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### Restructured weather based crop insurance scheme: Constraints suggestions given by beneficiary farmers

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#### Abstract

Climate variability and extreme weather events have become a great threat to agricultural production in India. Climate change is often linked with record-breaking heavy or poor rainfall events, unprecedented storms, extreme day and night time temperatures. Crop insurance is one of tools which help the farmers to mitigate the agriculture risks. The Central Government has introduced a voluntary Restructured Weather based Crop Insurance Scheme (RWBCIS) as an effective risk management strategy, wherein farmers have to pay premium of 5 percent of total compensation for availing the benefits under the scheme. Grape and Pomegranate a major commercial crops of Maharashtra, 81 percent and 66 percent share of total Indian's production is attributed to the Maharashtra respectively. The study was conducted in Nasik and Solapur districts of Maharashtra with 150 sample size to study the constraints and suggestion of the scheme. Research findings of the major constraints were, farmers felt that they were paid less compensation when compared to the sum insured, Premium rates were high for fruit crops, weather data present with authorities is inadequate for loss assessment, delay in getting claim amount and crop loss is not assessed properly. Few of the major suggestions were, settlement of claim should be before starting of the next cropping season. Premium amount should be less for Horticulture crops. There should be transparency in settlement of the claim. Looking upon these suggestions can help policy makers and administrators to take necessary steps for disseminating timely agriculture insurance.

**Keywords:** Climate change, insurance, RWBCIS, constraints, suggestions

#### 1. Introduction

The economic development of an agrarian nation like India is incomplete without the development of agriculture [2]. India has achieved self-sufficiency through food security, but it is still plagued by natural disasters [4]. Agricultural production and farm incomes in India are frequently affected by natural disasters, susceptibility of agriculture to these disasters is compounded by the outbreak of epidemics and manmade disasters such as fire, and the sale of spurious seeds [3]. The provision of insurance assistance is deemed essential, particularly in developing nations, where the implementation of crop insurance initiatives has been shown to enhance the wellbeing of farmers by mitigating the financial burden associated with agricultural cultivation [5]. Restructured Weather based Crop Insurance Scheme (RWBCIS) launched on 18 February 2016 by Prime Minister Narendra Modi is an insurance service for farmers for their yields. It was formulated in line with One Nation–One Scheme theme by replacing earlier two schemes National Agricultural Insurance Scheme (NAIS) and Modified National Agricultural Insurance Scheme (MNAIS) by incorporating their best features and removing their inherent drawbacks (shortcomings) [1]. Wherein farmers have to pay premium of 5 percent of total compensation for

availing the benefits under the scheme. The GOI recently launched an insurance portal for better administration, harmonization, proper diffusion of information and transparency for farmers [6]. Therefore, the present study attempted to delineate constraint and suggestions given by the 150 beneficiary farmers of Grape and Pomegranate of Nasik and Solapur district respectively for proper implementation of the scheme, so that farmers can actually benefit from the scheme.

#### 2. Methodology

For the present study Grape and Pomegranate beneficiary farmers of RWBCIS are taken in sampling frame. The study was conducted in Nasik and Solapur districts of Maharashtra. Three tehsils Niphad, Sinnar and Dindori in Nashik district, Mohol, Panderpur and Sangola in Solapur district respectively were purposively selected based on the maximum number of beneficiary farmers. From each tehsil three villages were selected. Total eighteen villages were selected. Total 150 beneficiary farmers of Grape and Pomegranate together, each (75 grape and 75 Pomegranate). The sample consists of total 150 farmers. The interview schedule was drafted so as to collect the information in line with the objectives of the study. The interview schedule

developed was pre-tested for its accuracy, simplicity and practicability with a group of thirty beneficiaries of scheme. Data is acquired by personal interview. The data is tabulated and analyzed using appropriate statistical tools.

**3. Results and Discussion**

**3.1 Constraints Faced by Beneficiary Farmers of RWBCIS**

Constraints regarding RWBCIS is the most important aspect, as there are many queries and difficulties in functioning of the scheme. Table 1 shows the constraints faced by the beneficiary farmers.

From the table 1 it is evident that in financial constraints 84 percent of the farmers felt that they were paid less compensation when compared to the sum insured and ranked first. Second priority constraint was Premium rates

were high for fruit crops (72%). The third ranked constraint is there is no minimum amount of crop insurance is fixed and paid to farmers.

In Promotional constraint 45.33 percent of the farmers ranked first to the statement that there is less involvement of the officials in bringing awareness regarding this scheme and second ranked constraint is about lacking of awareness regarding RWBCIS (16%).

In case of operational constraints weather data present with authorities is inadequate for loss assessment is ranked first (56%). Next priority constraint is delay in getting claim amount (46.66%). Next constraint is crop loss is not assessed properly (18.66%). 12 percent of the farmers felt that they were not involved in the assessment of the crop loss. Lastly, 2.66 percent of the farmers expressed that due to human error in banks, they could not get the compensation amount.

**Table 1:** Distribution of respondents according to the constraints faced by the beneficiary farmers

Sr. No.	Constraints		Respondents=75		
			Frequency	Percentage	Rank
1	Financial constraints	The compensation paid by the insurance unit to the farmers is less than sum insured	126	84.00	I
		Premium rates for fruit crops is very high	108	72.00	II
		There is no minimum amount of crop insurance is fixed and paid to farmers	42	28.00	III
2	Promotional constraints	Very less involvement of the officials from Agril. Dept, banks and insurance agents in bringing awarness and helping farmers	68	45.33	I
		Lack of awarness about the scheme	24	16.00	II
3	Operational constraints	Weather data present with the authorities is inadequate for loss assesment of the crops	84	56.00	I
		Delay in getting claim amount	70	46.66	II
		Crop loss is not assesed properly as there are lack of experts from Agriculture department	28	18.66	III
		Farmers are not involved in the loss assesment stage	18	12	IV
		Concerned authorities from agril. Dept, revenue dept. and insurance agents are not present during crop loss assessment	10	6.66	V
		Human errors from bank's end leading to farmers not getting the claim	4	2.66	VI
4	Social constraints	Lack of credibility of farmers on insurance companies	110	73.33	I
		Cumbersome procedures in getting the crop insurance	56	37.33	II
		Farmers are not having positive attitude towards the scheme	20	13.33	III

In social constraints firstly, farmers lacked credibility with the insurance companies (73.33%). Secondly, 37.33 percent of the farmers felt that there is cumbersome procedure in getting the claim amount. Finally, farmers are not having positive attitude towards the scheme ranked third constraint

(13.33%).

**3.2 Suggestions Given by the Beneficiary Farmers**

Suggestions faced by the beneficiary farmers are presented in the table 2

**Table 2:** Distribution of respondents according to the suggestions given by the beneficiary farmers

Sr. No.	Suggestions	Respondents (N =150)		
		Frequency	Percentage	Rank
1.	Settlement of claim should be before starting of the next cropping season	106	70.66	I
2.	Premium amount should be less for Horticulture crops	84	56	II
3.	There should be transparency in settlement of the claim	68	45.33	III
4.	Atleast one weather station should be setup at the village level	62	41.33	IV
5	Appropriate method of claim settlement	34	22.66	V
6	Awarness programmes regarding the scheme should be conducted to farmers	24	16	VI
7	Public -grievance settlement mechanism at local level	10	6.66	VII
8	At rural level more branches should be opened	8	5.33	VIII
9	Training regarding e filling of the form should be given to the farmers	2	1.33	IX

From the results it is seen that 70.66 percent of the farmers suggested that settlement of claim should be before starting of the next season, is ranked first. Usually it is suggested to settle the claim within 45 days but it is observed that the

indemnity is paid after one year.

Second priority suggestion was Premium rates should be reduced for horticulture crops (56%). Farmers feel that the premium rates are low for kharif and rabi crops. (2% and

1.5%). Similarly farmer suggested reducing the premium rates for fruit crops up to some extent.

Third ranked suggestion was there should be transparency in the settlement of the claim (45.33%). *Panchama* (five people should be present during crop loss assessment stage, Agriculture official, one from revenue department, one from bank, one insurance agent and the farmer) is done. It is suggested that at the crop loss assessment stage co-ordination among the stakeholders should be there and insurance companies must be credible at loss assessment and claim settlement stages.

Later 41.33 percent of the farmers suggested that there should be at least one weather station located that the village level. For getting authentic weather data for loss assessment, weather stations should be near to their fields is one of the suggestions by the farmers.

22.66 percent of the farmers feel that there should be appropriate method of claim settlement. Sixth ranked suggestion stated is, there should be awareness programmes regarding the scheme.

6.66 percent of the farmers felt that public-grievance settlement mechanism should be present at local level, so that farmers can avail full benefits of the scheme without hassle at village level itself.

Eight suggestion is at rural level more bank branches should be opened (5.33%), such that farmers need not go to nearest town for availing banking facilities. 1.33 percent of the farmers felt that there should be training for e-filling of form with respect to RWBCIS.

#### 4. Conclusion

RWBCIS is one of the important tool for mitigating crop loss. Delineating constraint and suggestions from beneficiary farmers is important for efficient implementation of the scheme. Few inferences are, during the crop loss assessment stage there must be co-ordination between the insurance agents, agriculture officials and farmers to assess the crop loss in appropriate manner. Poor management and implementation can cause potentially promising scheme to face failure. There is huge gap(1 year) between raising the claim and actual receiving the insurance amount, hence the process of claim settlement should be faster, so that farmers can get the insurance amount when in need. The bank officials, extension agents and insurance companies should make efforts to enhance and support so that farmers get indemnity at right time. In few of the weather stations, the instruments are not in condition to measure accurate weather data, hence maintenance of the weather stations should be looked after. The suggestions study revealed that the orchards of the farmers are far from the weather stations, so the data considered for crop loss is not accurate. Hence establishment of weather stations at village level should be set up.

#### 5. Competing Interests

Authors have declared that no competing interests exist.

#### 6. Authors Contribution

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

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