



E-ISSN: 2278-4136  
P-ISSN: 2349-8234  
JPP 2019; 8(5): 148-151  
Received: 19-07-2019  
Accepted: 21-08-2019

**Sushree Purabi Panigrahi**  
M.sc Scholar, Dept. of Extension  
Education, College of  
Agriculture, OUAT,  
Bhubaneswar, Odisha, India

**Debasmita Nayak**  
M.sc Scholar, Dept. of Extension  
Education, College of  
Agriculture, OUAT,  
Bhubaneswar, Odisha, India

**Mita Meher**  
M.sc Scholar, Dept. of Extension  
Education, College of  
Agriculture, OUAT,  
Bhubaneswar, Odisha, India

**Dr. B Parasar**  
Former Professor and Head,  
Dept. of Extension Education,  
College of Agriculture, OUAT,  
Bhubaneswar, Odisha, India

**Correspondence**  
**Debasmita Nayak**  
M.sc Scholar, Dept. of Extension  
Education, College of  
Agriculture, OUAT,  
Bhubaneswar, Odisha, India

## Difficulties faced by the rice growers of Bhadrak district of Odisha for subscription of Pradhan Mantri Fasal Bima Yojna (PMFBY)

**Sushree Purabi Panigrahi, Debasmita Nayak, Mita Meher and Dr. B Parasar**

### Abstract

India lives in villages and major part of the population earns its livelihood from agriculture. This sector contributes 17% to the GDP. Despite technological and economic advancements, the condition of farmers continues to be unstable due to natural calamities and price fluctuations. The impact of this variability is highlighted in drought years with news of farmer suicides in many parts of the country. In India crop insurance is one of the instruments for protecting farmers from agricultural variability. Pradhan Mantri Fasal Bima Yojana is an initiative of Government of India to provide insurance coverage and financial support to the farmers. Constraints, huddles, bottlenecks, problems and hindrances are all such words which prevent an individual to reach at destination, undertake action as per the decision or achieving a stated objective. Unfavorable attitude towards the scheme, high premium rate, lack of information regarding the scheme and huge time gap to get the compensation are the major constraints faced by the respondent farmers.

**Keywords:** Pradhan Mantri Fasal Bima Yojana, constraint, huddles, hindrance, premium rate

### Introduction

India being an agrarian country this sector contributes 17% to the GDP the need to protect farmers from agricultural variability has been a continuing concern of agriculture policy. According to the National Agriculture Policy (NAP) 2000, "Despite technological and economic advancements, the condition of farmers continues to be unstable due to natural calamities and price fluctuations". The impact of this variability is highlighted in drought years with news of farmer suicides in many parts of the country. In India crop insurance is one of the instruments for protecting farmers from agricultural variability. Other instruments include open market operations at minimum support prices (MSP) and Calamity Relief Funds.

In India crop insurance has been subsidized by the central and state governments, managed by the General Insurance Corporation (GIC) and delivered through rural financial institutions, usually tied to crop loans. The government has now established a separate Agriculture Insurance Company with capital participation of GIC, the four public sector general insurance companies, and NABARD. Insurance policies so far have provided crop yield insurance.. Recently private insurers and the newly formed government Agriculture Insurance Company have executed pilot projects to sell rainfall insurance to farmers, as a substitute for, or complement to crop insurance provided by the government. Some of these initiatives may be partly motivated by the Insurance Regulatory and Development Authority (IRDA) requirement for new entrants to provide coverage to rural and social sectors.

### Research Methodology

Research methodology is the structural configuration of the study for conducting research within the frame work of the objectives. It includes methods, tools, techniques and approaches for any research work. Methodology furnishes the building block, back bone of the process of enquiry and reasoning, data generation as well as processing. It may be understood as a science of studying how research is done scientifically. As a whole, research methodology is concerned with the objective verification of generalisation which requires logical analysis of problems and devising appropriate procedure to obtain evidence.

A research design is the programme that guides the researcher in the process of collecting, analysing and interpreting observations to draw inferences. Keeping in view the objective of the study, the researcher tried to include socio-economic benefits in the study. The present research study comes within the purview of survey research mainly to 'Ex-post facto in nature. In the light of the objectives and scope of the study, decisions were taken on the techniques of

investigation, research materials and tools to be used and patterns of statistical analysis to be incorporated.

The research was carried out in 2 blocks of Bhadrak district. Out of which 2 gram panchayats from each block and 2 villages are from each gram panchayat were selected. The focus of the study was to assess the consequent socio-economic benefits of the rice growers in Bhadrak district due to Mantri Fasal Bima Yojna (PMFBY) along with constraints faced by them. Both purposive and random sampling techniques were followed to select the respondents for the study. The district Bhadrak was selected purposively. The block, gram panchayat and villages were also selected purposively. Random sampling techniques were followed to select the respondents. 15 respondent farmers i.e rice growers from each village were selected randomly covering the total sample size of 120. Respondents were selected randomly covering the rice growers both covered and not yet covered under the Pradhan Mantri Fasal Bima Yojna.

### Result and discussion

Constraints, huddles, bottlenecks, problems and hindrances are all such words which prevent an individual to reach at destination, undertake action as per the decision or achieving a stated objective. In the present study the respondent farmers do experience varieties of constraints when they are in a mood to get themselves enrolled by the way of subscribing the crop insurance policy under PMFBY. The constraints are classified as per their nature such as social, financial, promotional and operational constraints which are discussed sequentially with adequate data presented in the tables given below in the sequence.

#### Social constraints

Man is a social animal and man without society is either a beast or a god, which was once stated by the great philosopher Aristotle. So any decisions actions when taken in a social framework in many time not only give a kind of vibration in social structure and function but also the very psyche of the individual who is directly or indirectly involved in the process. The very attitude, perception, understanding with regard to the PMFBY pose some problems which in tern experience as a constraint from the point of view of farmers covered under the crop insurance scheme. In order to know the ground reality the scholar probed deeply into this constraints and data which are collected from the respondent farmers and given below in the following table.

**Table 1:** Dimensions of Social Constraints (N=120)

Sl. No.	Constraints	Mean Score	Rank
1	Unfavorable attitude towards the scheme	2.25	1
2	Crop insurance is a complicated process	2.15	3
3	Dispute while settling claims	1.78	4
4	Lack of trustworthiness	2.18	2

It is observed from the above table that unfavorable attitude of farming community towards the scheme pose number one constraint, among various socio-psychological constraints the other constraint like lack of trust worthiness and farmers perception as crop insurance is a complicated process are ranked as 2<sup>nd</sup> and 3<sup>rd</sup> constraint respectively. Another important constraint which follows the previous three constraints is arrival of dispute situation while settling the claim is also a matter of great concern. This may be attributed to the reasons as follows.

The enlisted scheme i.e Pradhan Mantri Fasal Bima yojna is only two years old and that too it does not enroll 100% famers which develop a kind of doubt in the mind of the farming community which makes a negative impact on the farming community and hence creating unfavorable attitude among the targeted beneficiaries.

Focusing on the guideline of the scheme, the provision of providing relief is based on the claim assessment on the notified area basis. The guiding rule strongly contradicts provision of relief individual basis. Beneficiaries are selected according to their crop loss percentage, due to all shorts of cumbersome process the trust factor is lacking among the farming community which is identified as one of the important social constraint.

The process of crop insurance is started form beginning of the crop year and it takes near about one year to finalise the percent of crop loss in specific area. Different financial institutions as well as implementing agencies are associated with the insurance disbursement process. Starting from subscribing the policy up to getting insured money it takes long time period and different officials are associated with it. Farming community find these process as more complicated and hence it is ranked as 3<sup>rd</sup> social constraint.

Though the scheme consists of various constraint still then there is a ray of hope about its transparency procedure for claim settlement as the dispute occurred during that time is not very much felt by the farmers. According to the farmer's perception appropriate procedure is followed and the rules and regulations are guided properly

#### Financial Constraints

A constraint is something that limits or controls what you can do. The decision to abandon any short of things due to lack of money is known as financial constraints. Being an human in 21<sup>st</sup> century money is the most important as we can say the integral part of our day to day life, because money is brighter than sunny and sweeter than honey. Being financial stable is the ultimate goal of today's generation. Financial constraints is the reason behind any rejection or discontinuance of any innovation, adoption, technology or any policy. These financial constraints are the main reason behind the involvement under any beneficial programme or scheme which in turn helpful for the community. In the present research study the researcher made an effort to list out the financial constraints faced by the respondent farmers in subscribing the policy under PMFBY and the data is presented in the table given below.

**Table 2:** Dimensions of Financial Constraint (N=120)

Sl. No.	Constraints	Mean score	Rank
1	Less compensation is offered.	1.93	3
2	Credit assessment is low from government.	1.84	4
3	High premium rate.	2.11	1
4	Minimum level of insurance is not fixed.	1.8	5
5	Lengthy credit formality procedure.	2.00	2

From the above table it can be mentioned that among the major financial constraint the provision of the premium rate fixed under the scheme is comparatively high for the farmers which is ranked as the 1<sup>st</sup> constraint. Constraints like lengthy credit formality procedure and less amount of compensation provision are ranked as 2<sup>nd</sup> and 3<sup>rd</sup> constraints respectively. As well as some of the important constraints like low credit assessment and there is no such provision of fixing minimum

level of insurance are ranked as 4<sup>th</sup> and 5<sup>th</sup> respectively. This may be attributed to the reason as follows.

As farming community is not properly aware about the benefits of insuring the crops, so they hesitate to invest money in terms of premium, which is comparatively high in their point of view. As there is no certainty in return farmers are not interested to invest money in the uncertainty procedure. From farmer's point of view they will like to invest in quality input which will enhance the production rather than investing in cop insurance.

Lengthy credit formalities is the major drawback to subscribe the scheme as it is very complicated process for the farmers. Beneficiaries of the year 2016 got relief near about after 1 year so focusing on the delay of relief farmers are not interested to insure the crop as they will not get the benefit in the needy situation.

According to farmer's point of view the amount they are getting from the claim is not sufficient enough as compared to the devastation of their cop field. The amount of relief is relatively low. As farmers are giving high rate of premium they are no getting that much in return.

Credit assessment which is finalized by the government is not sufficient enough for the farming community. Including appropriate policy framework and assessing the insurance amount should be finalized focusing on the need and extent of crop loss.

As the insurance amount is given basing on the scale of finance the farmers are getting return according to their land holding. For this process the claim amount varies from farmer to farmer. According to the farmer's opinion a minimum level of claim amount should be fixed for which it will be beneficial to the farming community.

### Promotional Constraints

Promotion refers to any type of communication used to inform or persuade target audiences of the relative merits of a product, service, brand or scheme. The aim of promotion is to increase awareness, create interest among the targeted communities. Promotion of any product, service, or scheme helps in dissemination of necessary information from the implementing agencies to the target beneficiaries. Promotional constraints will hamper the diffusion rate of any innovation, novelty, idea or scheme. It will create obstacle in the process of mass awareness for which the benefits are masked by all such of constraints. Promotional constraints is the major reason behind the lack of awareness about the benefits of social welfare schemes. In the present context different promotional constraints are identified by the researcher and presented in the table given below.

**Table 3:** Dimensions of Promotional Constraint (N=120)

Sl. No.	Constraints	Mean score	Rank
1	Lack of information regarding crop insurance scheme.	2.27	1
2	Lack of public extension system	1.98	5
3	Lack of mass awareness programmes	2.12	3
4	Non involvement of insurance agents in local areas.	2.13	2
5	Insufficient training programme.	2.00	4

From the above table it can be inferred that lack of information regarding the crop insurance scheme is the major constraints for the targeted community of the particular area which pose number one constraint. Non involvement of

insurance agents in local areas and lack of mass awareness programme are ranked as 2<sup>nd</sup> and 3<sup>rd</sup> constraints respectively. The 4<sup>th</sup> rank is posed by the insufficient training programme constraint. This may be attributed to the reasons as follows.

Lack of information availability is the major reason behind the slow diffusion rate of the scheme. As the scheme is still in the infant stage, proper promotion procedure is not yet followed. Farmers are not yet aware about this scheme. Implementing agencies are engaged with their due work pressure and with the short span of time whatever information is disseminated to the farming community that is not upto the reach.

Availability of insurance agents is limited in the rural area which is a major promotional constraint. As the premium rate of crop insurance is relatively lower than other insurance policies both insurance companies and agents are not interested for implementing the crop insurance scheme and hence non availability of the insurance agents in local areas is marked.

Awareness can be enlisted as the major factor behind the promotion of the scheme. As government and non government officials are overloaded with various ongoing programmes they can not devote sufficient time for conducting mass awareness programmes.

Training programme is conducted to build the basic concept about the very scheme or any process to adopt by the farming community. Insufficient number of trainee is the major drawback for the reason behind the constraint. As the scheme is not yet properly penetrated within the farming community training process should wait the completion of the awareness stage.

Public extension system plays the key linkage activities within the farming community and the scheme implementing agency. As per the data available lack of public extension system is ranked as 5<sup>th</sup> constraint which indicates the importance of public extension system in the particular area and as the extension functionaries have to undertake different developmental activities of the particular area the process is getting slower.

### Operational Constraints

It is well known fact that no matter how well a programme or a scheme is planned out or thought through, it is of no use until and unless it is carried out effectively and efficiently. It is an issue relating to implementation and operation of the programme or scheme. Such operation or implementation or its execution is not always smooth due to various constraints which is faced by both the functionary and beneficiaries at the time of very execution and that it appears in different form and manner. In the present study the crop insurance scheme does suffer due to certain operational constraints, which are identified by the research scholar and presented in the table given below.

**Table 4:** Dimensions of Operational Constraint (N=120)

Sl. No.	Constraints	Mean score	Rank
1	More time required for getting compensation.	2.05	1
2	Claim stage should be known to farmers.	1.79	5
3	Lack of involvement of concerned farmers at assessment stage.	1.81	4
4	Lack of involvement of co-operatives.	2.04	2
5	Involvement of Limited number of insurance company.	2.03	3
6	Inadequate weather data availability	1.75	6

It is inferred from the above table at the time of crop loss the insured farmers do not get compensation so immediately rather than leading towards a type of time consuming process for getting due compensation which pose number one constraint. When crop insurance scheme is operational in the study area. The other constraints like lack of involvement of co-operatives, involvement of very limited number of insurance company are 2<sup>nd</sup> and 3<sup>rd</sup> constraints respectively during it's execution process. Another important constraint which follows previous three constraints as stated earlier as association or involvement of for the very presence at the time of assessment of crop loss made by the concerned authorities may be representative of the company or banking personnel through whom the compensation is given. The 5<sup>th</sup> constraint is equally important is that the farmers are not educated about the actual stage at which they can make the claim. Apart from all these constraints the availability of inadequate weather data which is depicted as the 6<sup>th</sup> constraint is also a matter of great concern. This may be attributed to the reasons as follows.

It is understood that dealing with crop insurance is not the only agenda for the institution, organization and individuals as they are already preoccupied with their mandated activities of their respective institutions, organizations and sector on behalf of which they represented. So the efforts, sincerity and time of these entities are getting diluted and hence unable to give undivided attention or time to the matter of insurance claim and consequently it is getting delayed.

The lack of involvement of co-operative societies may be due to the fact that initial year of implementation of Pradhan Mantri Fasal Bima Yojna particularly in the study area only bank is involved not the co-operatives is only because bank directly deal with the money and no such dealing with money is dealt by co-operatives though they sometimes deal indirectly.

The involvement of less number of insurance company may be due to the fact that the premium they expected from the insured farmer is so meager that they are not very much interested to put sincere effort with regard to time and manpower, even though this is a policy decision of government of India. This is because with the same time, effort, manpower they can motivate their perspective clients for other product of their respective company for more monthly or annual premium which is always beneficial for the company in terms of benefit cost ratio.

The non involvement of farmers at assessment stage is may be due to the fact that the time of insured farmers and with that of the functionaries do not found to be compatible to each other for which such situation is observed.

Unaware or unknown about the stage at which farmers should be considered and accordingly make effort in claiming compensation for crop loss is an incidental problem as farmers are having in their mind that once they are insured their crop they will get the compensation on event of crop loss and on the same token the insurance company/compensation disbursement agency like bank is not bothering so much and waiting the farmers to knock at their door for such claim. Even if the claim stage is known to some farmers and the situation is becoming worst when the claim stage is not really known to the farmers.

As it is a well known fact that under PMFBY scheme the crop insurance is linked with crop loss or damage of the crop which is more visibly assured under the severe drought or flood condition and since drought and flood is linked with the prevailing weather condition or the climatic zone of the study

area, availability of adequate weather data is a determinant basing upon which the assessment of crop loss is done. Since weather is an unpredictable phenomena and the meteorological observation outfit at grass root level are hardly found in state like Odisha, it is very much difficult to make adequate data available for the purpose of assessment and hence the problem.

### Conclusion

Majority of the Indian farmers belong to complex, diversified and risk prone area and only a fortunate few belong to well endured areas. That apart another chunk of the farming community who venture for commercial agriculture irrespective of their geographical area do have. As the Pradhan Mantri Fasal Bima Yojna is till now in the infant stage most of the farming community is not yet aware about the beneficial impact of the scheme. Improper dissemination of information network fail to convey message from implementing agency to the targeted beneficiaries. As there is a huge gap period from the time of enrollment to get relief to the actual pay back period most of the farmers are not getting money during the need situation which impart negative feeling among the farming community. Lack of mass awareness programme and training provision majority of the targeted farmers are not yet properly aware about the crop insurance scheme which act as an helping hand in hazardous conditions.

### Reference

1. Agricultural Insurance Ramiro Iturrioz non-bank financial institutions group global capital markets development department financial and private sector development vice presidency primer series on insurance 2009, 12
2. Ajithkumar GS, Manojkumar K, Sreekumar B. Crop Insurance Scheme: A case study of banana farmers in Wayanad district, 2003.
3. Bhende MJ. Agricultural Insurance in India, Problems and Prospects. Department of Economic Analysis and Research, National Bank for Agriculture and Rural Development, 2005.
4. Government of India. Press Release on PIB, 13 January 2016, Government of India, New Delhi IRDA (2014), Handbook of Insurance Statistics and Annual Reports: Various Issues, IRDA, 2016.
5. Jayakumara RV, Kumar P. Impact of Crop Insurance on Rice Farming in Tamil Nadu. Agricultural Economics Research Review. 2012; 25(2):291-298
6. Kumara DS, Barah BC. An Analysis of Farmers' Perception and Awareness towards Crop Insurance as a Tool for Risk Management in Tamil Nadu. Agricultural Economics Research Review, 2011.
7. Raju SS, Chand R. Agricultural Insurance in India Problems and Prospects, 2008.
8. Sunder J, Ramakrishnan L. A Study on Awareness, Purchase Benefits and Satisfaction Level towards Crop Insurance. Pacific Business Review International. 2015; 7(11):38-45.