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As we all are very well aware of the fact that India is a country of farmers where the maximum percentage of rural population is dependent on the agriculture activity only and they have no other source of income and for completing the agricultural activity, many of the farmers took loan from banks and other sources and is dependent on the yield of the crops but in agricultural activity there are many chances of failure of the crops because of any unforeseen events and there are several other risks too involved in agriculture and due to which farmers suffer a huge loss and due to which they are unable to lead a minimum requirement of livelihood for them & their families as they are left with no financial support after the failure of crops, so Pradhan Mantri Fasal Bima Yojna (PMFBY) was launched by PM Narendra Modi in 2016 eliminating the other Two previous schemes i.e. National Agriculture Insurance Scheme (NAIS) and Modified National Agricultural Insurance Scheme (MNAIS). PMFBY provides a comprehensive insurance cover in case of failure of the crops of the farmers thus helping in stabilising the income of the suffered farmers and this scheme also reduces the burden on farmers who takes loan for their agricultural activity and also encourage farmers to innovate in agriculture and adopt modern methods, it aims to compensate the farmers for their losses. Crop insurance is one of the method to help the famers to recoup the losses they have incurred. Earlier Schemes emphasis was on increasing farm production but those schemes were not so vast and are limited in nature as the coverage of the schemes was very low but after the introduction of PMFBY in 2016 scenario has changed, now more importance is given to increasing farm income. The PMFBY was implemented to ensure transparency, availability of Real-time data and an accurate calculation of the yield loss happened in the notified areas in the notified season in the country. It is for the first time the post-harvest losses arising from cyclones and other natural calamities have been covered nationally. But even this scheme has its drawbacks (which we will discuss further in the article) due to which many states have opted out of this policy among which recent two states are Telangana and Jharkhand.

Every state has a notified crops for which crop insurance is eligible and there are notified areas too take the compensation under this scheme. All farmers who has taken the loan from financial institutions are primarily covered under this scheme and is compulsorily compensated and this scheme is optional for the non-loanee farmers. There are mainly 3 notified season i.e. Kharif which includes all food grain and oilseeds crops (all Cereals, Millets, Pulses and Oilseed crops), Rabi, Kharif and Rabi (Annual Commercial/Annual horticulture Crops). The premium Rates which is fixed for these crops are as follows: 2% of the Sum Insured for Actuarial rate, whichever is less, for Kharif Season and 1.5% for Rabi Season and 5% is fixed for Commercial/Horticulture Crops. The government is also planning to involve compulsorily use of technology and mobile applications for monitoring of crop health and Crop Cutting Experiments (CCEs) in coordination with concerned states.

Coverage is applicable to the suffered farmers in case when the risk affecting the crops is more than 70% of area sown in a notified unit at an early stage of the agriculture process leading to total loss crop and the farmer is not in a position to sow or transplant the crop due

to loss occurred to him. A local and functional offices are also been set up by the authorities at the local level for grievance redressal and the online portal for all crop insurance and administration department was also launched. District Agriculture Office have been made so that farmers can reach out there in case of any problem. Due to the improved features of the scheme coverage under the scheme has been increased to 30% of Gross Cropped area in the country from 23% in erstwhile crop insurance schemes in 2015-16. The coverage of non-loanee farmers, for whom the coverage is voluntary, has increased from 5% under erstwhile schemes in 2015-16 to 42% during Kharif 2019, which shows the acceptability and progress of the scheme on voluntary basis.

Farmers Covered

During the first year of the PMFBY (2016-17) the total number of farmers covered increased to 57 million. But in the next year (2017-18) the number decreased by 14 percent to 48 million. Over 68 lakh farmers exited the scheme after just a year in four states namely, Madhya Pradesh, Rajasthan Maharashtra and Uttar Pradesh. As many as 2.90 lakh farmers exited the scheme in Madhya Pradesh, 31.25 lakh in Rajasthan, 19.47 lakh in Maharashtra and 14.69 lakh in Uttar Pradesh according to Ministry of Agriculture. Among the states, the data revealed that in Uttar Pradesh, the number of farmers insured in 2016-17 was 67.69 lakh but fell the next year to 53 lakh. In Madhya Pradesh, the insurance companies had insured over 71.81 lakh farmers in 2016-17, the following year over 2.90 lakh fewer farmers insured their crops. Gujarat was the only state where the number of farmers who insured their crops increased during these two years. In 2016-17, 5.20 lakh farmers were insured under the scheme which increased exponentially to over 17.63 lakh the following year. The period also saw the number of insuring their crops rising in Haryana. While 13.36 lakh farmers in 2016-17 had insured their crops, as many as 13.51 lakh got them insured the next year.

HOW AND WHY WAS IT INTRODUCED

In 1985, there was comprehensive crop insurance scheme under the congress government. The in 1999 National Agriculture Insurance Scheme was introduced and then modified version of NAIS was introduced. But all these policies had many drawbacks in itself. There was not much awareness, no use of technology, premium rates were high, no uniformity, no proper redressal forums. So because of these drawbacks claims made by farmers was not entertained properly. So the NDA government introduced this PMFBY which have the following objectives-

- To provide insurance coverage and financial support to farmers in event of failure of any notified crops
- To statutise income of farmers to ensure their sustainance
- To encourage farmers to adapt innovative modern practices
- To ensure credit flow in agricultural sector
- Exemption from service tax liability
- Ensure 75-80% subsidy for farmers in insurance premium
- To cover post harvest losses
- Too also bring those farmers in its ambit that have not taken loan
- Also private insurance company along with agricultural insurance company will implement the scheme

The schemes which were there in the country before the introduction of PMFBY were backed by Govt-funded insurance companies called "Agriculture Insurance Companies" which collected premiums from farmers without allowing any kind of subsidy. This scheme also ensures timely payment of claims on receipt of yield data (3 weeks) as compared to the previous schemes where the claims are not sanctioned so early and take a lot of time to process. Introduction of this scheme has made an impressive progress and the success rate was much higher than those of previous schemes. PMFBY was created to focus on 50% of the total farmers, with a promise of compensation in case of crop failure. Due to high premium the circulation of agriculture insurance is low and still in terms of area insured and farmers compensated in the previous schemes. Total of 58 million farmers were enrolled in the PMFBY which shows the progress of this scheme as only 28 million farmers were only insured in the previous schemes combined. Due to the coming of the private sector in this scheme the flow of credit has increased and giving subsidies to the farmers has become easy as compared to previous schemes because the government is crucial in data collection and financial premium support, i.e. Private sector enables the availability and mobility of credit. Total of 16 insuring companies participated in 2016-17 when this scheme came into force and total of 22,165 Crores of premium was collected i.e. 44% share of PVT companies.

As this scheme is centre and state oriented but then also many states are exiting from this scheme as the claim ratio in the states in the previous year were quite high in the year 2019-20. Latest states who opted out are Telangana and Jharkhand, some insuring companies have also opted out from these schemes, all these developments are happening because of casual attitude of state agencies and the main reason is that the burden on the state authorities while giving premium is much more higher than that of the centre, i.e. it has been reduced from 50% to 25% by the centre which was shared equally before. Due to this burden, state delay in providing data on crop loss and in result insurance companies don't get the premium and it delays in payment of claims. The states are withdrawing themselves from this scheme because there is an implementation problem. One of the challenges of crop insurance reported by the Ministry of Agriculture is the perception that the insurance companies are making money out of it. There were no efforts done by the state government and the insurance companies to spread awareness of this scheme and also there was no direct linkage between insurance companies and farmers.

CRITICAL ANALYSIS

As per my knowledge and understanding of this scheme I believe that the introduction of the scheme was a very good initiative taken by the central government. Initially this scheme proved to be a great success as there was a lot of coverage of this scheme and the methods and process were also much faster than those of the previous schemes but with time this scheme also got criticism and there are several reasons behind that, First one is it was acting as a burden on the state government in the long run and reducing their financial stability, secondly and the main reason behind exiting of states according to me is a Political reason, as agriculture department comes in concurrent list so state has full right to act upon this matter and the non-ruling parties in states don't want to give a good impression of the ruling party and

don't want to give credit of such schemes to the ruling party as half of the population in the country is farmers and they are major vote bank for political parties so for their own political reasons and to get benefit in the election some states purposely criticise this kind of initiative taken by the ruling parties. These states are developing their own scheme at their level so that they can get maximum benefit in the next elections and attract the vote banks.

Four north-eastern States — *Arunachal Pradesh, Nagaland, Manipur, and Mizoram* — are **not covered** under the scheme at all.

- In the States of North-East and Union Territory of Daman and Diu, firstly, Insurance companies have not shown their interest, secondly, there is lack of state budgetary resources to pay their share of the premium.
- The reasons for the lack of interest among insurance companies are:
 - High administrative costs
 - There are no proper land records.
 - Historic yield data is not available for these States.
 - It is difficult to conduct CCEs [crop-cutting experiments] needed for many of the horticulture crops

CONCLUSION

A comparative study reveals that the PMFBY is undoubtedly a better scheme so far as compared to the earlier ones in the field of crop insurance. But, in a country like India, designing and launching a scheme like PMFBY is not an ultimate end in the betterment of farmers of the country. The fruits of the scheme can be harvested on its successful implementation only. Therefore, strict monitoring and supervision of the scheme is required on the part of the government enabling each and every corner of the farmer's community to take the benefit of the said scheme in fullest sense. Farmers should be acknowledged or informed through government departments by doing aggressive media campaign about the scheme and deduction of premium and each and every detail about the scheme should be informed to the farmers at ground level.