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## Constraints and suggestion encountered by farmers in availing benefits of PMFBY

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### Abstract

The present study was conducted to study constraints and suggestion encountered by farmers in availing benefits of PMFBY. The study was conducted in North Gujarat. From North Gujarat, three districts and from each selected district three talukas were purposively selected. Five villages from each taluka and from each village eight crop insured farmers were selected randomly. Multistage sampling method was followed for selection of the crop-insured farmers. Thus, total 360 crops insured farmers were selected as sample size. The data was collected through personal interview and it was compiled, tabulated and analyzed to get proper answer with the help of various appropriate statistical tools. From the result of the study, it can be concluded that Major constraints faced by the crop insured farmers were; complex procedure in availing PMFBY, individual assessment was not followed and more time required for getting compensation. Major suggestions found that complex procedure should be simplified, if insurance claim not settled then some incentives should be given to insured farmers by Government and individual assessment should be followed in the scheme.

**Keywords:** PMFBY, agriculture, constraints, suggestion encounterd, farmers

### Introduction

Agriculture is an important sector of Indian economy. The share of agriculture and allied sector in total Gross Domestic Product (GDP) is 16.00 per cent in Indian economy. In India 54.60 per cent of population is engaged in agriculture and allied activities (Census 2011). Agriculture plays vital role in development of country. But Indian agriculture is characterized by risk bearing and uncertainty because of many factors like, lack of technology, lack of knowledge of risk mitigation, irrigation, weather condition, usage of seeds, fertilizers pesticide, uncertainty in monsoon, lack of input supply facilities, non-availability proper market facility, pest and diseases, the higher expenditure as compared to production, uncertain income in each year. Due to dependence on weather and biological uncertainties in managing crops, the agriculture production fluctuates in India and thus has direct impact on both the national income and the farmers or the cultivators

Agricultural insurance is considered as an important mechanism to address the risk of output and income resulting from various natural and manmade events. The risk-bearing capacity of marginal and small farmers in the country is very limited. To avoid the risk and uncertainty in agriculture at the national and state level, various agricultural development schemes are implemented by the government to bring the development in agriculture and facilities provided to the farmers.

Agricultural insurance is a means of protecting the agriculturist against financial losses due to uncertainties that may arise from all unforeseen perils beyond their control. Unfortunately, agricultural insurance in the country has not made much headway even though the needs to protect farmers from agriculture variability have been a continuing concern of agriculture policy. Crop insurance is one method by which farmers can stabilize farm income and investment and guard against the disastrous effect of losses due to natural hazards or low market prices. Risk in Indian agriculture can be categorized into yield risk and price risk. Price risk is the risk which mainly occurs due to changing supply and demand, market imperfections, changing consumer preferences, differences in prices between two markets within a small geographical area.

Yield risk on the other side occurs mainly due to low productivity on account of unfavorable weather conditions and other biological factors.

### Objectives of the study

1. To study the constraints faced by farmers in availing benefits of PMFBY
2. To seek the suggestions to overcome the constraints faced by farmers in availing benefits of PMFBY

### Methodology

Multistage sampling method was followed for selection of the crop insured farmers. North Gujarat falls under the jurisdiction of Sardarkrushinagar Dantiwada Agricultural

University so; the study was conducted in North Gujarat. From North Gujarat, three districts and from each selected district three talukas were purposively selected. Five villages from each taluka and from each village eight crop insured farmers were selected randomly. Thus, total 360 crops insured farmers were selected as sample size. The data were collected through personal interview and it was compiled, tabulated and analyzed to get proper answer with the help of various appropriate statistical tools.

### Results and Discussion

**Constraints faced by farmers regarding PMFBY and seek their suggestions to overcome the same**

**Table 1:** Constraints faced by crop insured farmers regarding PMFBY (N=360)

Sr. No.	Constraints	Number	Per cent	Rank
1	Complex procedure in availing PMFBY	275	76.39	1
2	Individual assessment is not followed in the scheme	229	63.61	2
3	More time required for getting compensation	220	61.11	3
4	No compensation was paid even if loss occurred due to crop failure	210	58.33	4
5	Delay in processing of claims by Insurance Companies	178	49.44	5
6	Insured farmers are unaware about where crop cutting experiments took place	169	46.94	6
7	Insured farmers are unaware about Policy details	160	44.44	7
8	Lack of in depth awareness regarding PMFBY	145	40.28	8
9	The premium had been deducted from the loan amount by banks without taking consent from loanee farmers	135	37.50	9
10	Delay in notification and its digitization	112	31.11	10
11	Lack of proper publicity of PMFBY	105	29.17	11
12	Inadequate compensation offered in PMFBY	75	20.83	12
13	Held up the claims by insurance companies	65	18.06	13
14	Non-inclusion of important crops in the list of notified crops	60	16.67	14
15	Compulsory nature of PMFBY even though farmers are not interested	45	12.50	15.5
16	Deprivation of benefits to farmers due to delayed submissions of declarations by the Bank/ Finance Institutes	45	12.50	15.5
17	Low premium paying capacity of farmers	43	11.94	17
18	The mixed crops are not included in list of notified crop under PMFBY	40	11.11	18

Constraints faced by the insured farmers while availing the benefits of Crop Insurance Scheme in the order of priority order were; 'Complex procedure in availing PMFBY' (76.39%) ranked 1, as they feel that the process is tedious starting from the online registration process to final stage of getting the claim. 'Individual assessment is not followed in the scheme' (63.61%) ranked 2, as PMFBY is based on the 'Area Approach'

'More time required for getting compensation' (61.11%) ranked 3, as evidenced by delay in payment of claim settlement. 'No compensation was paid even if loss occurred due to crop failure' (58.33%) ranked 4. The reason might be that concerned officials were not conducting the Crop Cutting Experiments properly as per the guidelines by involving all the concerned stakeholders. 'Delay in processing of claims by Insurance companies' (49.44%) ranked 5.

'Insured farmers are unaware about where crop cutting experiments took place' (46.94%) was ranked 6 among constraints. Because officers did not conduct the crop cutting experiments as per guideline by involving all the concerned stakeholders. 'Insured farmers are unaware about Policy details' (44.44%), 'Lack of in depth awareness regarding

PMFBY' (40.28%), 'The premium had been deducted from the loan amount by banks without taking consent from loanee farmers' (37.50%), and 'Delay in notification and its digitization' (31.11%) was ranked 7,8,9 and 10, respectively. 'Lack of proper publicity of PMFBY' (29.17%), 'Inadequate compensation offered in PMFBY' (20.83%), 'Held up the claims by insurance companies' (18.06%) and 'Non-inclusion of important crops in the list of notified crops' (16.67%) were the constraints perceived by relatively less number of respondents and ranked 11,12,13 and 14, respectively. With equal (12.50%) 'Compulsory nature of PMFBY even though farmers are not interested' and 'Deprivation of benefits to farmers due to delayed submissions of declarations by the Bank/Finance Institutes' were ranked 15.5 among constraints. followed by 'Low premium paying capacity of farmers' (11.94%) and 'The mixed crops are not included in list of notified crop under PMFBY' (11.11%) and ranked 17 and 18, respectively.

**Suggestions to overcome the constraints faced by farmers of regarding PMFBY**

**Table 2:** Suggestions to overcome the constraints faced by farmers regarding PMFBY (n = 360)

Sr. No.	Suggestions	Number	Per cent	Rank
1	Complex procedure should be simplified specially process of applying for and claiming the crop insurance	245	68.06	1
2	At the time of low occurrence of natural calamities if insurance claim not settled then some incentives should be given to insured farmers by Government	240	66.67	2
3	Individual assessment should be followed in the scheme	235	65.28	3
4	More information/ awareness and better understanding of PMFBY working	228	63.33	4
5	Insurance companies to appoint sufficient number of trained agents for PMFBY	223	61.94	5
6	Timely payment of compensation should be ensured	210	58.33	6
7	Crop cutting experiment should be made by agencies in present representatives of insured farmers	190	52.78	7
8	Inform the farmers through proper publicity that crop cutting experiment will be held in particular village on such date	160	44.44	8
9	Awareness should be created by using mass media and social media	135	37.50	9
10	A separate counter in banks should be opened for only insured farmers	120	33.33	10.5
11	Crop cutting experiment should be properly carried out	120	33.33	10.5
12	Transparent disclosure of full details of scheme	90	25.00	12
13	Procedure to purchase crop insurance should be made easy and at farmers door step or nearest place	80	22.22	13
14	More number of trainings need to be organized on PMFBY	65	18.06	14
15	There should be one financial institution at each and every panchayat which guide and assist the PMFBY scheme	45	12.50	15
16	All crops need to be covered to make it a strong risk mitigating tool	35	9.72	16
17	More number of crop cutting experiment should be conducted	32	8.88	17

An attempt was also made to ascertain suggestions from the respondents to overcome various constraints faced by them. The respondents were requested to offer their valuable suggestions against difficulties faced by them. The data valuable suggestions given by respondents are collected summarized and presented in Table 2.

It can be concluded from Table 2 that majority of the respondents (68.06%) believe that complex procedure should be simplified specially process of applying for and claiming the crop insurance and given 1 ranked followed by at the time of low occurrence of natural calamities if insurance claim not settled then some incentives should be given to insured farmers by Government (66.67%) given 2 ranked, Individual assessment should be followed in the scheme (65.28%) with rank 3, followed by more information/ awareness and better understanding of PMFBY working (63.33%) and Insurance Companies to appoint sufficient number of trained agents for PMFBY (61.94%), ranked 4 and 5, respectively.

It is seen from Table 2.29 that respondents suggested the 'Timely payment of compensation should be ensured' (58.33%) was ranked 6. 'Crop cutting Assessment should be made by agencies in present representatives of insured farmers' was suggested by 52.78 per cent insured farmers and 7. 'Inform the farmers through proper publicity that crop cutting experiment will be held in particular village on such date' (44.44%) and 'Awareness should be created by using mass media and social media' (37.50%), ranked 8 and 9, respectively. Equal respondents (33.33%) suggested 'A separate counter in banks should be opened for only insured farmers' and 'Crop cutting experiment should be properly carried out' and ranked 10.5 among suggestions. 'Transparent disclosure of full details of scheme' (25.00%), 'Procedure to purchase Crop Insurance should be made easy and at farmers door step or nearest place' (22.22%), and 'More number of trainings need to be organized on PMFBY' (18.06%), ranked 12, 13 and 14, respectively. 'There should be one financial institution at each and every panchayat which guide and assist the PMFBY scheme' (12.50%), 'All crops need to be covered to make it a strong risk mitigating tool' (9.72%) and 'More number of crop cutting experiment should be conducted' (8.88%) were suggested by relatively less number of respondents and ranked 15, 16 and 17, respectively.

## Conclusion

From the result of the study, it can be concluded that Major constraints faced by the crop insured farmers were; complex

procedure in availing PMFBY, individual assessment was not followed and more time required for getting compensation. Major suggestions found that complex procedure should be simplified, if insurance claim not settled then some incentives should be given to insured farmers by Government and individual assessment should be followed in the scheme.

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