



PROGRESS OF PM -FASAL BHIMA YOJANA IN INDIA

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ABSTRACT

The agriculture sector in India is susceptible to damage from draughts, floods, and other natural disasters. As a result, it is critical to safeguard farmers from damage and help them maintain their financial position for the following crop season. One of the most important parts of the Indian economy is agriculture and related activities. They contribute nearly 16% of the country's GDP and employ roughly half of the workforce. Since independence, the government has implemented a variety of programs in the interest of the nation's farmers because it recognizes the significance of the agricultural sector. The Pradhan Mantri Fasal Bima Yojna (PMFBY), also known as a "One nation, One scheme," was launched in 2016 and is the most recent initiative. The PMFBY helps stabilize the income of the insured farmers and provides widespread insurance against crop failure.

The purpose of this paper is to investigate the scheme's conceptual framework and determine the country's advantages of PMFBY. It is a type of descriptive research that focuses on the particulars of the program and its potential benefits for Indian farmers.

KEYWORDS: PM-Fasal Bhima Yojana, Crop Season, economy in agriculture.

1. INTRODUCTION:

It is unquestionable that anything created will ultimately fail. In the same way that either humans or the "supreme power" can cause creation, God or humans can also cause destruction, whether intentionally or unintentionally. Inevitably, destruction follows creation. Therefore, risk exists in both life and property. The primary objective of insurance, whether it is life insurance or general insurance, is to safeguard the insured against a variety of anticipated risks. An insurer or assurer is the other person who takes a risk by promising to pay for the loss. The person who takes the protection for himself or for his property is called an insured or assured. The arrangement between the insured and the insurer is based on a small consideration, known as the premium, that is paid by the former to the latter. This arrangement is based on the legal maxim of "quid pro quo," which means something in return.

The term "contract of insurance" refers to the above arrangement, which is defined as "a contract whereby one person, called the "insurer," undertakes, in return for the agreed consideration, called the "premium," to pay to another person, called the "insured," a sum of money or its equivalent on the happening of a specified event." In the language of insurance, the term "risk" refers to the possibility that the specified event will result in some loss for the insured.

General insurance is a way for people who are at the same level of risk of having their properties destroyed or damaged by risks like accidents, fire, earthquakes, and so on to protect themselves. Coming together and agreeing to share the loss that any member experiences. To put it another way, each member suffers equally from the loss.

PMFBY is a novel program for farmers' benefits that falls under the general insurance sector of the insurance industry. Empanelled general insurance companies carry out this plan. The state government chooses the Implementing Agency (IA) through a bidding process. Farmers applying for a crop loan or opening a Kisan Credit Card (KCC) account for notified crops require PMFBY. The Ministry of Agriculture is in charge of managing PMFBY. The PMFBY program falls under the general insurance sector of the insurance industry.

2. OBJECTIVES OF THE STUDY

The objectives of this study are as follows:

1. To comprehend PMFBY's strengths and draw comparisons between it and previous plans.
2. To suggest feasible strategies for enhancing the scheme's implementation and structure.

3. REVIEW OF LITERATURE

Following works/studies have been reviewed in given texts which are significant for the study.

- **Indrajeet (2016)**, in his paper titled "**Study on the Benefits of Fasal Bima Yojna for Farmers**," emphasized the necessity of crop insurance as an alternative to reduce farmers' risk of yield loss. The author has highlighted the advantages of PMFBY in terms of insurance coverage, premium rate, and post-harvest losses. Additionally, the researcher has stated that the plan will increase insurance penetration in the agricultural sector, resulting in increased prosperity and productivity.
- **In her paper "Pradhan Mantri Fasal Bima Yojna- An Overview," Suman Devi (2016)** emphasized the scheme's goals. The paper also discusses the management and monitoring of the program, the coverage of farmers, and the implementing agency. The National Agricultural Insurance Scheme (NAIS) and previous crop insurance programs have been briefly compared. Due to the fact that it does not cover losses from wild animals, nuclear risks, riots, theft, etc., the scheme has been critically evaluated. In addition, difficulties in implementation have been identified that may arise as a result of issues such as corrupt practices, inaccurate land titles, and other similar issues.
- **In his project titled "Performance Evaluation of Pradhan Mantri Fasal Bima Yojna (PMFBY)," Ranjan Kumar Ghosh (2018)** depicted the country's PMFBY implementation status and evaluated its performance in selected states. Additionally, the researcher has identified obstacles in PMFBY governance. When crops are lost due to natural disasters, the researcher suggested that efforts should be made to raise awareness of PMFBY and its benefits. The researcher suggested that village panchayats should actively participate in promoting the scheme.
- **According to Bharat Singh Ghanghas (2018)'s paper titled "Awareness of Pradhan Mantri Fasal Bima Yojna among Farmers of Haryana State,"** roughly 70% of farmers were aware of the PMFBY in general, including premium-related information. About 40.23 percent of farmers were aware of seasonality and had information regarding the scheme's risk coverage. According to the researcher, compulsory proposals for loanee farmers may be the reason for high awareness of general and premium-related information. According to the research paper, approximately 93.33 percent of farmers accepted the mandatory proposal for loanee farmers, whereas only 6.67 percent did so on a voluntary basis.
- **In his paper titled "Pradhan Mantri Fasal Bima Yojna," Ruchbah Rai (2019)** According to An Assessment of India's Crop Insurance Scheme, despite the fact that PMFBY is a revolutionary program of its kind, its implementation at the state and district levels is plagued by a number of issues. Along with financial issues, the researcher has mentioned issues with the scheme's structure. The researcher suggests using information technology and increasing funds for rural infrastructure development as part of the scheme's implementation. The paper also focuses on ensuring that the scheme is strictly followed when it comes to settling claims in order to provide farmers with adequate and prompt compensation.

4. OBJECTIVES OF PMFBY SCHEME

An unfortunate aspect of the Indian agricultural sector was crop loss as a result of various adverse weather conditions and other disasters. It was an essential step to cover our farmers, particularly marginal and landless farmers, under some institutional government arrangements in order to protect them from these risks and uncertainties. A guaranteed income from their farm produce is also required for their survival below the minimum wage. In light of all of these factors, the Indian government initiated the aforementioned plan.

Following are the points describing briefly the main objectives of the scheme:

1. To provide farmers with insurance coverage and financial assistance in the event of crop failure due to natural disasters, pests, or diseases.
2. To keep farmers' incomes stable so they can continue farming.
3. To inspire farmers to adopt cutting-edge agricultural methods.
4. To guarantee credit to the agriculture industry.

5. FEATURES OF PMFBY

The salient features of the scheme are as under:

- 1. Protection for farmers:** Farmers who have used Kisan Credit Cards or other institutional loans are eligible for this program. and are referred to as loanee farmers, non-loanee farmers, tenant farmers, and sharecroppers, as well as farmers who use insurance coverage on their own initiative. Loanee farmers must participate in the program.
- 2. Crops are covered:** For both the rabi and kharif seasons, state governments are in charge of informing crops. The harvests will be ordered into significant yields and different harvests.
- 3. Costs of coverage:** For Kharif crops, a uniform premium of 2% of the insured sum has been established, while for Rabi crops, a premium of 1.5% of the insured sum has been established. Annual premiums for commercial and horticultural crops are 5% of the insured sum or the lower of the actuarial rate.
- 4. Unit of insurance:** The method of operation of the scheme is area-based. As specified in the notification issued by the state government, the insurance unit may be a village, village panchayat, or an equivalent unit.
- 5. Make use of cutting-edge technology:** The plan encourages the use of technology. It has been suggested that smart phones be used to capture and upload data to speed up farmers' claim disposal. Drones and remote sensing will be used to reduce the number of crop cutting experiments (CCEs) and eliminate uneven area coverage.
- 6. For the insurance company, a cluster approach:** The scheme will use a cluster approach, allocating a group of districts to an insurance company through competitive bidding for a period of three years.

6. CONCLUSION

In order to cover farmers' losses from a variety of natural and man-made disasters and provide financing for agricultural inputs, an effective crop insurance program is crucial. Crop protection is essential for security of farmers which thus will prompt a lift in the rural area of the economy. With its low premiums and coverage of insurance crops, the aforementioned PMFBY scheme will unquestionably benefit farmers. Additionally, the plan covers post-harvest losses that were not fully covered by previous plans. In terms of crop insurance, a comparison study reveals that the PMFBY scheme is unquestionably superior to the previous ones. However, in a nation like India, planning and sending off a plan like PMFBY is definitely not an extreme end in that frame of mind of farmers of the country. Only when the plan is carried out successfully will the rewards be realized. Some of the familiar obstacles that have existed for a long time and will impede the successful implementation of the aforementioned plan include erroneous land titles, inadequate land records, and corruption in the handling of claims. Accordingly, severe checking and oversight of the plan is expected with respect to

the public authority empowering every single corner of the farmers local area to take the advantage of the expressed plan in fullest sense.

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