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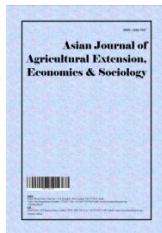
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## **Constraints and Suggestions Encountered by the Beneficiaries under Pradhan Mantri Fasal Bima Yojana in Tumkur District of Karnataka**

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### **Authors' contributions**

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

### **Article Information**

DOI: 10.9734/AJAEES/2021/v39i1230800

#### **Open Peer Review History:**

This journal follows the Advanced Open Peer Review policy. Identity of the Reviewers, Editor(s) and additional Reviewers, peer review comments, different versions of the manuscript, comments of the editors, etc are available here: <https://www.sdiarticle5.com/review-history/76173>

**Received 06 October 2021**

**Accepted 12 December 2021**

**Published 14 December 2021**

**Original Research Article**

### **ABSTRACT**

The Pradhan Mantri Fasal Bima Yojna (PMFBY) is a crop-based insurance policy designed to help farmers who have suffered crop loss or damage and stabilizes farm income. In the year 2020-21, a study was conducted in the Tumkur district of Karnataka as district had highest number of insurance units (895) as compared to other districts of the Karnataka state. The findings of the study revealed that delay in getting the claim was the prime constraint faced by the beneficiaries with a highest percentage of 81.67 per cent and as ranked first followed by less compensation offered (80.00 per cent) and getting claims is a complicated procedure (76.67 per cent). With respect to suggestions given by the beneficiaries were before the start of the next season, the claim should be distributed with a percentage of 87.50 and ranked first, followed by organizing awareness programs for farmers regarding PMFBY (78.33 per cent) and representatives from financial institutions and policy makers should monitor and supervise the assessment (72.50 per cent). The study brought out a number of various constraints faced by the farmers related to Crop Insurance Schemes. As a result, concerned officers should approach the State Government and request that they make earnest efforts to pay the claim before the start of the following season as well as conduct more training and awareness programs.

**Keywords:** Pradhan Mantra Fasal Bima Yojana; constraints and suggestions on crop insurance.

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## 1. INTRODUCTION

Agriculture is the economic backbone of India. Agriculture employed 41.49 per cent of the workforce in 2020, and its contribution to GDP climbed to 19.90 per cent in 2020-21 up from 17.80 per cent in 2019-20 (Directorate of Economics and Statistics). Over two-thirds of India's agricultural land is rain-fed. According to data for the week ending March 26, 2020, almost 42.00 per cent of India's land area is experiencing drought, with 6.00 per cent of that being severely dry. In India, agriculture was referred to as a "Gamble of Monsoon". Because agriculture was more reliant on the weather, even little changes in any stage of the crop can have an impact on crop growth and, as a result, on farmers' livelihoods. Natural calamities such as drought, cyclones, floods, landslides, storms, and earthquakes threaten crop productivity and farm income on a regular basis [1].

All of these factors have a significant impact on farmers' income. Due to changes in government policies, the Indian agricultural environment has undergone numerous structural changes. The risk-bearing capability of marginal and small farmers is quite limited [2]. To reduce risk and uncertainty in agriculture, the central government launched the Pradhan Mantri Fasal Bima Yojana on January 13, 2016. Pradhan Mantri Fasal Bima Yojana (PMFBY) is a crop insurance scheme that outperforms its predecessors by providing national insurance and financial support to the farmers in the event of crop failure: to stabilize income, ensure credit flow and encourage farmers to innovate and employ contemporary agricultural practices. Loss/damage for localised disasters and post-harvest losses will be assessed at the individual insured farm level, thus the farmer must file a loss notification. Because losses from the remaining risks are caused by broad disasters, filing a claim notification by insured farmers / designated agencies for such widespread calamities is not required. The damage assessment report given by the District Level Joint Committee (DLJC) and/or the average yield submitted by the concerned State Government will be used to compute claims. Kharif & Oilseeds crops (all cereals, millets, & oilseeds, pulses) 2.0% of SI, Rabi & Oilseeds crops (all cereals, millets, & oilseeds, pulses) 1.5% of SI and Commercial / Annual Horticultural crops 5% of SI. A detailed examination of the system and its execution, however reveals that the PMFBY suffers from the same flaws as the preceding plans. This is a brief

attempt to evaluate the PMFBY's performance. The threshold yield shall be the benchmark yield level at which Insurance protection shall be given to all the insured farmers in an insurance unit. The Threshold Yield for a crop in an Insurance Unit is calculated by multiplying the average yield of the previous seven years, excluding two years of proclaimed calamity if any, by the area's amount of indemnity [3].

It makes suggestions for making the PMFBY a long-term mechanism that will preserve farmer incomes and help them overcome their risk aversion. Farmers and farming community benefit from the Crop Insurance Scheme in many ways, even if they do not completely agree to insure their crops with insurance. There could be a different reason for this. The study was carried out to learn about such reasons, such as constraints faced by the beneficiaries in the PMFBY Scheme and suggestions given by the beneficiaries to overcome them.

## 2. METHODOLOGY

The present study was conducted in Tumkur district of Karnataka as this region had highest insurance units under Pradhan Mantri Fasal Bima Yojana as compared to other regions of the state. Tumkur district comprises of 10 taluks namely i.e. Chikkanayakanahalli, Gubbi, Koratagere, Kunigal, Madhugiri, Pavagada, Sira, Tiptur, Tumkur, Turuvekere. In this Sira and Pavagada taluks were selected purposely on the basis of highest number of registered farmers under Pradhan Mantri Fasal Bima Yojana among all the taluks of the region. Further, six villages from each taluk namely Bukkapattana, Gowdagere, Hulikunte, Kallambella and Sira kasaba from Sira and Balenahalli, Arasikere, Y N Hoskote, Nagalamadike, Nidagal, Thirumani and Chikkahalli from Pavagada taluk were selected purposely on the basis of highest number of registered farmers under PMFBY for the present investigation. The user respondents were chosen using a proportionate random sampling method and they were referred to as PMFBY beneficiaries because they had profited from the program. Total 120 respondents were selected from selected villages for the present investigation. Thus, the total sample size from the selected twelve villages was 120. By asking open-ended questions, we were able to gather information about the constraints experienced by the beneficiaries. In order to draw conclusions, responses to this aspect were recorded and related percentages were calculated. The

respondents were asked for suggestions on how to overcome the challenges they faced in implementing the Crop Insurance Scheme. The suggestions were grouped by frequency and percentages.

### 3. RESULTS AND DISCUSSION

#### 3.1 Constraints Encountered by the Beneficiaries

Constraints were identified in this study as the likely causes or circumstances that lead to respondents' non-adoption or partial adoption of the Crop Insurance Scheme. The issues faced by insured farmers in PMFBY are discussed in this section of the report. Less claim amount, delay in claim settlement, claim not triggered, believability, difficulty in enrolment, and higher premium are all concerns that insured farmers encountered, according to the survey. The data on the respondents' constraints in obtaining insurance products, as well as beneficiary suggestions, is analyzed and presented in the tables.

The data from Table 1 notified that the major constraint faced by the beneficiaries of the PMFBY delay in getting payments of insurance claims (81.67 per cent) ranked as first and also it is proven by the state government's failure to pay premium subsidies on time. 80.00 per cent beneficiaries faced constraint of less compensation offered. Farmers used to get a lesser claim than the real damage they suffered. More than three-fourth (76.67 per cent) of the beneficiaries faced constraints that getting claims is a complicated procedure. The enrolment procedure was not difficult for farmers though the procedure has increased under PMFBY due to digitalization. 72.50 per cent beneficiaries also say that lack of awareness of benefits of PMFBY and 67.50 per cent beneficiaries were saying that

unavailability of sources during any doubts. Nearly two-third (65.83 per cent) beneficiaries expressing that corruption will be there while settling claims by the insurance companies while more than three-fifth (60.83 per cent) argue that experts are unavailable for assessment of crop. Nearly three-fifth (58.33 per cent) beneficiaries complaining that insufficient of bank facilities in rural areas and more than half (51.67 per cent) of the beneficiaries expressing that rate of premium is not universal for all crops followed by lack of coordination between farmers and banks (50.00 per cent).

Companies on the other hand, rely on implementing banks, which are under stress due to infrastructure constraints. The Centre only transfers subsidies after states have submitted their transfer certificates, resulting in a sequence of delays. The enrolment process was not difficult for farmers, albeit it has become more complex under PMFBY as a result of digitalization. Even though the calamities caused loss, almost of the farmers stated that the claim was not triggered. If the observed yield index value goes below the notified trigger value, the triggering occurs, and claims are calculated per unit area. The claim will not be initiated if the damage caused by the calamity is less than the indemnity level. Similarly, if the level of damage changes within the insurance unit, only one claim will be triggered based on the sample Crop Cutting Experiment (CCE) data. These findings were similar to the findings of S. K. Jamanal [4], Mohapatra [5] and Mani.K [6].

#### 3.2 Suggestions Given by the Beneficiaries

The suggestions given in Table-2 shows that respondents' suggestions to improve the Crop Insurance Scheme are well-intentioned.

**Table 1. Constraints encountered by the beneficiaries (n=120)**

Sl no	Constraints	Number	Per cent	Rank
1.	Experts are unavailable for assessment of crop	73	60.83	ϕ
2.	Lack of awareness of benefits of PMFBY	87	72.50	χ
3.	Insufficient of bank facilities in rural areas	70	58.33	γ
4.	Delay in getting payments of insurance claims	98	81.67	
5.	Rate of premium is not universal for all crops	62	51.67	η
6.	Getting claims is a complicated procedure	92	76.67	β
7.	Unavailability of sources during any doubts	81	67.50	δ
8.	Lack of coordination between farmers and banks	60	50.00	ι
9.	Less compensation offered	95	80.00	α
10.	Corruption will be there while settling claims	79	65.83	ε

**Table 2. Suggestions given by the beneficiaries (n=120)**

Sl no	Suggestions	Number	Per cent	Rank
1	A greater number of crops are covered.	79	65.83	χ
2	Improve linkages between banks and farmers	58	48.33	ϕ
3	Before the start of the next season, the claim should be distributed.	105	87.50	
4	Maintain universal premium for all crops	75	62.50	δ
5	Organizing awareness programs for farmers regarding PMFBY	94	78.33	α
6	At the village level, provide insurance services.	66	55.00	ε
7	Representatives from financial institutions and policymakers should monitor and supervise the assessment	87	72.50	β

The majority (87.50 per cent) of the beneficiaries in Tumkur district suggested that before the start of the next season, the claim should be distributed. The cause for this could be a delay in the state government's payment of premium subsidy to crop insurance companies. As a result, the government should make every attempt to satisfy the claim before the new season begins. While 78.33 per cent believe that organizing awareness programs for farmers regarding PMFBY by the way of conducting trainings, workshops, distribution of pamphlets, road shows, advertisements using television, newspaper, radio, mobile SMS / whatsapp, etc. While 72.50 per cent beneficiaries' representatives from financial institutions and policymakers should monitor and supervise the assessment and 65.83 per cent beneficiaries suggested that, a greater number of crops are covered. More than three-fifth (62.50 per cent) beneficiaries suggested that maintain universal premium for all crops followed by provide insurance services at the village level and improve linkages between banks and farmers were 55.00 per cent and 48.33 per cent respectively. These found resemble to the research findings of S.S. Jadhav [7], Sarangi [8] and S.D. Patil [9].

#### 4. CONCLUSION

The study brought out a number of constraints faced by the beneficiaries related to crop insurance schemes. The PMFBY scheme's goals of providing insurance coverage and financial assistance to farmers in the event of crop failure in order to stabilize their income are admirable. It is impossible to attain such a goal in a vast area with little land holdings. The scheme, on the other hand, is a continuation of a number of previous schemes. The scheme's guidelines are influenced by previous evaluations and current objectives. The concerns and problems that farmers and other stakeholders experience are

deterrents to the scheme's inevitable coverage. As a result, concerned officers should approach the State Government and request that they make sincere efforts to pay the claim before the start of the next season as well as conduct more training and awareness programs. Crop loss assessments should be done at the Panchayat level (a village council in India) and should cover all crops, rather than at the Hobli level. The National Agriculture Insurance Scheme of India undergoes changes from time to time, but the participants have yet to benefit from the scheme, despite having previously suffered crop losses. This was only possible due to the government's lack of information on weather patterns and historical crop yields. Farmers' suggestions, as well as the recommendations of various committees' reports, and research findings must be considered for the benefit of farming community.

#### COMPETING INTERESTS

Authors have declared that no competing interests exist.

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