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Problems and suggestions of insured and non-insured farmers towards Pradhan Mantri Fasal Bima Yojana in eastern Uttar Pradesh

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Abstract

The Pradhan Mantri Fasal Bima Yojana (PMFBY) is a flagship crop insurance scheme launched by the Government of India in 2016 to mitigate risks faced by the farmers due to natural calamities and pests, while also promoting modern agricultural practices. This study was conducted in Gorakhpur and Basti districts of Eastern Uttar Pradesh, focusing on both insured and non-insured farmers of PMFBY. A total of 256 farmers were sampled, with an equal representation of 128 insured and 128 non-insured farmers. The study aimed to identify the problems faced by farmers in availing benefits from PMFBY and gather their suggestions for improving the scheme. It was found that insured farmers faced issues such as lack of individual assessment (81.25%), delays in receiving claims (65.63%), complicated banking procedures (65.63%) and low awareness (42.97%), while non-insured farmers struggled with documentation (73.44%) and delay in submitting the necessary documents (71.97%) these were most serious problems regarding PMFBY. Suggestions from farmers included enhancing awareness, improving transparency, ensuring timely disbursement of claims and extending coverage to all crops. These findings are highlighting the need for reforms in the scheme for implementation and to enhance its effectiveness involves.

Keywords: PMFBY, insurance, insured & non-insured, problems, respondents and suggestions

1. Introduction

Agriculture is an important sector of Indian economy. The share of agriculture and allied sector in total Gross Domestic Product (GDP) is 16.00 percent in Indian economy Wagh and Dongre (2016) ^[8]. According to census 2011 the total workforce 54.6% is engaged in agriculture and allied sector activities (census 2011). The current scenario: as of 2023, it is estimated that approximately 50% of the Indian population is engaged in agricultural activities, this percentage has been decreasing steadily over the year as the country undergoes rapid industrialization and urbanization. Agriculture plays an important role in the development of the country and the whole world is witness to the fact that even during the time of the Covid-19 pandemic, there was a positive growth in the agricultural sector in our country's GDP Ramakumar, R. (2020) ^[6]. But Indian agriculture is characterized by risk bearing and uncertainty because of many factors like, lack of technology, lack of knowledge of risk mitigation, irrigation, weather condition, usage of seeds, fertilizers pesticide, uncertainty in monsoon, lack of input supply facilities, non-availability proper market facility, pest and diseases, the higher expenditure as compared to production, uncertain income in each year. Due to dependence on weather and biological uncertainties in managing crops, the agriculture production fluctuates in India and thus has direct impact on both the national income and the farmers or the cultivators. Agricultural insurance is

considered as an important mechanism to address the risk of output and income resulting from various natural and manmade events. The risk-bearing capacity of marginal and small farmers in the country is very limited.

One of the populist game changer insurance schemes brought out by government of India is Pradhan Mantri Fasal Bima Yojana (PMFBY) which not only provides insurance coverage to farmers against natural calamities and pests, but also encourages them to adopt innovative modern agricultural practices. PMFBY was started from June 2016. The premium to be paid by farmers is just 2 percent of the insured value for the Kharif crop, 1.5 percent for the Rabi season crops and 5 percent for Horticultural crops. The government's focus will be to bring in more farmers without loans (which comprise merely 5 percent of total farmers at present) under the scheme. The PMFBY is a replacement scheme of National Agricultural Insurance Scheme as well as the Modified NAIS. As the new PMFBY is replacement scheme of NAIS / MNAIS, there will be exemption from Service Tax liability of all the services involved in the implementation of the scheme. Farmers will also get rid of the web of complex rules of the earlier insurance schemes Yadav and Sharma (2016) ^[9].

2. Research Methodology

This study was conducted in the Eastern part of Uttar Pradesh, specifically within the districts of Gorakhpur and

Basti. These districts were purposively selected based on their higher concentration of insured farmers under the Pradhan Mantri Fasal Bima Yojana (PMFBY). A multi-stage sampling procedure was followed for this investigation. From each district two blocks were randomly selected, thus the total four blocks were chosen. After that four villages were selected randomly from each block. Thus the total of sixteen villages taken for the investigation, then from each village, sixteen farmers were randomly chosen, comprising eight insured and eight non-insured farmers. The total sample size of 256 farmers, with an equal representation of 128 insured and 128 non-insured farmers. The data was collected through personally with help of interview schedule

regarding facing problems by insured and non-insured farmers in Pradhan Mantri Fasal Bima Yojana and suggestion by them. The collected data were analysed by using frequency distribution and percentage to find out the ranking.

3. Results and Discussion

3.1 Problems faced by Insured and non-insured farmers toward PMFBY

Problem faced by farmers regarding PMFBY scheme refer to those barriers which farmers usually faced in getting benefits of the scheme.

Table 1: Problem faced by the insured farmers in availing benefits from PMFBY (n1=128)

Sr. No.	Statements	Fr.	%	Rank
1.	Delays in receiving claims under PMFBY	84	65.63	II
2.	Individual assessment is not followed in the scheme	104	81.25	I
3.	Lack of proper publicity of PMFBY	68	53.13	IV
4.	Insufficient compensation provided under PMFBY	49	38.28	IX
5.	Bias from officials during loss assessment	58	45.31	VI
6.	Insurance companies do not explain why eligible farmers did not receive their insurance amounts	62	48.44	V
7.	Complicated banking procedures and formalities	84	65.63	II
8.	Lack of awareness regarding the features and processes of PMFBY	55	42.97	VII
9.	Delay in notification and its digitalization	43	33.59	X
10.	Complicated processes from enrollment to claim settlement	51	39.84	VIII

The data presented in Table 1 reveals that most significant issue was found lack of individual assessment in the scheme, its rank in first with 81.25% of farmers identifying this as their primary concern. Following, 65.63% of farmers reported delays in receiving claims; it was found in second position. Complicated banking procedures and formalities also posed a challenge by 65.63% of respondents; it's also securing second rank. Lack of proper publicity about PMFBY was noted by 53.13% of farmers, its placing fourth, while 48.44% indicated a lack of explanation from insurance companies regarding why eligible farmers did not receive their payments, its ranking fifth. Other notable issues included biases from officials during loss assessments

it was found in sixth rank, lack of awareness regarding the feature and process of PMFBY (42.97), complicated process from enrolment to claim settlement (39.84), insufficient compensation provide under PMFBY (38.28) and delay in notification and its digitalization (33.59%) respondents were reported. These ranks were found in seventh, eighth, ninth and tenth respectively. The findings reveal critical areas for improvement, particularly in the areas of individual assessments, timely claim processing, and transparency in communication, which could enhance the overall effectiveness and farmers' satisfaction with the scheme. These findings are in line with the results of Krishna *et al.* and Jiragal *et al.* 2022 ^[4].

Table 2: Problem faced by the Non Insured farmers not availing benefits of PMFBY (n2=128)

Sr. No.	Statements	Fre.	%	Rank
1.	Lack of proper documentation in the name of the crop variety	94	73.44	I
2.	Insufficient awareness about the PMFBY	76	59.38	IV
3.	Farmers need to make several visits to the department enrolment to claim	45	35.15	X
4.	Issues with the cut-off date for submitting applications and paying the premium	79	61.72	III
5.	Lack of proper publicity of PMFBY	54	42.19	VIII
6.	Delays in submitting the necessary documents	91	71.09	II
7.	Complicated process for enrolment and claim settlement	65	50.78	VI
8.	Delay in notification and its digitalization	58	45.31	VII
9.	High premium rates for horticultural crops	68	53.13	V
10.	Farmers lack trust in receiving compensation for crop loss	54	42.19	IX

Table 2. Indicated that problems faced by non-insured farmers regarding the Pradhan Mantri Fasal Bima Yojana (PMFBY). Lack of proper documentation, reported 73.44% of farmers its ranking was found first place it was most significant problem. In the research area followed by delays in submitting necessary documents, reported 71.09% of respondents and its ranked second. Issues related to cut-off dates for submitting applications and premium payments,

noted by 61.72%, secure the third rank. Insufficient awareness about PMFBY, mentioned by 59.38% of farmers, it was ranks fourth. While, 53.13% of farmers indicated that high premium rates for horticultural crops pose a challenge, placing it fifth. Complicated process for enrolment and claim settlement reported by 50.78% farmers, delay in notification and its digitalization reported by 45.31% farmers, lack of proper publicity of PMFBY reported by

42.19% farmers, farmers need to make several visits to the departments for enrolments to claim reported by 35.15 and farmers lack trust in receiving compensation for crop loss reported by 42.19% of the farmers. These problems were ranked in VI, VII, VIII, IX and X respectively. The findings suggest that non-insured farmers face considerable barriers primarily related to documentation and awareness, highlighting the need for improved communication and support to facilitate enrolment in the PMFBY. Overall, addressing these issues could enhance participation among non-insured farmers. These findings are in line with the

results of Umme Hani and Meena S. K. 2022 ^[7].

3.2 Suggestions expressed by insured and non-insured farmers

Suggestion referred to an opinion about problems which can be used as a solution to overcome or minimize problem. It is essential to seek the opinion of insured and non-farmers who are directly involved in taking the benefits of PMFBY. The problems experienced by them may sometimes be imaginary and sometimes due to a lack of coordination of different levels.

Table 3: Suggestions given by the Insured farmers for improving PMFBY scheme (n1=128)

Sr. No.	Statements	Fre.	%	Rank
1.	Enforce stricter measures to ensure timely disbursement of insurance payouts.	95	74.22	II
2.	Decrease the premium rates for horticultural crops.	47	36.72	VIII
3.	Disburse insurance claims before the start of the next cropping season.	87	67.97	IV
4.	Individual assessment should be followed in the scheme	98	76.56	I
5.	Establish a dedicated PMFBY cell at the Block/Tehsil level.	71	55.47	V
6.	Increase announcements through mass media and mobile SMS for better awareness.	65	50.78	VII
7.	Organize insurance assistance camps at the village level.	68	53.13	VI
8.	Transparent disclosure of full details of scheme.	91	71.09	III

The data presented in Table 3 reveals that the suggestions provided by insured farmers to address the problems they face under the Pradhan Mantri Fasal Bima Yojana. The top suggestion, which was ranked first, that, is implementation of individual assessments in the scheme, with 76.56% of farmers advocating for this approach, followed, 74.22% of farmers emphasized the need for stricter measures to ensure timely disbursement of insurance pay-outs, ranking it second. The third suggestion transparent disclosure of full details of scheme supported by 71.09% of respondents, 67.97% of farmers recommended that insurance claims be disbursed before the next cropping season, placing it fourth, 55.47% farmers were suggesting for establishing dedicated

PMFBY cell at the block/tehsil level. 53.13% of the farmers were suggesting for organized insurance assistance camps at village level, 50.78% farmers were suggesting about increase announcement through mass media and mobile SMS for better awareness and 36.72% of farmers were suggesting for decrease in premium rates for the horticultural crops. These suggestions were ranked V, VI, VII and VIII respectively. These findings highlight a strong demand for greater transparency, timely payments, and enhanced communication efforts, which could significantly improve farmers' experiences with the PMFBY. These findings are in line with the results of Umme hani and Jamanal *et al.* 2022 ^[7].

Table 4: Suggestions given by the non-insured farmers for improving PMFBY (n2=128)

Sr. No.	Statements	Fre.	%	Rank
1.	Raising awareness about the PMFBY scheme.	87	67.97	IV
2.	Generating interest in PMFBY by providing farmers with relevant training.	69	53.91	VI
3.	Submitting the required documents to the agricultural department.	57	44.53	VIII
4.	Assigning insurance responsibilities to the gram panchayat level.	95	74.22	III
5.	All crops need to be covered to make it a strong risk mitigating tool	101	78.91	II
6.	Offering technical guidance to farmers.	112	87.50	I
7.	Establishing one financial institution in each village to guide and assist in the scheme.	79	61.72	V
8.	Transparent disclosure of full details of scheme	67	52.34	VII

Table 4. Indicated suggestions from non-insured farmers aimed at mitigating the challenges regarding the Pradhan Mantri Fasal Bima Yojana (PMFBY). The highest-ranked suggestion, receiving support from 87.50% of respondents, is the provision of technical guidance to farmers, emphasizing the need for practical assistance in understanding and utilizing the scheme effectively. 78.91% of farmers advocated for the coverage of all crops under PMFBY, indicating a desire for a comprehensive risk mitigation tool, its ranking second, the third suggestion, supported by 74.22% of farmers, calls for the assignment of insurance responsibilities at the gram panchayat level, which could enhance local governance and accountability.

Raising awareness about the PMFBY scheme was favoured by 67.97% of respondents, ranking it fourth. Other important suggestions included establishing a financial institution in each village for guidance (61.72%), generating interest through relevant training (53.91%), and ensuring transparent disclosure of scheme details (52.34%) and submitting the required documents to the agricultural department supported by 44.53% of the farmers. These were ranks in V, VI, VII and VIII respectively. These insights reflect a strong demand for enhanced support and accessibility within the PMFBY framework. These findings are in line with the results of Umme hani and Dashan *et al.* 2022 ^[7].

4. Conclusion

It may be concluded that Insured farmers key issues such as lack of individual assessment, delays in claim disbursement, and complicated banking procedures, which hinder their ability to fully benefit from the scheme. Non-insured farmers, barriers related to insufficient documentation, delays in submitting necessary documents, and lack of awareness about the scheme. The suggestions provided by both groups need for reforms in the PMFBY, Insured farmers suggested more individualized assessments, timely payouts, and bringing greater transparency in the scheme's processes. Non-insured farmers highlighted the importance of technical guidance, comprehensive crop coverage, and localized support at the gram panchayat level to encourage wider participation.

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