



ISSN Print: 2394-7500
ISSN Online: 2394-5869
Impact Factor (RJIF): 8.4
IJAR 2024; 10(5): 173-176
www.allresearchjournal.com
Received: 02-02-2024
Accepted: 01-03-2024

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Performance of Pradhan Mantri Fasal Bima Yojana in Maharashtra

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Abstract

India is one of the most climate prone countries in the world in the last decade. India has suffered crop losses almost every year either due to floods and drought or frost/extreme temperatures. Crop Insurance in India has continuously evolved for nearly half a decade with various names with the past knowledge, Pradhan Mantri Fasal Bima Yojana (P.M.F.B.Y.) was Implemented during 2016 a mission to overcome the lacunas in its predecessors as study was conducted to analyse the performance of the scheme in the state of Maharashtra. The prime objective of this paper is to analyse the performance of Pradhan Mantri Fasal Bima Yojana Maharashtra state and Season wise from 2016 to 2022. The performance is measured in terms of numbers farmers covered, area insured, sum insured, premium collected, claim payment and number of farmers benefited from 2016 to 2022. It can be concluded that the farmers of Maharashtra have responded well to the Pradhan Mantri Fasal Bima Yojana Compared to other stated. Maharashtra is found to be the good in this schemes. It is also seen that the government of Maharashtra has Implemental the Pradhan Mantri Fasal Bima Yojana well.

Keywords: Crop insurance, Crop yield, Farm income, Fasal Bima Yojana

Introduction

Agriculture plays an important role in increasing Indian Economic Growth. 70 percent of the population of our country is dependent on Agriculture. Agriculture is very important part of the Indian Economy as it contributes about 17% to the total GDP and 43.96 percent of the workforce in Indian were employed in Agriculture. The growth of this sector is an essential prerequisite for inclusive growth as well as reduction of poverty in India. But Indian suffers from problems and one of them is excessive risk and uncertainty faced by the farmers. Government of India Implemental various programmes for farmers. Intensive Agricultural District Programme (1960-61), Intensive Agricultural area programme (1966-67), Drought Prone Area Programme (1973), Pilot Crop Insurance Scheme (1979-84), Compressive Crop Insurance Scheme (1985-87), National Agricultural Insurance Scheme (1999-2000) and Modified National Crop Insurance Scheme in spite of these developmental efforts, there was no redundancy in uncertainties and farmers were caught in vicious circle of poverty, unemployment and indebtedness in this background the union Government has merged all previous crop Insurance Scheme and Introduced a new Scheme Pradhan Mantri Fasal Bima Yojana Launched 16th January 2016 the Scheme was also Implemented in Maharashtra state from both season Kharif and Rabi season. So the Study was performance of Pradhan Mantri Fasal Bima Yojana in Maharashtra.

Objective of the Study

1. To Study the performance Pradhan Mantri Fasal Bima Yojana across in Maharashtra.
2. To Study of Comparative of the Karif and Rabi season of P.M.F.B.Y. in Maharashtra.
3. To recommend suitable policy suggestion for better functioning of P.M.F.B.Y. in Maharashtra.

Silent Features

Some of the silent features promised under P.M.F.B.Y. are discussed as below:

1. **Coverage of Farmers:** The Scheme covers loanee farmers, non-loanee farmers, sharecroppers and Tenant farmers it is compulsory for loanee farmers.
2. **Coverage of crops:** Crops will be notified by respective state Government in Kharif and Rabi seasons.
3. **Low Premium Rates:** P.M.F.B.Y. fixes a uniform premium of 2 percent of sum insured to be paid by farmers for kharif crops 1.5 percent for Rabi crops and 5 percent for commercial crops also Maharashtra Government has started premium of Rs.1 for farmers.
4. **Indemnity level:** P.M.F.B.Y. has three levels of indemnity (Level of protection against loss) 70 percent, 80 percent and 90 percent corresponding to high.
5. **Payment of claims:** Payment of final to farmers will be made electronically within three weeks from receipt of crop yield data by the insurance company.
6. **Innovative Technology usage:** Use of innovative technology is largely encourages. The use of smart

phones has been proposed to capture and upload data of crop cutting to reduce delays in claim payment to farmers. Drones and remote sensing will be used to reduce the number of CCES.

7. **Toll-free numbers:** A centralized dedication toll free number will be at the insurance company office for claim intimation.

Data and Methodology

The present study is descriptive in nature so to describe the performance of Pradhan Mantri Fasal Bima Yojana in Maharashtra only secondary Data has been used. The Data has been collected from Economic survey of Maharashtra from 2016 to 2022. Department of Agriculture Kharif season Report Maharashtra 2016-17 to 2021-22. Department of Agriculture Rabi season Report Maharashtra 2016-17 to 2021-22 a simple percentage has been calculated for each element of this scheme.

Table 1: Year wise Performance of P.M.F.B.Y. in Maharashtra from 2016-17 to 2021-22

Sr. No.	Years	No. of Farmers Insured (Lakh)	area Insured (Ha) (Lakh)	Sum Insured (Crore)	Premium (Crore)	Farmers Beneficiated (Lakh)	Compensation Amount (Lakh)
1	2016-17	118.01 (14.46)	70.85 (15.09)	21843.43 (15.68)	4010.66 (14.03)	27.85 (9.02)	1917.97 (10.06)
2	2017-18	100.51 (12.32)	58.87 (14.29)	19232.56 (13.80)	3752.44 (13.13)	52.28 (16.92)	2688.81 (14.75)
3	2018-19	143.78 (17.62)	84.89 (20.61)	26229.13 (19.08)	4916.41 (17.19)	78.97 (25.58)	4301.53 (23.58)
4	2019-20	140.89 (17.27)	75.17 (18.24)	25229.13 (18.10)	4925.57 (17.22)	84.36 (27.31)	5511.68 (31.21)
5	2020-21	119.73 (14.67)	65.04 (15.78)	24590.18 (17.64)	5806.19 (20.30)	16.74 (5.42)	1116.35 (7.11)
6	2021-22	96.46 (11.82)	57.16 (13.87)	21888.51 (15.70)	5187.21 (18.13)	48.66 (15.75)	2705.08 (14.82)
	Total	719.38 (100)	411.98 (100)	139370.37 (100)	28598.48 (100)	308.83 (100)	18241.42 (100)

Source: Various Economic Survey of Maharashtra, 2016 to 2022.

Note: Figures in bracket are indicate the percentage of total.

Table show year wise the performance of Pradhan Mantri Fasal Bima Yojana in Maharashtra. A total of 719.38 lakh farmers and an area of 411.98 lakh hectares were insured under P.M.F.B.Y. during 2016-17 to 2021-22. In the year 2018-19 The largest number of 143.78 (17.62%) lakh farmers participated in this scheme and the lowest number 96.46 (11.82%) lakh farmers participated in the year 2021-22. A total of 719.38 lakh farmers who participated in the scheme has taken crop insurance on a total area of 411.98 lakh hectares. In the year 2018-19 crop insurance was taken on the largest area of 84.89 (20.61%) lakh hectares and in the year 2021-22 the lowest area was 57.16 (13.87%) lakh hectares.

The sum insured for an area of 411.09 lakh hectares was Rs. 139370.38 crore. In 2018-19 the highest sum assured was Rs. 26229.13 (19.08%) crore and the lowest sum assured was Rs. 19232.56 crore in 2017-18. A total of 28598.48

crore was paid premium to various crop insurance companies by the farmers, the state Government and the central Government.

Among them the highest insurance premium was Rs. 5806.19 (20.30%) crore in 2020-21 and the lowest was Rs. 3752.44 (13.13%) crore in 2016-17. A total of 308.83 lakh farmers in Maharashtra have been benefited under P.M.F.B.Y. in 6 years. Among them the highest 84.36 (27.32%) lakh farmers have benefited in the years 2019-20 and the lowest 27.85 (9.20%) lakh farmers have benefited in the year 2016-17.

A total of Rs. 18241.42 crore has been distributed as compensation to a total of 308.83(42.93%) lakh farmers who have benefited under P.M.F.B.Y. the concluded that the farmers of Maharashtra have responded well to the scheme. Compared to other states. It seem that this schemes has been Implemented well in Maharashtra.

Table 2: Year wise of Kharif season performance of P.M.F.B.Y. in Maharashtra (2016 to 2022)

Sr. No.	Years	No. of Farmers Insured (Lakh)	area Insured (Ha) (Lakh)	Sum Insured (Crore)	Premium (Crore)	Farmers Beneficiated (Lakh)	Compensation Amount (Lakh)
1	2016	109.20 (15.45)	65.08 (16.23)	20264.40 (13.76)	3.93 (13.16)	27.52 (7.66)	1.89 (8.88)
2	2017	87.64 (12.41)	50.15 (12.52)	16089.00 (10.93)	3.31 (11.07)	50.34 (13.99)	2.62 (12.30)
3	2018	95.35 (13.49)	54.52 (13.60)	19033.50 (12.92)	4.02 (13.45)	49.78 (13.84)	3.49 (16.39)
4	2019	126.26 (17.86)	67.07 (16.74)	22994.85 (15.63)	4.50 (15.07)	84.64 (23.54)	5.53 (25.98)
5	2020	107.72 (15.24)	57.69 (14.39)	22081.99 (15.01)	5.21 (17.43)	16.02 (4.45)	1.06 (4.98)
6	2021	83.93 (11.88)	48.64 (12.14)	18909.15 (12.84)	4.50 (15.07)	63.35 (17.62)	3.43 (16.12)
7	2022	96.61 (13.67)	57.63 (14.38)	27835.67 (18.91)	4.41 (14.75)	67.97 (18.90)	3.27 (15.35)
	Total	706.71 (100)	400.78 (100)	147208.56 (100)	29.88 (100)	359.62 (100)	21.29 (100)

Source: Department of Agriculture Kharif season Report, Maharashtra, 2016 to 2022.

Note: Figures in bracket are indicate the percentage of total.

The table shows the year wise performance of P.M.F.B.Y. implemented in Maharashtra during Kharif season from 2016 to 2022. A total of 706.71 lakh farmers have participated in the scheme during 7 years of Kharif season. The Largest numbers of 126.26 (17.86%) lakh farmers participated in the year 2019 and the lowest number 83.93(11.18%) lakh participated in the year 2021. A total of 706.71 lakh farmers participating in the kharif season have taken crop insurance on a total area of 400.78 lakh hectares. The Government has fixed a total insured amount of Rs. 147208.76 crore for the crop insurance covered area during the kharif season under the scheme implemented during the kharif season. A Total premium of Rs.29.88 crore has been

paid to various crop insurance companies by the farmers, the state Government and central Government.

Out of a total 706.71 lakh farmers who have participated in the kharif season only 359.62 (50.88%) lakh farmers have got the benefit of Pradhan Mantri Fasal Bima Yojana. A total of Rs. 21.29 lakh compensation has been given to the total of 359.62 (50.88%) lakh farmers who got benefits during kharif season. Under Pradhan Mantri Fasal Bima Yojana in the 7 years. from this it was concluded that farmers take more crop insurance during kharif season because the risk of crop damage is high during kharif season. Therefore farmers are giving more priority to take crop insurance during kharif season.

Table 3: Year wise Rabi season performance of P.M.F.B.Y. in Maharashtra (2016-17 to 2022-23)

Sr. No.	Years	No. of Farmers Insured (Lakh)	area Insured (Ha) (Lakh)	Sum Insured (Crore)	Premium (Lakh)	Farmers Beneficiated	Compensation Amount (Lakh)
1	2016-17	7.51 (6.44)	5.76 (7.81)	1582.19 (7.52)	6245.57 (2.08)	35471 (4.17)	3268.18 (2.36)
2	2017-18	13.27 (11.38)	7.84 (10.63)	2031.89 (9.66)	22581.06 (7.53)	282341 (33.16)	8649.53 (6.23)
3	2018-19	49.37 (42.34)	31.03 (42.07)	7718.09 (36.67)	89301 (29.75)	275800 (32.41)	117267 (84.58)
4	2019-20	14.55 (12.47)	8.01 (10.86)	2217.29 (10.54)	41943.23 (13.98)	20921 (02.46)	717 (0.51)
5	2020-21	12.44 (10.67)	8.45 (11.46)	2953.13 (14.03)	58847 (19.60)	109937 (12.91)	4741.88 (3.43)
6	2021-22	12.01 (10.31)	7.33 (9.93)	2508.19 (11.92)	67717 (22.57)	76056 (08.94)	2115.53 (1.52)
7	2022-23	7.45 (6.39)	5.34 (7.24)	2032.11 (9.66)	13471 (4.49)	50675 (5.95)	1890.29 (1.37)
	Total	116.6 (100)	73.76 (100)	21041.89 (100)	300105.86 (100)	851201 (100)	138649.41 (100)

Source: Department of Agriculture Rabi Season Report, Maharashtra, 2016 to 2022-23

Note: Figures in bracket are indicate the percentage of total.

The table shows the year wise performance of P.M.F.B.Y. implemental in Maharashtra during Rabi season. A Total of 116.6 lakh farmers have participated in scheme during the 7 years of Rabi season from 2016-17 to 2022-23. The largest number 49.37 (42.34%) lakh farmers participated in the year 2018-19 and the lowest number 7.45 (6.39%) lakh participated in the year 2022-23. A total of 116.6 lakh

farmers participated in the Rabi season have taken crop insurance in the Rabi season have taken crop insurance on a total area of 73.76 lakh hectares.

The Government has fixed a total insured amount of Rs. 21041.89 crore for the crop insurance covered area during Rabi season. Under the scheme implemented during the Rabi season. A total premium of Rs. 300105.86 lakh has

been paid to various crop insurance companies by the farmer state Government and the central Government. Out of the total 116.6 lakh farmers who participated in Rabi season only 8.51 (7.29%) lakh farmers have got the benefit of Pradhan Mantri Fasal Bima Yojana. A Total of 138649.41 lakh rupees compensation has been given to a total of 851201 farmers who have benefited during season under the Pradhan Mantri Fasal Bima Yojana. From this it can be concluded that participation in the scheme is less in Rabi Season than in Kharif Season. Because Farmers do not participate in the scheme as the benefit of the scheme is less for the farmers during Rabi Season.

Suggestions

All crops should be covered under P.M.F.B.Y.

- Both central and state government should disburse the subsidy premium timely to insurance company so that quickly or timely in case of calamity amount can be settled.
- Beed District system should be Implemented in the entire state.
- Farmers should be digitally literate.
- Insurance representatives should interact with farmers.
- Web portal should be solved.
- State government should be strict Monitoring and supervision this scheme.

Conclusion

Crop insurance is vital mechanism for safeguarding the farmer via compensating the insured farmers timely, when crop is damaged critical analysis disclosed that crop insurance is the Robust solution for the risk suffered by the farmers very years increase farmers participating in the scheme. Both the central and state government should work in collaboration for formulating and effective execution of crop insurance scheme. It has been found the 50% of the farmers who participated in the scheme the number of farmers participating in the scheme during Kharif season is significant. Because the benefits of the plan are available in this season. The Study shows that the participation of the farmers in the scheme is very low during the Rabi season as the benefits of the scheme are not available during this season and therefore the farmers do not participate in the scheme also Maharashtra Government has implemented the scheme better than other states.

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