	186	77.50
	Female	54	22.50
3.	Education:		
	No Formal Education	39	16.25
	Primary level	102	42.50
	Secondary level	71	29.58

	Degree / others	28	11.67
4.	Occupation		
	Farming is Primary	181	75.42
	Farming is Secondary	59	24.58
5.	No. of hectares farming		
	Below 1 hectare	157	65.42
	1 -2 hectares	56	23.33
	Above 2 hectares	27	11.25
6.	Annual Income		
	Less than Rs. 50000	142	59.17
	More than Rs. 50000	98	40.83
7.	Experience in farming		
	Upto 5 years	35	14.58
	5-10 years	70	29.17
	More than 10 years	135	56.25

The demographic profile of sample farmers shows that only 19.58 percent of farmers are under the age group of below 30 years and the remaining 80 percent are the age group of above 30 years. Majority (77.50 percent) of the farmers are male. Majority (82.08 percent) of the farmers were completed school level education. Majority (75.42 percent) of the farmers states that the farming is primary occupation and hold less than 1 hectare of farming land. The annual income wise analysis of farmers reveals that majority (59.17 percent) of the farmers states that they earned less than rupees 50000 from farming and majority (56.25 percent) of the farmers have more than 10 years' experience in farming activities.

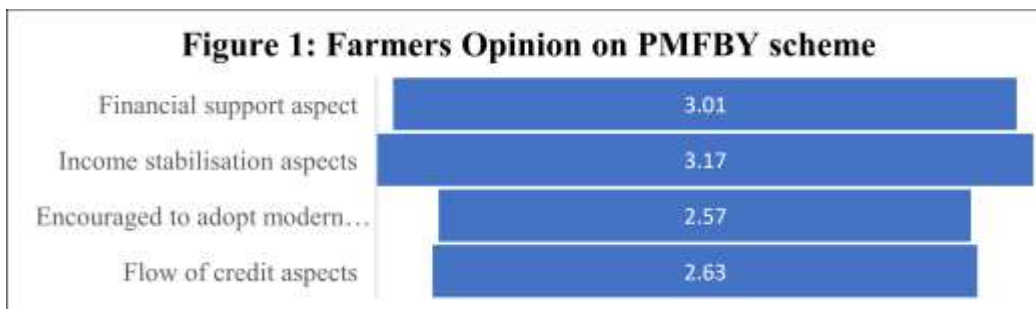
Opinion of farmers on Pradhan Mantri Fasal Bima Yojana scheme

Based on the objectives of the scheme, the sample farmers' opinion of the PMFBY scheme was categorized into four aspects, namely, financial support, income stabilization, encouraged to adopt modern techniques and flow of credit aspects. Opinions of the sample farmers were collected using five-point Likerts scaling techniques (strongly agree, agree, moderate, disagree and strongly disagree). Also, farmers' opinion was analyzed by rank correlation. The analysis result is as follows.

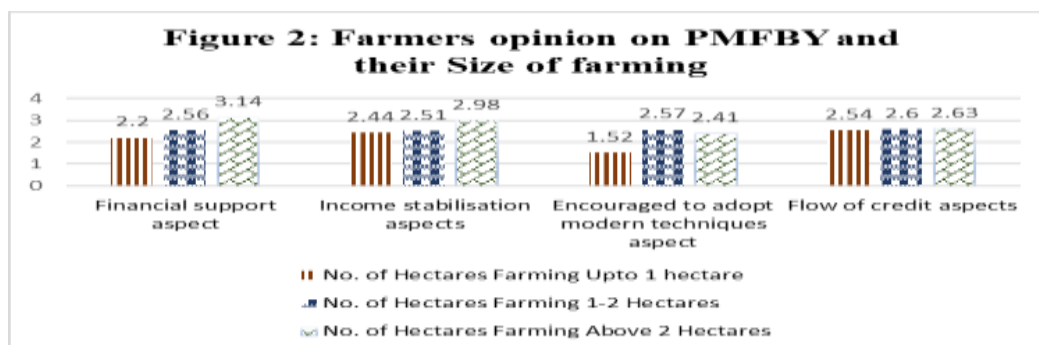
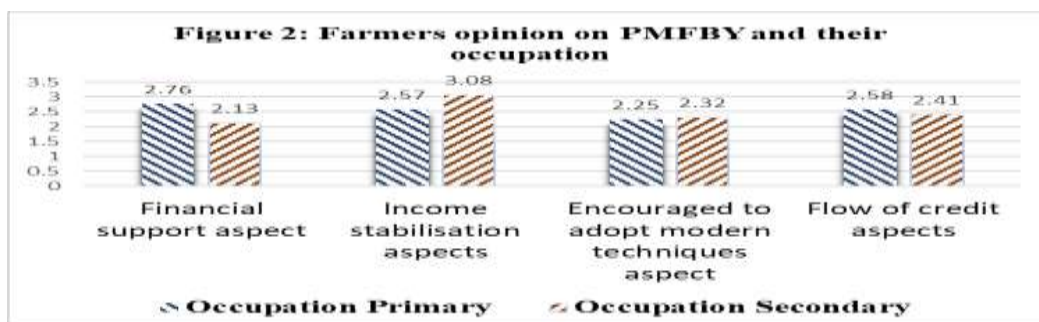
Table 2: Farmers opinion on PMFBY Scheme (n=240)

Statements	Opinion					Mean score	Rank
	SA	A	M	DA	HDA		
Financial support aspect:							
It provides timely financial support for unexpected loss	0	0	15 (6.25)	104 (43.33)	121 (50.42)	1.56	XXI
It provides adequate financial support to farmers	12 (5.00)	25 (10.42)	124 (51.67)	79 (32.92)	0	2.88	XI
It helps to mitigate loss in farming	20 (8.33)	66 (27.50)	102 (42.50)	52 (21.67)	0	3.23	IX
It helps to manage less income in farming	28 (11.67)	55 (22.92)	129 (53.75)	28 (11.67)	0	3.35	VII
It gives financial confidence for future	35 (14.58)	71 (29.58)	102 (42.50)	32 (13.33)	0	3.45	V
It supports to do agricultural activities continuously	29 (12.08)	98 (40.83)	93 (38.75)	20 (8.33)	0	3.57	IV
Income stabilisation aspects:							
It provides immediately the claim amount after getting loss	0	0	52 (21.67)	98 (40.83)	90 (37.50)	1.84	XIX
The amount of claim is more sufficient to continue the next season	20 (8.33)	71 (29.58)	117 (48.75)	19 (7.92)	13 (5.42)	3.28	VIII
The insurance companies follow not difficult claiming procedures	56 (23.33)	102 (42.50)	52 (21.67)	20 (8.33)	10 (4.17)	3.73	II
It supports farmers to get stabilised income	51 (21.25)	97 (40.42)	55 (22.92)	21 (8.75)	16 (6.67)	3.61	III
It supports farmers to get continuous income	40 (16.67)	86 (35.83)	62 (25.83)	30 (12.50)	22 (9.17)	3.38	VI
Encouraged to adopt modern techniques aspect:							
It encouraged the farmers to use modern techniques in farming activities	18 (7.50)	36 (15.00)	105 (43.75)	44 (18.33)	37 (15.42)	2.81	XII
It creates confidants to farmers to adopt modern technology in farming	21 (8.75)	42 (17.50)	101 (42.08)	42 (17.50)	34 (14.17)	2.89	X
It does not restrict the farmers to adopt modern techniques in farming	15 (6.25)	40 (16.67)	96 (40.00)	52 (21.67)	37 (15.42)	2.77	XIII
It helps farmers to mitigate loss while using modern	0	0	96	52	37	1.79	XX

techniques			(51.89)	(28.11)	(20.00)		
Flow of credit aspects:							
The banks are providing crop loan based on crop insurance	56 (23.33)	156 (65.00)	28 (11.67)	0	0	4.12	I
The banks are providing higher amount of loan for insured farmers	18 (7.50)	37 (15.42)	46 (19.17)	108 (45.00)	31 (12.92)	2.60	XIV
The banks provide additional credit support for insured farmers	10 (4.17)	16 (6.67)	35 (14.58)	136 (56.67)	43 (17.92)	2.23	XVII
The financial institutions also provide financial support for insured farmers	12 (5.00)	21 (8.75)	49 (20.42)	123 (51.25)	35 (14.58)	2.38	XV
The private sector banks offer credit facilities with crop insurance	6 (2.50)	12 (5.00)	58 (24.17)	135 (56.25)	29 (12.08)	2.30	XVI
Because of crop insurance the farmers have enough credit facilities from different agencies	0	15 (6.25)	32 (13.33)	160 (66.67)	33 (13.75)	2.12	XVIII



The analysis of farmers opinion on PMFBY scheme using rank analysis shows that majority of the farmers opined that crop insurance scheme PMFBY highly stabilize the income of farmers i.e., the total average score value of farmers opinions shows 3.17. Followed, by majority of the farmers opined that the scheme moderately provides the financial support to farmers i.e., the total average score value of farmers opinion shows 3.01. However, majority of the insured farmers opined that crop insurance scheme PMFBY provide low level of encouragement to farmers to adopt modern techniques and flow of credit in farming i.e., 2.57 and 2.63 respectively. At the same time, almost all the farmers opined that all the banks are provide crop loan based on the PMFBY scheme and this scheme does not provide timely financial support for unexpected loss. Hence, the result clearly indicates that majority of the insured farmers opined that the crop insurance scheme PMFBY provides financial support to farmers not in on time.



Further, the farmers opinion on PMFBY scheme with their occupation shows that majority of the primary occupation farmers have similar level of opinion i.e., the scheme moderately supports the farmers. However, majority of the secondary occupation farmers opined that except income stabilization aspects the crop insurance scheme PMFBY does not provides high level support to farmers. Subsequently, the farmers opinion

on crop insurance scheme PMFBY with their size of farming reveals that, majority of the small farmers opined that the scheme provides low level support to farmers but majority big farmers opined that the scheme provides moderate and high-level support to farmers. Hence, the analysis result clearly indicates that crop insurance scheme PMFBY moderately provides benefits to farmers.

6. CONCLUSION AND RECOMMENDATIONS

The ultimate objectives of introducing the PMFBY scheme are to provide support to farmers in four aspects, namely, financial support, income stabilization, encouragement to adopt modern techniques and flow of credit facilities. Therefore, this study examines the actual effectiveness of the PMFBY scheme from the perspective of farmers. From the analysis results, the study concludes that, majority of the insured farmers opined that the crop insurance scheme PMFBY provides financial support to farmers not in on-time and moderately provides benefits to farmers. At the same time, almost all the farmers opined that all the banks are provide crop loan based on the PMFBY scheme and this scheme does not provide timely financial support for unexpected loss. Accordingly, the following recommendations are given.

- i. Majority of the farmers opined that the PMFBY scheme provide claim amount not in time. Therefore, the government and insurance companies may give claim amount on-time to mitigate loss immediately.
- ii. Majority of the farmers opined that the banks provide loans based on insurance claim value not based on the actual expenses. Therefore, the insurance company may determine the claim value based on the current situation.
- iii. Majority of the big farmers opined that the scheme provides benefits to farmers compare with small farmers. Hence, the government and insurance company should give priorities to small farmers to improve their economic conditions.

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