

Assessment Of Awareness On P M F B Y In4 Districts Of Andhra Pradesh

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ABSTRACT

Pradhana Mantri Fasal Bima Yojana was launched by Prime Minister Narendra Modi on 18, February 2016 to protect the farmers from crop losses. In spite of our developmental programs, the agriculture sector is still imprisoned in the hands of the weather. Our irrigational potentials over 85%, but our net irrigational areas only 30%. Crop failures have been too frequent and quite common in India. Failure of monsoon, lack of assured irrigation, widespread prevalence of pests and diseases are some of the causes for declining productivity and crop failures. It makes the farmer debtor throughout his life. Several suicides have taken place due to indebtedness. The government of India has introduced crop insurance schemes as a remedy to protect the farmers from the crop losses.

The main objective of this study is to analyze the recent crop insurance scheme which is popularly known as PMFBY in Andhra Pradesh. The case study method is applied to investigate the practical application of PMFBY in 3 selected districts of A.P. Relevant information is collected from the sources of secondary data.

This study has revealed that most of the small and marginal farmers are not able to reap the benefits of PMFBY due to the lack of awareness and publicity of the scheme.

KEYWORDS: Crop Insurance, capping, Kharif and Rabi crops.

1) Introduction

India has progressed significantly since its independence. The overall growth rate of GDP has increased from 5.5% in the 1980s to 64% by the end of August 2019. Studies revealed that after economic reforms were introduced, the overall total productivity, labor productivity and capital productivity of Indian industry has increased compared to the pre-reform years. But the rate of growth in the agricultural sector is widely oscillating. The growth pattern of the agriculture sector in terms of its relative contribution to gross state domestic product is used as an indicator in examining the development process of the country. Due to drought in the year 2002-03, the rate of growth in agriculture was only 3.2%. As a result, the overall growth rate of GDP came down to 4.3%. In the year 2003-

04, the high growth rate was recorded due to good monsoon. In spite of our developmental programs, the agriculture sector is still imprisoned in the hand of weather

Prime Minister Narendra Modi has launched Pradhan Mantri Fasal Bhima Yojana on 18, February 2016 to protect farmers against crop losses. The primary task of this scheme is to overcome the problems involved in earlier crop insurance schemes.

2.OBJECTIVES: The objectives of the study are

- 1) To know the performance of PMFBY in four districts of Andhra Pradesh
- 2) Comparative analysis of earlier crop insurance schemes and PMFBY
- 3) To comprehend the problems involved in this scheme

3.METHODOLOGY:

The study based on primary data and secondary data..Under primary data case study method was adopted for the analysis. The other related necessary information was collected from the secondary data which was collected from magazines and official reports.

3.1LIMITATIONS OF THE STUDY:

- 1) The study has covered only four districts of Andhra Pradesh
- 2) The limitation of analysis was carried out the period 2013-18.

4. REVIEW OF LITERATURE:

Pradhana Mantri Fasal Bima Yojana –ensuring farmers prosperity analyzed by Sandeep Das , he in his study he analysed and compare the earlier crop insurance schemes and PMFBY. And he found that the new scheme was than the earlier.

A study on crop insurance in north eastern states of India is done by Thangjam Ddeepa& ozukum limasunep and Feroze. S., assessed the performance of crop based insurance scheme NAIS in north eastern states of India in

5. ASSESSMENT OF CROP INSURANCE SCHEMES:

The first nationwide crop insurance scheme was the comprehensive crop insurance scheme introduced in Kharif 1985. This was replaced by National Agricultural Insurance Scheme (NAIS) in 1999-2000 Rabi seasons but the A government implemented the scheme during Kharif 2000. The number of farmers who lost the crops has been in lacks, while compensation paid is not even to 0.1% of them. Therefore to rectify the problems, a modified national agricultural insurance scheme (MNAIS) was introduced in 2011.

Andhra Pradesh has witnessed several changes during the last 60 years in its agricultural sector. The agriculture sector faced ups and downs since its independence. Programs extending insurance cover for crops have been in operation for a long time but

not able to include the majority of the farmers. It is crucial in Andhra Pradesh, where the majority of the farmers are small and marginal with low savings that reduce their ability to face agricultural risks and fluctuations. Crop insurance schemes are required to bridge the gap between income and consumption requirements during periods of crop losses or failures.

The government of India has launched PMFBY from Kharif 2016, but the Andhra Pradesh government decided to implement it from Kharif 2017 by the implementation agencies. Andhra Pradesh is divided into two clusters and the responsibility of implementation is given to two agencies.

5.1 TABLE:

SERIAL NUMBER	DISTRICTS	IMPLEMENTING AGENCY
Cluster I	Anantapur, Chittoor, East Godavari, Guntur Nellore, Srikakulam, and Prakasam	Agricultural Insurance company Of India Ltd.
Cluster II	West Godavari, Cuddapa, Krishna, Kurnool Visakhapatnam and Vizianagaram	ICICI LOMBARD General insurance Company Ltd.

Source of data: Andhra Pradesh abstract- Agricultural Dept.

6. FARMERS COVERED UNDER PMFBY

The present study has selected East Godavari and Srikakulam from Cluster I, West Godavari and Visakhapatnam from Cluster II, to find out performance of PMFBY. All the farmers including sharecroppers and tenant farmers are eligible for insurance coverage under PMFBY. Total farmers covered under loanee and non-loanee during Kharif 2014-17 have increased to 56.52% as compared to Kharif 2011-14. Non-loanee farmer's coverage has increased by 238.96% at the national level.

All the farmers who are availing loans from banks would be covered compulsorily, if not covered in the event of loss should be borne by banks. The non-loanee farmers are required to submit their necessary documents and agreement document in the case of tenant farmers to come under the ambit of PMFBY. Farmers have to pay a premium of 2% or the actual premium rate whichever is less for food crops. 5% premium is fixed for oilseeds, cereals, and millets. The difference between the actual premium rate and the rate of insurance charged payable by farmers shall be shared equally by the central and the state government of Andhra Pradesh. Banks have to take the responsibility of insurance premium as per the norms while sanctioning a loan for the farmers. In the case of non-loanees farmers who are willing to insure should submit a proposal to the nearest bank branch or insurance company agent. The details of each farmer will upload the data directly to the crop insurance portal. However, the non-loanee farmers must open a bank account to facilitate the remittance of the claim, if payable. Farmers can register before

actual sowing based on crop planning. However, if the farmer changes the crop planned earlier, he should intimate the change to the insurance company at least 30 days before cutting off the date for buying insurance.

This paper is purely descriptive in nature which is based on the case study approach to observe the performance of PMFBY in four districts of A.P. The following is the worst effected years of calamity.

6.1 Calamity Years Observed in these Districts.

S.NO	NAME OF THE DISTRICT	YEAR-I	YEAR-II
1	SRIKAKULAM	2013-14	2014-15
2	VISAKHAPATNAM	2010-11	2014-15
3	EAST GODAVARI	2012-13	2013-14
4	WEST GODAVARI	2010-11	2012-13

Source of data: Andhra Pradesh Agricultural Dept -Abstract

National Agricultural insurance scheme was introduced in the above mentioned four districts to protect farmers against crop failure on account of the calamities that occurred. But this scheme was only against the cost of cultivation not for income protection to farmers. This is the reason to implement PMFBY which covers many other unforeseen risks. PMFBY covers both loanee and non-loanee farmers irrespective of their size of the holding.

6.2 Case study -I - EAST GODAVARI DISTRICT:

A group of farmers is selected in East Godavari district-village Seethanagaram which is located near the river Godavari to study the awareness of the PMFBY scheme. All the selected farmers are having less than 5 acres who come under the category of small & marginal farmers. Their main occupation is agriculture which has come from their ancestors. They are very much interested to develop their farming so that their family would be in a better position in the future. They are very anxious to know the government policy towards crop insurance programs in every financial year. Their farming is depending upon rainfall which is always affected by the monsoon. This situation turns them to look at other schemes which are feasible for their situation. Therefore PMFBY is a boon for all loanee and non-loanee farmers in the district. Farmers have revealed that PMFBY is somewhat complicated to follow the procedure mentioned in the scheme. Farmers are experienced with crop damage but could not get claims as early as possible in earlier schemes. They considered mandalas a unit for crop damage estimation in the district. 60% of damage is considered to claim their insurance by the farmers. Farmers have revealed that PMFBY showed a good solution through which a unit of the village is taken into consideration to decide damage and coverage.

6.3 Case study- II - SRIKAKULAM DISTRICT:

A quite number of farmers are interviewed in Srikakulam district to find out the awareness of PMFBY in the selected villages like Raipadu & Kothuru which are purely rainfed areas. Farming is their main occupation but experienced crop losses frequently in their region, even after experiencing hardships during floods and recurring droughts. Not many efforts are made to improve their situation in earlier crop insurance schemes. After PMFBY came into existence unified package insurance programs and weather-based crop insurance scheme have continued beneficially. Both food crops like paddy and cereals under this scheme for them PMFBY is very attractive as it is including even tenets under this scheme. PMFBY made the farmers happy which is applicable both for loanee and non-loanee farmers in the districts. Damage is estimated with crop cutting experiments which are recorded by government officials. Farmers can approach the agricultural insurance company of India limited to any type of information. With 1 rupee payment farmers can register their names under this scheme. It is another important attraction of PMFBY.

6.4 Case study- III -WEST GODAVARI DISTRICT:

A group of farmers who are having less than 5 and more than 10 acres is selected for this study. All the farmers are availing crop loans through cooperative banks. Without their knowledge, their crops were covered uniform premium rates. There was a provision of capping the premium rate which resulted in no claims being paid to farmers. Farmers felt happy with PMFBY, because capping has now been removed and farmers get their claim against full sum insured without any deduction. Another benefit they observed under this scheme is a loss incurred from sowing to the post-harvest season is being covered. Earlier only post-harvest losses were covered. Paddy sugarcane cereals and millets would be covered under this scheme they felt happy with the implementing agency –ICICI Lombard General Insurance Company Limited is a private financial institution for the free accessibility and quick response

6.5 Case study –IV-VISAKHAPATNAM DISTRICT

Opinions are collected from the small and marginal farmers residing in the villages of Visakhapatnam district regarding the new crop insurance scheme PMFBY. Norms of the program are attractive for them. They are not satisfied with the earlier schemes of crop insurance. They expressed the drawbacks like high premium rates and capping the premium rate, payment of low claims etc. Estimation of crop damage is not scientific they expressed. Most of the farmers availed short term crop loan from the Grameen banks in which insurance coverage is mandatory. PMFBY is providing insurance coverage for all types of calamities irrespective of the loan. Unfortunately, some of the farmers are not aware of PMFBY SCHEME due to a lack of proper publicity. Many of them have lost their interest in farming due to crop damage and delay in the settlement of claims. For all these problems PMFBY is the best solution they believed.

7. Findings of the Assessment

Based on the narration of most of the farmers in all the observed districts publicity of PMFBY SCHEME is inadequate to fulfil the objective of the scheme.

Illiterate farmers expressed their inability to adopt information and communication technology which is followed in PMFBY.

Implementing agencies both public and private insurance companies are not taking much interest to cover all the farmers

8. Suggestions:

The government of Andhra Pradesh has been implementing different crop insurance schemes since 1985, however many farmers continue to expose several agricultural risks over time. Therefore care has to be taken to eliminate the shortcomings of the insurance scheme.

The scope of the scheme should be enlarged so that tenant farmers are also covered under the insurance scheme.

The administrative procedure should be simplified to eliminate the cumbersome in the implementation of the scheme.

All the crops should be covered under insurance to sustain agricultural development to ensure their continuance in farming.

Technology should be used extensively to avoid delays in the estimation of crop damage as well as the settlement of insurance claims.

Training is required to adopt ICT for poor farmers to avail the benefits of PMFBY

Officials should take much responsibility in the maintenance of transparency of the implementation of the scheme.'

Last but not least political will and stability are of immense importance in the continuation of PMFBY. With all these efforts no doubt PMFBY will encourage farmers to adopt innovative and modern agricultural practices that bring socio-economic development all over Andhra Pradesh.

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