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PRADHAN MANTRI FASAL BIMA YOJANA HELPING FARMERS IN NATURAL DISASTERS: AN ANALYSIS

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Abstract : Agriculture is the backbone of Indian economy. It is only 16 per cent of agriculture's share in the country's GDP, while about 60 per cent of the population depends on it for their livelihood. Indian agriculture has to bear the risk of losses due to droughts, floods and other natural disasters. In recent years, indebtedness, crop failure, non-remunerative prices and poor returns have also led to agrarian distress in many parts of the country. Due to Indian agriculture being agriculture-oriented, the Indian government started many schemes for the development of agriculture from time to time, but even after all these schemes, the uncertainties of the agricultural sector were not resolved, so that today farmers are not safe even in the 21st century.

Therefore, realizing the importance of the agricultural sector, on 13 January 2016, the government launched the Pradhan Mantri Fasal Bima Yojana (PMFBY) to remove crop uncertainties in the interest of the farmers of the country, to protect them from the risky nature of farmers which is "One Nation-One Plan". Present paper is a descriptive research paper which highlights the specialty of the scheme and its possible effects in the betterment of Indian farmers. Also, this paper attempts to study the conceptual framework of the scheme and identify the benefits of Pradhan Mantri Fasal Bima Yojana (PMFBY) in the country.

Keywords : PMFBY, Agriculture, Rabi, Kharif, Premium Rates, Insurance

Introduction

Agriculture is the backbone of Indian economy. While it is a major employment provider sector, it contributes significantly to the gross domestic product (GDP). About 60 percent of the country's population depends on agriculture for their livelihood. Any field outside agriculture has the potential to absorb such a huge workforce. Agriculture is the main occupation for about 48.9 percent of the country's rural population. According to the Economic Survey of India 2014-15, agriculture and its allied sectors contributed 51.73 per cent of GDP in 1954-1955, which declined to 13.94 per cent in 2013-14. Agriculture's share of employment was 48.9 percent of the workforce and its share in gross domestic product (GDP) was 17.4 percent in 2015-16 (Source: Economic Survey 2015-16). Despite the steps and programs taken by the government, measures and assurances given to farmers by various political parties, the plight of farmers continued unabated in much of the country. According to the data of the Ministry of Agriculture, the total number of suicides committed by farmers due to agricultural difficulties during the last three years (1915-17) is 3313. Out of which 3301 suicides occurred in five states - Maharashtra, Telangana, Karnataka, Andhra Pradesh and Kerala. According to government data, 207 districts in nine states have been hit by drought. 90 lakh hectares of land was affected due to the drought and the affected states had sought relief amount of more than Rs 25,000 crore from the central government. Apparently, farming continues to be in crisis, as indicated by ongoing farmer suicides. More than 300,000 farmers have committed suicide since the beginning of the new millennium. This shows that governments and policy makers have not learned from past experiences and failures.

Agriculture is not only a source of food grains availability but also provides raw materials for many major industries, such as cotton textile industry, jute industry, sugar industry, tea industry, cigarette industry and tobacco industry, etc. Agriculture is a major source of national income. Agricultural products form an integral and major part of trade (national and international). There is world trade of tea, cotton, oilseeds, spices, tobacco etc. by India. Internal trade of agricultural products leads to an increase in the income of the taxpayer from the transport tax and international trade, which is absolutely necessary for the strengthening of the economy.

Agriculture affects the entire nation. Agricultural production curbs inflation, empowers industries, increases farmer's income and provides employment. Agriculture has economic importance as well as social importance. This region can play an important role in the eradication of poverty as most of the poor people are employed in this area and if the agriculture sector will develop then poverty will also disappear automatically.

Nature of Indian Agriculture

Decades after independence, the production of agriculture has increased manifold, but some factors prevailing in Indian agriculture are hindering its balanced growth and development. Still, the level of production per hectare in India is very low. If we step into the field of agriculture by adopting new technology, machinery and newly developed seeds for the development of agriculture, we can achieve more than the production level of the major countries of the world. It is absolutely necessary to give agriculture the status of an industry. Most of the agricultural areas in India are low-rainfall and irrigation facilities are also very limited there. Many areas are plagued by natural calamities like floods and droughts. Due to the variety of soil here, different types of crops are produced.

Our farmers still use the traditional technique of agriculture continuously and mostly do subsistence agriculture. Financial constraints prevent small and marginal farmers from adopting modern farming practices to increase productivity and production. Indian agriculture still widely relies on the monsoon for irrigation. About 60 to 70 percent of the net sown area depends on rainwater instead of continuous irrigation. The crunchy marketing and storage system, lack of traffic and market also speak of the problems of Indian agriculture.

As the Indian economy is predominantly agrarian, the Indian government has from time to time introduced several schemes for the development of agriculture, some of them, such as the Intensive Agricultural Development Program (1960–61), the Intensive Agriculture Sector Program (1964–65), Green Revolution (1966-67), Drought prone area program (1973) etc. But even after all these schemes, the uncertainties of the agricultural sector were not resolved, due to which the farmer is not safe even in the 21st century.

Since coming to power, the Modi government has launched several schemes for the promotion of development in every region of India, including to remove uncertainties regarding the crop of farmers, the Prime Minister of India, cabinet of Narendra Modi, on January 13, 2016, the Prime Minister approved the Crop Insurance Scheme. This scheme is an important gift for the farmers by the Indian Prime Minister, Honorable Narendra Modi, on the auspicious occasion of Lohri (Festival of Farmers) on 13 January. The Pradhan Mantri Fasal Bima Yojana (PMFBY) will reduce the crop losses due to natural calamities of farmers to a limit by paying the premium of the farmers.

Pradhan Mantri Fasal Bima Yojana (PMFBY)

The Comprehensive Crop Insurance Scheme, launched in 1985, was the first nationwide scheme, which later paved the way for the National Agricultural Insurance Scheme $\frac{1}{4}$ NAIS $\frac{1}{2}$ in 1999, followed by the revised NAIS $\frac{1}{4}$ MNAIS $\frac{1}{2}$. These schemes were merged into the National Crop Insurance Program in 2013. But the scheme had many important flaws which were not beneficial to the farmers.

The NSSO 70th Round shows that farmers working on less than one hectare, accounting for 70 percent of them, are earning far less than their minimum consumption expenditure. The Arjun Sengupta Committee considers the average monthly income of a farmer family as Rs 2,115 including Rs 900 earned from nonfarm activities. Similarly, the Costs of Agricultural and Commission of Prices (CACP) analysis has shown the return of many crops to a truly negative side/area. In fact, the Socio-Economic and Caste Census 2011 confirms that 75 percent of all rural households earn less than Rs 5,000 every month. Obviously, farmers are not going to benefit from making the insurance business sustainable with actuarial premium rates along with government payments.

The Committee on 'Medium-term Pathway on Financial Inclusion' under the chairmanship of Reserve Bank of India Executive Director, Deepak Mohanty, presented its report on 28 December 2015 in which the interest subsidy scheme for farmers and the implementation of subsidy amount in a phased manner Besides recommending to implement universal crop insurance scheme for small and marginal farmers. The Government of India is giving an interest subsidy of 2 percent on short-term crop loans up to Rs. 300,000 and further allows a 3 percent incentive for early repayment of loans. Interest subsidy in 2006 was Rs. Increased from 1,000 crores to 500 crores in 2016. The committee does not want to continue this expenditure even further as the scheme is for short-term crop loans, and as a result it discriminates against long-term loans and as such, does not encourage long-term capital formation in agriculture. In addition, concessional debt does not always go to the real farmer and increases the likelihood of its misuse. On the other hand, the committee instead recommends using this money to operate an effective crop insurance scheme to avoid wastage. Unfortunately, the committee feels that crop insurance may not be an option for cheap loans. In addition, the rising cost of credit will further increase the income of farmers, which in many cases is below the subsistence level. Shortly after the RBI presented the report, the NDA government led by the Prime Minister of India, Shri Narendra Modi, unveiled its new crop insurance scheme, the 'Pradhan Mantri Crop Insurance Scheme', which will begin from the Kharif crop cycle starting this June 2016. It was decided to implement.

On 13 January 2016, the Union Council of Ministers has given its approval to the proposal to start the Pradhan Mantri Fasal Bima Yojana (PMFBY). A provision of Rs 8,800 crore has been made for this scheme. Under the Prime Minister Crop Insurance Scheme, farmers will pay a fixed premium of 2 percent for the kharif crop and 1.5 percent for the rabi crop, fixed by the insurance companies. Pradhan Mantri Fasal Bima Yojana (PMFBY) has been made keeping in mind the interests of the farmers. In this, the insurance installments paid by the farmers against the crop that has been damaged due to natural calamities have been lowered, which can be easily paid by the farmers at every level. This scheme provides protection not only for Kharif and Rabi crops but also for commercial and horticultural crops, farmers will have to pay 5 percent premium (installment) for annual commercial and horticultural crops.

Objectives of Pradhan Mantri Fasal Bima Yojana (PMFBY)

The loss of crops due to various adverse climatic conditions and other disasters was an unfortunate part of the Indian agricultural sector. To protect our farmers especially marginal and landless farmers against these risks and uncertainties, it was an essential step to cover them under certain institutional governmental arrangements. Surviving up to their minimum cost also requires a guaranteed income from their agricultural products. Keeping all these in mind, the said scheme was launched by the Government of India. Following are the points which briefly describe the main objectives of this scheme -

1. To provide insurance coverage and financial assistance to farmers in the event of notified crop failure as a result of natural disasters, pests and diseases.
2. Stabilizing the income of farmers to ensure their continuity in farming.
3. To encourage farmers to adopt new and modern farming practices.
4. Ensure flow of credit in the agricultural sector.

Features of Pradhan Mantri Fasal Bima Yojana (PMFBY)

The salient features of the scheme are as follows -

1. Coverage of Farmers: This scheme includes farmers who have availed institutional loans through Kisan Credit Card (KCC) etc. and lenders are called farmers, farmers who get insurance cover on voluntary basis, which are non-indebted farmers. , Are called tenants and sharecroppers. This scheme is compulsory for loan taking farmers.

2. Coverage of crops: The responsibility of informing the crops lies on the State Governments for both Rabi and Kharif seasons. Crops will be classified into major crops and other crops.

3. Premium Rates: A uniform premium of 2 percent of the sum assured has been fixed for kharif crops and 1.5 percent of the sum assured for Rabi crops. The rate of premium for annual commercial and horticultural crops is 5% of the sum assured or actuarial rate, whichever is lower.

4. Insurance Unit: The scheme operates on an area based approach. The insurance unit may be a village or a gram panchayat or equivalent unit notified in the notification of the State Government.

5. Use of New Technology: The use of technology has been encouraged in the scheme. It has been proposed to use smart phones to capture and upload data to reduce the delay in claims settlement of farmers. Remote sensing and drones will be used to reduce the number of post-harvest experiments (CCEs) and remove discrepancies in field coverage.

6. Cluster Approach for Insurance Company: Under this scheme a cluster approach will be adopted wherein a group of districts will be allotted to the insurance company for a period of three years through a competitive bidding process.

Key facts of Pradhan Mantri Fasal Bima Yojana (PMFBY)

Pradhan Mantri Fasal Bima Yojana (PMFBY) is a gift for Indian farmers on the auspicious occasion of farmers festival Lohri, Makar Sankranti, Pongal, Bihu. Following are the main facts included in this Fasal Bima Yojana for the welfare of farmers -

1. The premium (installment) rates paid under Pradhan Mantri Fasal Bima Yojana have been kept very low for the convenience of the farmers so that farmers of all levels can easily avail crop insurance.
2. This scheme will be started from the coming kharif crops season.
3. All types of crops (Rabi, Kharif, Commercial and Horticultural crops) are included under this.
4. 2 percent premium will be paid for crops of kharif (paddy or rice, maize, sorghum, millet, sugarcane etc.).
5. A 1.5 percent premium will be paid for the rabi (wheat, barley, gram, lentil, mustard etc.) crop.
6. 5 percent premium will be paid for annual commercial and horticultural crops insurance.
7. There is no upper limit on government subsidy. If the remaining premium is 90 percent, it will be borne by the government.
8. The remaining premium will be given by the government to the insurance companies. It will be distributed equally between the state and the central government.
9. This scheme replaces the National Agricultural Insurance Scheme (NAIS) and the revised National Agricultural Insurance Scheme (MNAIS).
10. Its premium rate is much less than both the plans NAIS and MNAIS, as well as covers the entire sum insured compared to these two plans.
11. Earlier, there was a provision to cover the premium rate in the schemes, as a result of which less claims of payment were presented to the farmers. This capping was meant to limit the spending of the government subsidy premium, which has now been removed and the farmer will get the full claim against the amount claimed without any deficiency.
12. Under the Pradhan Mantri Fasal Yojana, the technology will be compulsorily used, so that the farmer can make an immediate assessment of the loss of his crop only through mobile.
13. This scheme determines the premium of all types of crops and implements insurance scheme for all types of crops.
14. Under the Pradhan Mantri Fasal Yojana, a target has been set to cover 50% farmers with the government spending 8,800 crores under the coming 3 years.
15. Man-made disasters like fire, theft, burglary etc. are not covered under this scheme.
16. To bring uniformity in premium rates, all districts in India will be divided into groups on a long-term basis.
17. This new crop insurance scheme is based on the theme 'One Nation One Plan'. It takes away all the goodnesses of the old schemes and removes the shortcomings and evils of those schemes.

Reasons for Launching the Pradhan Mantri Fasal Bima Yojana (PMFBY)

The Indian system is the most unique economy in the world. The Indian economy is called the agricultural economy because about 60 percent of India's population lives in agro-based industries and also exports about 1.5 percent of the food producers all over the world. India is the second largest agricultural producer in the world, accounting for about 14.2 percent of the GDP. In this way, it becomes clear that more than half of India's population and about 14 percent of the country's total national income comes from agriculture, which gives a strong foundation to the country's economy. Therefore, agriculture is rightly called the backbone of the Indian economy. Nevertheless, despite such high importance of agriculture in the country, Indian agriculture depends on the uncertain condition of nature.

Since independence, the Indian government laid special emphasis on industrialization for the development of the country, which made the agricultural sector backward, however, for the development of agriculture, the Indian government also launched several programs, including the Green Revolution (started in 1966-67) of the farmers. The biggest plan for the crop was, which gave birth to a new revolution in agriculture and improved the declining agricultural condition in India. But even after so many efforts by the government, the shape of the Indian agricultural structure did not change. Although, many schemes exist in India for the development of agriculture, but they do not completely reduce the agricultural risks and uncertainties of the farmers. Pradhan Mantri Fasal Bima Yojana (PMFBY) to a large extent provides protection to farmers from natural disasters (e.g. drought, flood, rain etc.). It correctly removes the evils prevailing in the old schemes, and gives an accurate explanation of the areas under insurance and all the crops that come under insurance.

Importance and Benefits of Pradhan Mantri Fasal Bima Yojana (PMFBY)

The Pradhan Mantri Fasal Bima Yojana is a very important scheme in itself as it is a agriculture related scheme, the mainstay of the Indian economy. This scheme came into existence at a time when India is facing a long-term rural crisis. Apart from this, some of the major importance and benefits of this scheme are as follows-

1. The rate of premium of the Prime Minister Crop Insurance Scheme is very low, so that farmers will be able to pay its installments easily.
2. This scheme covers all types of crops in the insurance sector, so that all farmers will also produce risky crops at the time of production of any crop, free from uncertainties.
3. This scheme will make the farmers psychologically healthy.
4. With the implementation of this scheme, the GDP will increase in future.
5. Implementation of this scheme will develop positive energy among the farmers, which will improve the efficiency of the farmers.
6. There will be a decrease in the number of farmers committing suicide due to drought and floods.
7. Any farmer can easily estimate his loss through smartphone.

Usefulness of Pradhan Mantri Fasal Bima Yojana (PMFBY)

The Prime Minister Crop Insurance Scheme has been implemented across the country by removing the anomalies of the insurance scheme. This is the biggest help of the government so far in the crop insurance scheme for the farmers. Due to the implementation of the Prime Minister's Crop Insurance Scheme, it has become possible for the farmer to get reasonable compensation due to crop damage due to natural conditions like excess rain, hailstorm, drought, pest attack and diseases etc. Under this, farmers will be able to insure certain crops by paying only 2 to 5 per cent of the premium amount. This is by far the lowest premium rate for farmers. The balance will be borne by the government even if the implementation of this scheme is more than 90 percent. Under this scheme, the government has changed the standards in terms of providing relief to the farmers suffering from the disaster. Previously, the compensation that was received due to the loss of more than 50 percent of the crop due to the disaster, will now be received at 33 percent. The amount of the payment was also increased by one and a half times. The historical decision has been taken to give full support price to the prices of food grains that have been spoiled due to excess rainfall, broken and low quality. Where previously there was a provision to give only 1.50 lakh rupees to the dead in natural disasters, it has been increased to 4 lakh rupees. 33580.93 crore was allocated to the State Disaster Relief Fund for the year 2010-15, while the amount has been increased to Rs. 61219 crore for the year 2015-2020.

Table 1 shows the state-wise status of beneficiaries under PMFBY in the year of its establishment i.e. FY 2017-17 -

Table 1: State wise number of farmers insured under PMFBY

States/UTs	Number of state insured farmers					
	Loanee	2016-17 Non-Loanee	Total	Loanee	2017-18 Non-Loanee	Total
Anadaman & Nicobar	324	0	324	-	0	0
Andhra Pradesh	1637867	133670	1771537	1637078	61594	1698672
Assam	60229	36	60265	26528	65	26593
Bihar	2672627	40551	2713178	2239812	37408	2277220
Chhattisgarh	1352433	196731	1549164	1279785	218224	1498009
Goa	757	0	757	542	0	542
Gujarat	1970507	4685	1975192	2547	1231067	1233614
Haryana	1332922	3062	1335984	1348632	2987	1351619
Himachal Pradesh	318642	60411	379053	188931	1647	190578
Jammu and Kashmir	0	0	0	64553	328	64881
Jharkhand	200681	677073	877754	158279	847592	1005871
Karnataka	1589762	1526672	3116434	653942	791593	1445535
Kerala	53211	24194	77405	38471	3471	41942
Madhya Pradesh	6483990	509137	6993127	6618096	280540	6898636
Maharashtra	4089619	7916713	12006332	2113915	7698713	9812628
Manipur	5928	2438	8366	-	0	0
Meghalaya	89	0	89	146	0	146
Mizoram	0	0	0	-	0	0
Odisha	1787620	32616	1820236	1745785	159835	1905620
Puducherry	44	8493	8537	-	0	0
Rajasthan	9242326	45610	9287936	8017230	359	8017589
Sikkim	0	574	574	312	518	830
Tamilnadu	326698	1123438	1450136	385941	994725	1380666
Telangana	903544	72278	975822	980851	33559	1014410
Tripura	3179	9349	12528	5042	5217	10259
Uttar Pradesh	6648660	21594	6670254	5356183	68875	5425058
Uttarakhand	228915	32656	261571	50934	15532	66466
West Bengal	2789072	1346117	4135189	1997916	546732	2544648
Total (All India)	43699666	13788098	57487764	34911451	13000581	47912032

Source: Lok Sabha Unstarred Question no. 2915, date 13.03.2018

Table 2 shows the percentage change of certain indicators to find and compare the effect of PMFBY on Kharif 2016 and Kharif 2017. Due to the lack of data for Rabi 2017-18 on the PMFBY website, the table does not show the percentage during this season. However, there has been a significant increase in the number of claims paid and farmers have benefited from 64 per cent and 29 per cent respectively.

While positive effects are important, it is also important to discuss negative changes. Table 2 shows that from Kharif 2016 to Kharif 2017 the number of insured farmers has declined by 14 percent and the total area of the insured farmers has also decreased by one percent in the last one year period. Therefore PMFBY has failed to achieve its main goals, namely in terms of growth in the area and increase in the number of insured farmers.

Table 2: Percentage change in indicators for Kharif season under PMFBY

	Kharif 2016	Kharif 2017	Percent Change
Farmers Insured	40258737	34776055	-0.14
Claim Paid (Crore)	10496.3	17209-9	0.64
Gross Premium (Crore)	16317.8	19767-6	0.21
Area insured (ha)	37682608	34053449	-0.10
Farmers benefited	10725511	13793975	0.29

Source: Author's compilation using data from the PMFBY website.

Financial Problems

1. Many state governments have failed to pay the subsidy premium on time, as these account for the premium sector in their budget. This is causing the insurance companies to delay or not pay claims. In 2016, the Bihar government had to pay 600 crore as premium subsidy, one-fourth of its agricultural budget of 2,718 crore in 2016. Since it would have reduced the available funds of the state government, it chose loan waiver as a cheaper option to win vote banks rather than direct transfers.

2. In 2016–17, private insurance companies paid compensation of 17,902.47 crore, and the difference between the premium received and compensation paid was 6,459.64 crore. In 2017-18, he paid 2,000 crores less in compensation. Thus, only 15,710.25 crore had to be paid in compensation during 2017-18. Clearly, insurance companies are tickling the banking system, as the gap widens despite the decline in the number of insured farmers. Despite the decline in the number of farmers benefiting, the insurance companies continue to benefit.

In addition, about 80–85 percent of the premium is paid by the government, which places a heavy burden on the government exchequer, causing delays in paying the premiums and, in turn, delays the claim-benefit process. Merely increasing the funds allocated to the scheme will not help the government in getting higher enrollment and lower premiums. What is needed is a strong system of trust and investment to provide credit and insurance.

Table 3 shows that the difference between gross premiums and compensation paid in the kharif season has reduced, reflecting a discrepancy on the disbursement of claims and profits made by private insurers.

Table 3: Premiums and Claims Payments (in Crores) in 2016-17

Season	Farmer Premium	Gross Premium	Claim Payment
Kharif 2016	2919	16317	10496
Rabi 2016-17	1296	6027	5681
Kharif 2017	3039	19768	17210

Source: PMFBY Website.

In which case the claim will be paid : In the event of less rain, no more than 75 percent sowing in adverse weather conditions, maximum 25 percent of the sum insured by the insurance company will be given to the farmers for compensation. In the period from sowing to harvesting, drought, flood, water flotation, pests and diseases, landslides, natural fires, lightning, storms, hail storms, cyclones, typhoons, sea storms, hurricanes, tornadoes, etc., produce less than 50% of the crop. In the event of this, 25 percent compensation will be given immediately. The loss will be payable by the insurance company in case of loss in yield exceeding the prescribed norms, damage due to untimely rains within a period of two weeks of spreading the crop to dry after harvest

Which crops are insured in kharif : Crops like millet, jowar, maize, moong, moth, guar, chaila, urad, soyabean, sesame, paddy, cotton, groundnut, linseed, guava, kinu, orange, pomegranate, onion, castor etc. have been applied.

Insured crops in various insurance schemes : Among the largest insurance schemes till date, this is a successful scheme which is beneficial for the benefit of farmers. State-wise total area of various insurance schemes and their details are given in Tables 4 and 5.

Table 4 : State-wise total insured crop area (2014-15)

States	Gross Crop Area (Million)	Total Sum Assured Area (Million)	Percentage Insurance Area
Rajasthan	23.95	11.91	49.70
Bihar	07.78	03.74	48.02
Madhya Pradesh	23.13	10.62	45.91
Maharashtra	21.87	04.87	22.26
Karnataka	11.75	01.44	12.25
Gujarat	12.60	01.39	11.02
Uttar Pradesh	25.83	02.05	07.95
Andhra Pradesh	13.65	00.54	03.96
Total (All India)	194.40	45.34	23.32

Table 5 : Total crop wise area in crop insurance schemes, which are insured by all the schemes (2014-15)

Crops	Gross area (in million)	Insured area (in million.)	Percentage of insured area
Paddy	42.76	10.02	23.43
Wheat	30.50	07.74	25.39
Coarse grains	25.15	05.95	22.88
Sugarcane	05.44	00.15	02.67
Cotton	11.90	01.53	12.92
Jute	00.85	00.07	08.18
Oilseed crops	29.10	10.43	35.84
Pulses crops	21.96	05.77	26.27
Vegetables	05.51	02.09	37.99
Fruits	03.77	00.21	05.58
Total	194.40	45.34	23.32

Promotion of Pradhan Mantri Fasal Bima Yojana:

To promote the Pradhan Mantri Fasal Bima Yojana, the Central Government has organized Pradhan Mantri Fasal Bima Yojana Awareness Campaign and one day fair in all the districts of India through Krishi Vigyan Kendras in all the states, so that the farmers can get information To be aware. Regional MPs, MLAs and all public representatives are required to be present in this event. Apart from this, farmers are also made aware at the district level through the Department of Agriculture. Along with this, the task of adopting the utility of the Pradhan Mantri Fasal Bima Yojana is also shown to the farmers through the Kisan Channel.

Recommendations and conclusions

An efficient crop insurance scheme is very important to compensate farmers' income loss due to various natural and man-made disasters and financing of inputs for agricultural production. Crop insurance is important for the protection of farmers, which in turn will give a boost to the agriculture sector for the strengthening of the economy. The said scheme will definitely benefit the farmers with low premium rates and wide coverage of insurance crops. It also provides coverage for post-harvest losses that were not fully included in the earlier plans. A comparative study shows that PMFBY is undoubtedly a better scheme than before in the field of crop insurance. But, in a country like India, designing and launching a scheme like PMFBY is not the ultimate end in the well being of the farmers of the country. The fruits of the scheme can be reaped only on its successful implementation. Existing and unheard problems in agriculture such as flawed land distribution, poor land records and corruption in settlement of claims are some of the familiar challenges that have existed for a long time and will hinder the successful implementation of the said scheme. Therefore, there is a need for strict monitoring and supervision of the scheme on behalf of the government, so that the farmer community of all regions can benefit from the said scheme.

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