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Study on impact of Pradhan Mantri Fasal Bima Yojana (PMFBY) in Faridabad district of Haryana

Aakash Rawat and Jayant Zechariah

Abstract

Pradhan Mantri Fasal Bima Yojana is a crop based insurance scheme launched to provide financial support to farmers suffering from crop loss/damage. The present study was carried out in Faridabad district in the year 2021-2022 to know the Socio-economic characteristics of sample farmers, Response of insured and uninsured farmers about PMFBY, Impact of PMFBY on insured and uninsured farmers, Constraints faced by farmers in adopting PMFBY and Suggestions made by the respondents. Multi stage random sampling procedure was adopted to select the respondents. Two blocks *viz.* Ballabgarh and Tigaon were selected as these blocks has a greater number of KCC loanee farmers automatically being covered by PMFBY. Villages were selected based on highest number of loanee farmers and insured farmers under PMFBY. Ten villages were selected randomly. Farmers who have purchased and not purchased insurance contract were interviewed. The numbers of farmers interviewed were 120. The numbers of farmers from each village were selected randomly. 120 farmers were personally interviewed in ten villages i.e. 60 insured and 60 uninsured farmers. A structured schedule was used to collect the data through survey method. When the conclusion was drawn it was found that 18 farmers out of 60 insured farmers were satisfied with PMFBY. 56.67 percentage of uninsured farmers were not aware of the PMFBY when asked for not availing PMFBY.

Keywords: Pradhan Mantri Fasal Bima Yojana (PMFBY), crop insurance, KCC

Introduction

Agriculture is the backbone of Indian economy. Agriculture sector face many problems *viz.* financial, production and marketing. Farmers highly depend on monsoon rainfall for fulfilling water requirements of crops. Agriculture in India is proverbially called a "Gamble on the Monsoon". As agriculture highly depends on weather conditions a small change in weather causes huge damage to the crop growth and consequences result in change of livelihood of farmers. Not only the weather conditions, but also the diseases and pests affect the crop growth and yield which ultimately results in decrease of farmer's income. So to stabilise the income of farmers Modi government, on 18th January 2016 started Pradhan Mantri Fasal Bima Yojana, a crop insurance scheme with the objective to provide insurance coverage and financial support to the farmers in the event of failure of any of the notified crop as a result of natural calamities, pests & diseases, stabilize the income of farmers to ensure their continuance in farming., encourage farmers to adopt innovative and modern agricultural practices., ensure flow of credit to the agriculture sector.

Keeping the importance of crop insurance, the present study was carried out in Faridabad district.

Materials and Methods

The present study was carried out in Faridabad district of Haryana. Faridabad district comprises 3 blocks, out of which 2 blocks (Ballabgarh and Tigaon) was selected purposively because these blocks has higher number of the beneficiaries of Pradhan Mantri Fasal Bima Yojana. These 2 blocks consists of 100 villages. Out of which 10 villages were selected on the basis of highest beneficiaries of Pradhan Mantri Fasal Bima Yojana. As per the list provided by RAO and other officials of farmers of each selected villages, who have registered under Pradhan Mantri Fasal Bima Yojana. From this list of the registered farmers, respondents were selected from each village. The sample was consisted of 120 respondents which were finally selected to collect the data. The well-structured interview schedule was developed. The data was collected through personal visit and taking interview with the help of schedule. The data were quantified, classified, tabulated and analyzed with the help of bars, charts, frequency and percentage.

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Results and Discussion

The sample contains a maximum number of farmers in the age group of 31-40 years (35.83 per cent). Insured farmers were more educated (73.34) than uninsured farmers (58.34). Illiterates were more in uninsured category. This showed that educated farmers are taking part in PMFBY and also getting benefit of the scheme than uneducated farmers. Among the total respondents 63.33 per cent of the sample farmers were belonged to marginal and small farmers group (less than 2 ha) followed by semi- medium which is 24.17 percent and rest medium and large 12.50 percent. There is no much difference in the farming experience of both the groups in study area. The average farming experience of sample farmers was 14 years. The annual income of most of the respondents had medium level of annual income (52.5 per cent).

Insurance schemes are made by farmer so that they can benefit and double their income. PMFBY has made their good impact on farmers income as maximum number for farmer in study area said that they have benefitted and observed increase in their income.

Majority of the respondents are facing difficulties in the procedure of the scheme. Also they have mentioned that there is a lack of coordination between banks and farmers. Lack of information regarding timeline of crop insurance as well as problem of improper reporting in cases of loss is also one of the major problem. Also 70.83 percent farmers suggested that the premium rates are high and premium rates are not fixed.

Delay in payment of insurance claims is also a problem.

All beneficiaries suggested that there should be timely payment of compensation amount. Another suggestion opined by 73 per cent, there is a need for transparency in settlement of claims. Other suggestions are the procedure should be simplified, the premium rates should be decreased, public-grievance settlement mechanism at local level and awareness program for farmer regarding PMFBY should be organised.

Table 1: Age of sample respondents

S. No	Age(yrs.)	Overall N=120			
		Small	Medium	Large	Total
1	20-30	6	3	3	12 (10.00)
2	31-40	25	11	7	43 (35.83)
3	41-50	17	11	9	37 (30.83)
4	51-60	13	7	5	25 (20.83)
5	> 60 years	3	0	0	3 (2.50)
	Total	64 (53.33)	32 (26.67)	24 (20.00)	120 (100)

Table 2: Educational status of sample respondents

S. No	Particulars	Overall N=120			
		Small	Medium	Large	Total
1	Illiterate	21	12	8	41(34.16)
2	Primary Education	5	3	3	11(9.16)
3	Secondary Education	21	13	9	43(35.83)
4	College Education	13	7	5	25(20.83)
	Total	60(50)	35(29.17)	25(20.83)	120(100)

Table 3: Farm size of sample respondents

Sl. No.	Category	Insured Farmers (N=60)	Uninsured Farmers (N=60)	Overall (N=120)
1.	Marginal(Below 1.00 hectare)	23	20	43 (35.83)
2.	Small(1.00-2.00 hectare)	15	18	33 (27.5)
3.	Semi- Medium(2.00-4.00 hectare)	15	14	29 (24.17)
4.	Medium(4.00-10.00 hectare)	4	6	10(8.33)
5.	Large(10.00 hectare and above)	3	2	5(4.17)
	Total	60 (100)	60 (100)	120 (100)

Table 4: Annual income of sample respondents

S.no	Annual income	Insured (N=60)	Uninsured (N=60)	Overall (N=120)
1	Low (Up to Rs.1 lakh)	18	17	35(29.17)
2	Medium (Rs.1 Lakh to 2 Lakh)	30	33	63(52.5)
3	High (Above 2 lakh)	12	10	22(18.33)
	Total	60(100)	60(100)	120(100)

Table 5: Satisfaction level of insured farmers

S. No	Response of the farmers	Frequency (N=60)			Total
		Small	Medium	Large	
1	Satisfied	9	5	4	18 (30.00)
2	Not satisfied	14	10	6	30 (50.00)
3	No response	6	4	2	12 (20.00)
	Total	29 (48.33)	19 (31.67)	12 (20.00)	60 (100.00)

Table 6: Effect on income of Insured farmers

S. No.	Has your income increased after adopting PMFBY	Frequency (N=60)			
		Small	Medium	Large	Total
1	Yes	32	15	5	52(86.67)
2	No	5	2	1	8(13.33)
	Total	37(61.67)	17(28.33)	6(10.00)	60(100)

Table 7: Constraints in PMFBY

S.No.	Constraints	Frequency	Percentage	Rank
General constraints				
1.	Complicated Procedure of the PMFBY	89	74.17	I
2.	Lack of coordination and linkage between banks and farmers	89	74.17	I
3.	Lack of information regarding timeline of crop insurance	82	68.33	II
4.	Lack of knowledge about the PMFBY	78	65.00	III
5.	Problem of improper reporting in case of losses	82	68.33	II
Economical constraints				
	Unavailability of funds at the time of premium payment (Non loanee farmers)	89	74.17	I
2	Low economic status	74	61.67	IV
3	High Rate of premium	85	70.83	II
4	Variable rate of premium	81	67.50	III
5.	Delay in payment of insurance claims	67	55.83	V

Table 8: Suggestions for improvement in PMFBY

S. No.	Suggestion	Frequency	Percentage	Rank
1	Quick settlement of claims.	94	79.00	I
2	Need for transparency in settlement of claims.	87	73.00	II
3	Procedure should be simplified.	87	73.00	II
4	Premium amount may be decreased.	86	69.40	III
5	Public- grievance settlement mechanism at local level.	82	68.00	IV
6	More branches of rural banks should be opened.	81	64.00	V
7	Crop insurance should be open for those who practices farming, not for land owners.	74	61.00	VI
8	Inform farmers before deducting premium.	58	48.60	VIII
9	Awareness programmes for farmer regarding PMFBY must be organized.	57	49.80	VII
10	Extension agent should be trained regarding PMFBY.	55	45.40	IX
11	Farmers may be trained for e-filing of insurance.	54	45.00	X

Conclusion

The sample contains a maximum number of farmers in the age group of 31-40 years (35.83 per cent). Insured farmers were more educated (73.34) than uninsured farmers (58.34). Illiterates were more in uninsured category. This showed that educated farmers are taking part in PMFBY and also getting benefit of the scheme than uneducated farmers. Among the total respondents 63.33 per cent of the sample farmers were belonged to marginal and small farmers group (less than 2 ha) followed by semi- medium which is 24.17 percent and rest medium and large 12.50 percent. There is no much difference in the farming experience of both the groups in study area. The average farming experience of sample farmers was 14 years. The annual income of most of the respondents had medium level of annual income (52.5 per cent).

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