

Assessing the Impact of Pradhan Mantri Fasal Bima Yojana (PMFBY) on Farmers of Tribal Area of Southern Rajasthan

Dr. Devendra Shrimali

Assistant professor,
UCCMS, MLSU, Udaipur

Dr. Khushbu Agarwal

Assistant professor,
Pacific Institute of Management,
PAHER University

Debendra Nath Dash

Assistant Director,
Research & Networking
MGNCRE, MOE, GOI,
Hyderabad

Abstract

In 2016 the government launched the crop insurance scheme, Pradhan Mantri Fasal Bima Yojana (PMFBY) to protect farmers from agricultural losses due to various reasons such as wide spread natural disasters, excessive rainfall, hail-storm and attack of insects, diseases etc. While the PMFBY has improved upon its predecessors, it faces structural, logistical and financial obstacles. Due to its extensive coverage and the creativeness of its designs, PMFBY stands out when compared to earlier crop insurance plans. However, there are certain challenges that are hindering growth of PMFBY and therefore there is need of policy makeover. Mainly southern Rajasthan is tribal dominated area with 3 complete and 4 partly tribal districts. The problems of tribal farmers of this area are different from other farmers. Due to marginal landholdings, lack of education & awareness and soarse habitation, the effect of PMFBY scheme is different in this area from other areas. The objectives of the current study is to assess how well the Pradhan Mantri Fasal Bima Yojana (PMFBY) is working in the tribal region of Southern Rajasthan in terms of governance, implementation, and farmer uptake behaviour, and to suggest some policy changes to improve its performance.

This study is intended to study the tribal farmers' opinion about PMFBY, so descriptive research design has been adopted. Because this research is on tribal area of southern rajasthan, therefore out of 7 districts of this region, 5 districts i.e. Banswara, Dungarpur, Pratapgarh, Udaipur and Sirohi were selected for the study. Samples were drawn from these districts on the basis of stratified purposive sampling method. A sample of 227 farmers was taken for the study. For collection of information, the tribal farmers have been interviewed with the help of semi structured questionnaires. The data so gathered on various parameters were analysed using various statistical methods such as mean relevance rating, standard deviation, chi-square test, t test etc.

Overview of Pradhanmantri Fasal Bima Yojana:

Agriculture plays a pivotal role in the development of Indian economy. Agriculture is the main source of living for about 58% of India's

population and contributes 19.9% in the Gross domestic production (GDP) of the country. The spirit of the farming community despite adversities (Covid-19) made agriculture the only sector to have clocked an encouraging growth of 3.4% at constant prices in year 2020-21, when other sectors glide. It is an established fact that most of the people live in rural India and their employment as well as food security depends upon agriculture. This dependence on agriculture is even greater in tribal areas. Indian food and grocery market is the world's sixth largest and as per estimates the Indian agricultural sector is going to increase to US\$ 24 billion by year 2025.

The agriculture work is chock-full of risk. Over 40% of total numbers of farmers are ready to relinquish agriculture occupation. Most of the farmers are migrating from rural areas to urban areas in search of alternative jobs. The wide spread natural disasters, excessive rainfall, hail-storm and attack of insects, diseases etc. are main reasons of heavy loss of production of crops each year. In addition to these, the costs of cultivation of crops have been escalating each year alongside the value of production of crops. Indian farmers are totally devoted to raise the production of their crops by the use of latest scientific techniques and inputs but they fail to get better yield due to occurrence of natural calamities.

The agriculture production and income is severely affected by various reasons such as floods, landslides, droughts, earthquakes, cyclones etc. Despite its role in economic development of the country Indian Agriculture is facing various problems such as crop failures, non remunerative prices for crops and poor returns on yield. Agrarian distress is so severe, that it is pushing many farmers to despair; about 39 percent of the cases of farmer suicides in 2015 were attributed to bankruptcy and indebtedness.

The crop yield instability is a normal phenomenon in Indian context because in one part or another, crops are suffering due to natural calamities. Every year there is a loss of around 1000 crore to the farmers. Therefore, it is necessary to assure the cultivating farmer that there is an institutional framework to compensate for the losses suffered by him. In this context, agriculture insurance is an important tool to protect farmers from future apprehensions and risks. But

unfortunately in the context of India, historically agriculture insurance has not played a big role in protecting the interest of farmers. One strategy used by farmers to maintain farm income and investment and protect against the catastrophic effects of losses caused by natural disasters or low market prices is agricultural insurance. By offering farmers a minimal level of protection, it lessens the impact of crop losses. It helps farmers invest more in agriculture by spreading out crop losses over time and space. As seen in many industrialised nations including the United States, Canada, and the European Union, it plays a significant role in safety-net programmes. However, it is important to remember that a comprehensive risk management approach should include crop insurance. The final step in the risk management process is insurance. The tool for redistribution of risk is insurance.

Review of Literature

Tiwari, R., Chand, K., & Anjum, B. (2020) tried to explore the reviews of earlier studies done in the segment of Crop insurance in India. Specially the researchers tried to explore the earlier studies on pradhan mantri fasal bima yojana (PMFBY). They stated that- "Farmers in India have been the victim of systemic neglect and live a marginalized life. Crop failure due to natural calamities and unfavourable climatic conditions puts farmers in a challenging situation leading to extreme hopelessness and suicides.

Singh, Nirvikar (2019) in their research paper —Punjab's Agricultural Innovation Challenge indicated In the introduction, the ultimate underlying cause of Punjab's economic problems was described as a governance deficit. This is an India-wide (and perhaps even worldwide) problem, but Punjab faces it particularly acutely, compared to many other states in India. Arguably, this is due to its recent history of conflict, which has attenuated effective political competition.

Joshua, Kwame and Benjamin (2019) in their research paper — "Willingness to pay for crop insurance in Tolon District of Ghana: Application of an endogenous treatment effect model" revealed that factors such as sex, age, contact with agrochemical dealers, and extension visits significantly affect farmer's awareness of crop insurance.

Rai (2019) in his research paper —Pradhan Mantri Fasal Bima Yojana: An Assessment of India's Crop Insurance Scheme indicated that insurance companies and regulators need to take a hard look at the efficacy of the PMFBY scheme. Claims are not being honored and insurance companies are making high profits without the benefits trickling down to the farmers. Left unchecked, this will erode the credibility of the financial sector. Without a credible financial sector, the solvency positions of rural banks will be at stake.

Kumbalep and Devaraju (2018) in their research paper —Awareness And Perceptions Of Farmers About Crop Insurance -A Study In Kolar District Of Karnataka State indicated that the Farmers in kolar district are dependent on farming and other sources for their livelihood. Good awareness creation and providing crop insurance at their familiar places like gram panchayat, credit cooperative societies and post offices will increase the percentage of farmers using crop insurance.

Thangjam, Ozukum And Feroze (2018) in their research paper —"Crop Insurance In North Eastern States Of India: Performance Of National Agricultural Insurance Scheme" indicated that the results that despite launching the NAIS in NE states as a means of risk management, it has served very limited purpose. The coverage in terms of area and number of farmers is very limited.

Research Methodology

Presumptive Analysis of the Problem

Agriculture plays a significant role in the development of Indian economy. Agriculture is the main source of living for about 58% of India's population and contributes 19.9% in the Gross domestic production (GDP) of the country. Rajasthan's economy is still largely dependent on agriculture, with the sector accounting for 25.59% of the state's overall GSDP in 2019–20. Rajasthan has robust agriculture and animal husbandry thanks to its varied agro-climatic conditions. A significant portion of the population relies on agriculture and related industries to make a living.

Risk and uncertainty are ubiquitous in agriculture as an economic activity due to inherent biological uncertainties. Rain-fed agriculture dominates the state of Rajasthan. The

monsoon season is brief. In Rajasthan, the monsoon arrives later and departs earlier than in other States. The timing of the rainfall varies, but it generally continues to be scarce, low, and erratic. The state's groundwater table is dropping quickly. Despite this, the state's economy is still based on agriculture and related industries, which still contribute significantly to the state's gross domestic product (GSDP). The tool for redistribution of risk is crop insurance.

The PRADHAN MANTRI FASAL BIMA YOJANA (PMFBY) is a flagship scheme that came into existence on April 1st, 2016. Despite of its several benefits still many farmers are not aware about this scheme and those who are aware are not having full knowledge thus hesitant to avail the benefits. The present study has been taken up on performance and evaluation of Pradhan Mantri Fasal Bima Yojana in tribal area of southern Rajasthan.

Objectives

This study has following objectives:-

1. To study the socio-economic status of farmers availing the benefit of Pradhan Mantri Fasal Bima Yojana in tribal area of southern Rajasthan
2. To assess the impact of Pradhan Mantri Fasal Bima Yojana on tribal farmers of Southern Rajasthan

Scope of the Study

The PMFBY aims at providing a comprehensive insurance cover against crop failure and thus helps in providing some kind of stability to the income of the farmer and motivate him to invest in agriculture. The insurance cover will also enable him to repay his loan, if any from a credit institution and hence prevent him from being a defaulter.

In view of the above, a study has been taken up on ASSESSING THE IMPACT OF PRADHAN MANTRI FASAL BIMA YOJANA (PMFBY) ON FARMERS OF TRIBAL AREA OF SOUTHERN RAJASTHAN. The population of study consists of tribal farmers of southern Rajasthan i.e. Udaipur, Dungarpur, Banswara, Pratapgarh and Sirohi.

Research Design

The overall operational framework of a research is termed as a research design. This study is intended to study the

tribal farmers' opinion about PMFBY, so descriptive research design has been adopted.

Sampling

The population of study consists of tribal farmers of southern Rajasthan. The sample of these respondents has

been selected by using stratified purposive sampling method. Initially the population frame has been divided into strata according to District i.e. Udaipur, Dungarpur, Banswara, Pratapgarh and Sirohi. Then from each stratum farmers have been contacted. In total 227 farmers were included in sample. Table 1 is depicting the sample frame:-

Table 1: Sample Frame

Strata	Area (KM ²)	Tribal Population	No. of Respondents
Udaipur	11724	1378012	58
Dungarpur	3770	983437	45
Banswara	5037	1372999	57
Pratapgarh	3730	550427	38
Sirohi	5136	191202	29
Total	29397	4476077	227

Sources of Information

The study has used the data collected from primary as well as secondary sources. The secondary data has been utilized in introduction and review of literature whereas the analysis and interpretations have been made on the basis of primary data. Information regarding sources is given below in detail:

Primary Sources

The tribal farmers have been interviewed with the help of semi structured questionnaires.

Secondary sources

The secondary data has played important role in identification of research gap and finalization of research objectives. The secondary data for this study has been collected from following sources: Journals of Insurance Sector, Newspapers & Magazines, PMFBY website, Annual Reports of Tribal Institutions.

Analysis of Data

The application of statistical tools and techniques on collected data is referred as analysis of data. The collected data was first entered and processed through MS Excel, at the same time coding of data was also done. This coded excel sheet was further imported in SPSS 21.0 for statistical analysis.

Demographic Profile of Respondents

The first section of questionnaire was designed to collect the demographic information of respondents. Accordingly this section of chapter presents the demographic profile of respondents.

Gender of Respondents

As per the data majority of respondents (N=164, Percentage=72.25) were males whereas rest 27.75% respondents (N=63) were females

Age of Respondents

As per the age of respondents they were classified into four categories. It was seen that maximum number of respondents were from age group of 40 to 60 years (N=92, Percentage=40.53) followed by 38.77% respondents (N=88) who were from the age category of 20 to 40 years. There were 7.05% respondents (N=16) from the age group of below 20 years and 13.66% respondents (N=31) were of above 60 years age.

Marital Status of Respondents

Majority of respondents (N=182, Percentage=80.18) were married. 12.78% farmers (N=29) were unmarried, 6.17% farmers (N=14) were widow and 0.88% farmers (N=2) were divorced.

Type of Family of Respondents

It was observed that 83.70% respondents (N=190) were having joint family and rest of the farmers (N=37, Percentage=16.30) were residing in nuclear family.

Number of Family Members of Respondents

Majority of farmers were having 5 to 10 members in family (N=171, Percentage=75.33). Few farmers (N=25, Percentage=11.01) indicated that they have more than 10 members in family whereas 13.66% farmers (N=31) were having one to four members in family.

Qualification of Respondents

25.99% farmers (N=59) have passed upper primary classes followed by 20.70% farmers (N=47) who have discontinued education after primary school. Few farmers have completed graduation (N=19, Percentage=8.37) or post graduation (N=9, Percentage=3.96).

Category of Respondents

In caste profile it was found that majority of respondents (N=111, Percentage=48.90) were from ST category followed by general (N=37, Percentage=16.30) and OBC (N=33, Percentage=14.54).

Farming Profile of Respondents

This section represents the farming profile of sample respondents as presented in following subsections:-

Type of Farmer

As per results depicted in table 2 it was observed that majority of respondents (N=132, Percentage=58.15) were small farmers which means their land holding was between 1 to 2 hectares followed by 25.55% marginal farmers (N=58) who were holding less than 1 hectare land. Rests of the respondents were either medium farmers or large farmers.

Table 2: Type of Farmer

Particulars	N	Percent
Marginal Farmer	58	25.6
Small Farmer	132	58.1
Medium Farmer	26	11.5
Large Farmer	11	4.8
Total	227	100

Agriculture as Occupation

Respondents were asked that how you treat agriculture as occupation 82.82% farmers (N=188) indicated that

agriculture is their primary occupation. For rest of the farmers (N=39, Percentage=17.18) agriculture is the secondary source of income

Table 3: Agriculture as Occupation

Particulars	N	Percent
Agriculture as Primary Source	188	82.82
Agriculture as Secondary Source	39	17.18
Total	227	100

Annual Income from Agriculture

Farmers were asked to indicate their annual income from agriculture and results received are presented in table 4. It was found that majority of respondents (N=91,

Percentage=40.09) were earning Rs 50001 to Rs 100000 annually from agriculture followed by 38.77% farmers (N=88) who were earning Rs. 100001 to Rs. 200000 annually.

Table 4: Annual Income from Agriculture

Particulars	N	Percent
Up to Rs. 50000	37	16.30
Rs. 50001 to Rs 100000	91	40.09
Rs. 100001 to Rs. 200000	88	38.77
More than Rs. 200000	11	4.85
Total	227	100

Farming Experience of Respondents

45.37% farmers were having the farming experience of more than 10 years followed by 38.33% respondents (N=87) who were engaged in farming from last 5 to 10

years. The rest of the respondents (N=37, Percentage=16.30) were engaged in farming from last 1 to 5 years.

Table 5: Farming Experience of Respondents

Particulars	N	Percent
Less than 1 Year	0	0.00
1 to 5 Years	37	16.30
5 to 10 Years	87	38.33
More than 10 Years	103	45.37
Total	227	100

Number of Family Members Involved in Farming

Table 6 is depicting the number of family members involved in farming. Majority of famers (N=142,

Percentage=62.56) indicated that their 2 to 5 family members are involved in farming whereas in 25.99% cases (N=59) the only respondent himself/herself is engaged in farming

Table 6: Number of Family Members Involved in Farming

Particulars	N	Percent
Only 1	59	25.99
2 to 5	142	62.56
6 to 8	21	9.25
More than 8	5	2.20
Total	227	100

Loan Profile of Respondents

This is the general tendency of tribal Rajasthan that farmers apply for loan to meet their farming expenses, so this section presents the loan profile of farmers in following sub sections:-

Loan Taken by Farmers

The sample respondents were asked that have you taken loan for farming and it was found that 81.94% farmers (N=186) have taken loan, whereas 18.06% respondents (N=41) have not applied for any kind of farming loan.

Table 7: Loan Taken by Farmers

Particulars	N	Percent
Yes	186	81.94
No	41	18.06
Total	227	100

Duration of Loan Taken by Farmers

The 186 farmers who have taken loan were asked to indicate their duration of loan and it was observed that majority of respondents (N=138, Percentage=74.19) have taken loan for less than 6 months duration which is termed

as short term loan. 15.59% farmers (N=29) have applied loan for 6 months to 1 year and rest of the respondents (N=19, Percentage=10.22) have applied loan for the time duration of 1 to 2 years.

Table 8: Duration of Loan Taken by Farmers

Particulars	N	Percent
Less than 6 months	138	74.19
6 months to 1 year	29	15.59
1 to 2 years	19	10.22
More than 2 years	0	0.00
Total	186	100

Source of Loan Taken by Farmers

Table 9 is presenting the source from which farmers have taken loan. In organized sources majority of farmers (N=109, Percentage=58.60) have taken loan from co-

operative bank followed by public sector bank (N=59, Percentage=31.70). In unorganized sources 41.40% farmers (N=77) have taken loan from money Lenders.

Table 9: Source of Loan Taken by Farmers

Organized Source	N	Percent	Unorganized Source	N	Percent
Public Sector Bank	59	31.7	Money Landers	77	41.4
Private Sector Bank	0	0.0	Relatives	30	16.1
Co-Operative Bank	109	58.6	Friends	19	10.2
Regional Rural Bank	51	27.4	Land-lords	28	15.1
Non-Government Organization	19	10.2	Kabuliwalas	0	0.0
Micro-Finance Institution	29	15.6	Others	0	0.0

Insurance Behavior of Respondents

This section presents the insurance behavior of tribal farmers as presented in following sub sections:-

First Enrollment in PMFBY

PMFBY enrollment is done twice in a year i.e. during Rabi or Kharif season, so farmers were asked that when they

have enrolled in PMFBY. Results indicated that majority of farmers (N=131, Percentage=57.71) have been enrolled to PMFBY in last season whereas 30.40% farmers were the old customers of PMFBY. The rest of the farmers (N=27, Percentage=11.89) were fresh customers who have recently applied for PMFBY.

Table 10: First enrollment in PMFBY

Particulars	N	Percent
In Current Season	27	11.89
In Last Season	131	57.71
Before to last Season	69	30.4
Total	227	100

Type of Enrollment in PMFBY

Results depicted that 63.44% farmers (N=144) have been compulsorily enrolled to PMFBY as they have taken

agricultural loan while rest of the farmers (N=83, Percentage=36.56) have voluntarily enrolled themselves in PMFBY.

Table 11: Type of Enrollment in PMFBY

Particulars	N	Percent
Voluntarily	83	36.56
Compulsorily	144	63.44
Total	227	100.00

Major motive of Enrollment in PMFBY

Table 12 is presenting the farmers motive of getting enrolled in PMFBY. It is clear from the results that apart from the compulsorily enrollment (N=144,

Percentage=63.44) the major motive of enrolling to PMFBY was to get protection against future losses (N=52, Percentage=22.91).

Table 12: Major motive of enrollment

Particulars	N	Percent
To get protection against future losses	52	22.91
Strongly recommended by other farmers/relatives/friends	20	8.81
Past experience of getting compensation	11	4.85
Compulsorily premium deduction out of crop loan	144	63.44
Other	0	0.00
Total	227	100

Farming Loss History of Respondents

The core objective of PMFBY is to protect the farmers from farming losses so this section describes the farming loss history of tribal farmers as presented in following sub sections:-

Experienced farming loss after enrollment

First of all farmers were asked that have you observed any kind of farming loss after enrolling to PMFBY and it was observed that after enrolling to PMFBY scheme 16.30% farmers (N=37) have experienced farming loss.

Table 13: Experienced farming loss after enrollment

Particulars	N	Percent
Yes	37	16.30
No	190	83.70
Total	227	100

Kind of Loss Experienced

When asked about the kind of loss experienced it was found that Yield loss due to heavy rainfall, pests, diseases etc. was experienced by maximum number of farmers (N=22,

Percentage=59.46). The other kind of farming losses faced by farmers were couldn't plant due to deficit rainfall or adverse weather (N=11, Percentage=29.73), Crop sale at loss (N=3, Percentage=8.11) and Losses during storage (N=1, Percentage=2.70).

Table 14: Kind of Loss Experienced

Particulars	N	Percent
Couldn't plant due to deficit rainfall or adverse weather	11	29.73
Yield loss due to heavy rainfall, pests, diseases etc.	22	59.46
Losses during storage	1	2.70
Crop sale at loss	3	8.11
Any Other	0	0.00
Total	37	100

Claimed Compensation under PMFBY

Further these 37 farmers (100%) were asked that have you claimed compensation under PMFBY scheme and as a response 29 farmers (78.38%) indicated that they have

claimed compensation under scheme whereas 8 farmers (21.62) reported that they have not claimed compensation under PMFBY.

Table 15: Claimed Compensation under PMFBY

Particulars	N	Percent
Yes	29	78.38
No	8	21.62
Total	37	100

Received Compensation under PMFBY

At last it was observed that out of total compensation claims 51.72% claims (N=15) have been settled, while 34.48%

claims (N=10) were under process. The claims of 4 farmers (13.79%) have been rejected.

Table 16: Received Compensation under PMFBY

Particulars	N	Percent
Yes	15	51.72
No	4	13.79
It is under Process	10	34.48
Total	29	100

Impact of PMFBY on Tribal Farmers

To measure the impact of PMFBY, farmers were given a list of statements and they were asked to indicate their level of agreement of five point likert scale ranging from strongly disagree (1) to strongly agree (5). The Mean, S.D. and C.V. of the individual statements are presented in table 17. According to farmers PMFBY has motivated them to use Agriculture as Primary Income Source, PMFBY has

reduced the fear of agriculture losses, PMFBY has helped them in increasing the area under cultivation, PMFBY has given them confidence of taking agriculture loan, PMFBY has reduced their stress and PMFBY has created significant difference in their farming life. This all shows the positive aspects of PMFBY. The major drawback of PMFBY highlighted by the farmers was that premium amount of PMFBY has decreased their amount of loan.

Table 17: Impact of PMFBY on Tribal Farmers

Statements	Mean	S.D.	C.V.	Level of Agreement
PMFBY has motivated me to use Agriculture as my Primary Income Source	3.42	1.24	0.36	Agree
PMFBY has reduced the fear of agriculture losses	3.62	1.23	0.34	Agree
PMFBY has introduced the indirect financial inclusion	2.85	1.29	0.45	Neutral
PMFBY has helped in poverty reduction	2.99	1.25	0.42	Neutral
PMFBY has helped me in increasing the area under cultivation	3.45	1.24	0.36	Agree
PMFBY has motivated me to use modern techniques of agriculture	2.66	1.23	0.46	Neutral
PMFBY has given me confidence to change my cropping pattern	2.81	1.32	0.47	Neutral
PMFBY has given me confidence of taking agriculture loan	3.70	1.22	0.33	Agree
PMFBY helped me to stabilize income during disaster period	2.96	1.09	0.37	Neutral
PMFBY has improved my social status	2.89	0.92	0.32	Neutral
PMFBY has ensured the economic independence	3.15	1.30	0.41	Neutral
PMFBY has reduced my stress	3.55	1.22	0.34	Agree
PMFBY protected me from risk/adverse situation in farming.	3.21	1.33	0.41	Neutral
PMFBY has stabilized my income to ensure continuance in farming	3.01	1.23	0.41	Neutral
PMFBY has decreased my amount of loan	2.48	1.77	0.71	Agree
PMFBY has not helped me economically	2.93	1.37	0.47	Neutral
PMFBY does not have any impact on my agricultural issues	3.67	1.84	0.50	Disagree
PMFBY has not created any significant difference in my farming life.	3.46	1.62	0.47	Disagree

Table 18 is depicting the overall impact of PMFBY on tribal farmers. It can be seen that as per results 67.43% farmers (N=153) indicated the positive impact of PMFBY on their

lives whereas 32.75% farmers (N=74) said that PMFBY has negatively impacted them. As per the mean score (56.24) PMFBY has positive impact on tribal farmers.

Table 18: Overall Impact of PMFBY on Tribal Farmers

Overall Impact of PMFBY	N	Percentage
Negative	74	32.57
Positive	153	67.43
Total	227	100
Mean Score	56.24	
Result	Positive	

It has been observed that PMFBY has positive impact on tribal farmers but to measure the significance of this impact one sample t-test was applied against the theoretical mean 54 and results are presented in table 3.33. The t-statistic is found to be significant so it can be concluded that PMFBY

has significant impact on tribal farmers. As the calculated mean (56.24) is higher than the theoretical mean (54.00) so it proved that PMFBY has positive impact on tribal farmers.

Table 19: One sample t-test results to measure significance of Overall Impact of PMFBY on Tribal Farmers

Variable	Test Value = 54.00				Result
	Mean	t-value	degree of freedom	p-value	
Impact of PMFBY	56.24	11.29	226	0.00	Significant

Level of Significance = 5%

Summary & Policy Implications:

Mostly the type of farmers participated in the survey were small farmers which means their land holding was between 1 to 2 hectares followed by marginal farmers whose land holding was less than 1 hectare. The 82.82% farmers who participated in the study were mainly dependent on agriculture for their revenue. Around 56% of the farmers were having annual income of less than Rs. One lakh. This may be because the area is tribal dominated and there are very less opportunities for commercial farming. In fact the tribal farmers are mostly illiterate and marginalized from main stream development process. Out of all the respondent farmers over 80% farmers have taken loan for the farming purposes. However, they have taken loan for less than 6 month period. After money lenders, institutionally cooperative banks have emerged as an institution giving credit to farmers. The main reason for that is their access and proximity to the farmers.

PMFBY enrollment is done twice in a year i.e. during Rabi or Kharif season, so farmers were asked that when they have enrolled in PMFBY. Results indicated that majority of famers have been enrolled to PMFBY in last season whereas 30.40% farmers were the old customers of PMFBY. The rest of the farmers were fresh customers who have recently applied for PMFBY.

For loanee farmers to open a KCC account or acquire a crop loan for one of the above crops, the programme is compulsory. However, it is optional for other farmers who are not loan recipients and who have an insurable interest in the insured crop (s). In the present study 2/3rd of the farmers were enrolled compulsorily whereas 1/3rd farmers optionally opted for this.

Major motive of enrollment is compulsorily enrollment followed by the major motive of enrolling to PMFBY was to get protection against future losses. It was found that PMFBY have impacted tribal farmers. PMFBY have motivated farmers to use Agriculture as their Primary

Income Source. PMFBY has significantly reduced the fear of agriculture losses and also helped farmers in increasing the area under cultivation. PMFBY has been catalyst in reducing stress level for farmers. So overall there is positive impact of PMFBY on farmers of tribal area.

Overall, it seems that the PMFBY will run smoothly once the aforementioned policy concerns are resolved. This will encourage more farmers to sign up for the programme and act as a useful risk management tool for their farming enterprises. Additionally, it will keep them from defaulting on loan repayments, resolving the issue of agrarian distress.

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