

## A study on farmers perception and awareness of crop insurance scheme (PMFBY) in cuddalore District of Tamil Nadu

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### Abstract

Agriculture is the backbone of the Indian economy because it employs over 70% of the population, either directly or indirectly. Agriculture is at the heart of the Indian economy. Droughts, floods, cyclones, storms, landslides, and earthquakes have all had a substantial impact on agricultural production and farm revenue in India. Insurance is an important tool for providing protection in risky situations, and it plays an important role in agricultural production decisions, chemical usage decisions, cultivation techniques, and cropping pattern decisions. The current research looked at "A Study on Farmers Perception and Awareness of Crop Insurance Scheme (PMFBY) in Cuddalore District of Tamil Nadu." The study's specific goal is to examine farmers' perceptions and awareness of crop insurance schemes and to recommend appropriate measures to improve crop insurance schemes. According to the study, 51.67 percent of non-insured farmers were aware of the scheme. The remaining 48.33% of non-insurer respondents claimed they were unaware of the scheme. Those who were aware of the scheme learned about it from their bank or fellow farmers. In terms of the impact of the Crop Insurance Scheme (PMFBY), 82.50 percent of non-insurers stated that they had never used insurance before, while 17.50 percent of farmers stated that they had previously used insurance. There were several reasons given for not using the insurance provision. The majority of farmers were unaware of the insurance program, and 19.17 percent of farmers cited multiple reasons for not purchasing crop insurance. Non-insured farmers' proposals for improving crop insurance knowledge included the need for media to be aware of insurance programs, greater publicity about crop insurance programs, and more farmer meetings regarding crop insurance programs.

**Key words :** Agriculture, Awareness, Crop Insurance scheme, PMFBY, Natural Disasters, Farmers Perception.

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Agriculture is the backbone of the Indian economy, directly or indirectly employing more than 70% of the people. Agriculture is at the heart of the Indian economy. There is a popular saying in India that ‘Agriculture is a gamble of weather’. Our country has diverse climatic conditions from extreme temperate cold to the hot tropical regions. Our agriculture is dependent on monsoon rains and perennial rivers and rainwater harvesting structures like lakes, ponds, etc. Natural disasters Droughts, floods, cyclones, storms, landslides, and earthquakes all have a large impact on agricultural production and farm profitability in India. Insurance is an important tool for providing protection in risky situations, and it plays an important role in agricultural production decisions, chemical usage decisions, cultivation techniques, and cropping pattern decisions. Crop insurance is a potentially more effective risk-shifting mechanism that provides protection to all sorts of farmers, and its use as a risk management tool has expanded dramatically in recent years, as have crop insurance subsidies. They provide protection against several natural disasters. Agricultural insurance significantly improves farmers’ financial stability while lowering direct and indirect costs to the national economy. Crop insurance is required in India for loanee farmers who borrow money from banks and other financial entities. The Government of India has experimented and made efforts to meet this requirement by developing various crop insurance plans. To assist farmers in dealing In response to agricultural In the 2016 Kharif season, the Government of India launched its flagship scheme, the Pradhan Mantri Fasal Bima Yojana (PMFBY). The National Agricultural Insurance Scheme (NAIS) and the Modified

National Agricultural Insurance Scheme (MNAIS) were replaced by PMFBY. The Weather-Based Crop Insurance Scheme (WBCIS) is still in place, although its premium rates have been reduced to match those of PMFBY. State governments have the authority to decide whether PMFBY, WBCIS, or both should be implemented in their individual states. PMFBY is superior to NAIS and MNAIS. it is intended to minimize farmers’ crop insurance burden. The current research looked at “A Study on Farmers Perception and Awareness of Crop Insurance Scheme (PMFBY) in Cuddalore District of Tamil Nadu.” For the preparation of the manuscript relevant literature<sup>1-14</sup> has been consulted.

*Objectives of the study :*

Assess farmers’ perceptions and awareness of the Crop Insurance Scheme (PMFBY) and recommend appropriate ideas to improve the crop insurance scheme.

*Sources of data :*

The research design is to study the In the research area, crop insurance is perceived and understood. The current study relies on both primary and secondary data are used. Primary information from farmers were collected. via meeting with them in different agriculture working places in the study area. For this purpose the structure questionnaire was prepared. The secondary have been collected from the Joint Director of Agriculture Office – Cuddalore, District Statistical Office – Cuddalore and survey reports related to Farmers’ perceptions and knowledge of crop insurance scheme (PMFBY).

Table-1. Awareness of crop insurance scheme among Non-insured farmers

S. No	Particulars	Number of respondents	Percentage
<b>I Awareness of crop insurance</b>			
1.	Not aware	58	48.33
2.	Aware	62	51.67
	i) Through banks	23	19.17
	ii) Fellow farmers	31	25.83
	iii) TV/News paper	8	6.67

Table-2. Opinion of Non-insured farmers on Impact of Crop Insurance Scheme (PMFBY)

S. No	Particulars	Number of respondents	Percentage
<b>I Experience with crop insurance</b>			
1.	Experienced	21	17.50
2.	Not experienced	99	82.50
<b>II Reason for not availing the insurance</b>			
1.	Not aware about insurance	54	45.00
2.	Not necessary	17	14.16
3.	Lack of premium paying capacity	8	6.67
4.	Complex documentation	3	2.50
5.	Lack of co-operation from the bank	6	5.00
6.	Non-institutional source of loan	9	7.50
7.	More than one opinion	23	19.17
<b>III Mode of risk management in case of crop loss</b>			
1.	Sale of livestock	4	3.33
2.	Sale of fixed assets	3	2.50
3.	Borrowing from friends and relatives	35	29.17
4.	Bank loan	9	7.50
5.	Borrowing from money lender	16	13.33
6.	Hypothecation of house / Jewellery / Assets	53	44.17

*Sampling method :*

Because the population is so big, collecting data from the entire population within the time restriction is not practical. The quantity of members in each region varies. To determine crop insurance perceptions and awareness in the research area. There are 120 farmers have been selected from Cuddalore District of Tamil Nadu on the basis of the convenience sampling

method, who did not have crop insurance at the time were polled on their perspectives on several areas of farm insurance.

*Tools of analysis :**Conventional analysis :*

To evaluate the sample farmers' attitude as well as awareness of the crop

insurance plan, traditional methods of analysis, percentage and average analysis, were used.

*Crop insurance awareness among non-insured farmers :*

The awareness of crop insurance scheme by the sample respondents of Paddy II crop (Kharif Season) in the sample farmers (Non-insured) was analysed and the outcomes are shown in Table-1.

According to Table-1, 51.67 percent of the non-insured farmers were aware of The plan. The remaining non-insurer respondents, 48.33%, indicated they were uninformed of the plan. Those who were aware of the scheme learned about it from their bank or fellow farmers.

*Response of non-insured farmers :*

Table-2 shows the results of interviews conducted with people who are to learn about their thoughts on many aspects of agricultural insurance that are not currently covered by crop insurance.

According to Table-2, 82.50 percent of non-insurers stated that they had never used insurance before, whereas 17.50 percent of farmers stated that they had previously used insurance. There were several reasons given for not using the insurance provision. The majority of farmers were unaware of the insurance program, and 19.17 percent of farmers cited multiple reasons for not purchasing crop insurance.

In order to handle the risk of crop loss, 44.17 percent of these farmers said they would

hypothecate their home, jewelry, or any other asset. About 29.17 percent of respondents indicated they would borrow from friends and family, while 13.33 percent said they would borrow from a money lender. Few respondents suggested selling fixed assets as a means to manage risk.

*Suggestion to improve the awareness of Crop insurance scheme (PMFBY):*

The suggestions made by Farmers without insurance regarding the improvement of the existing crop scheme of insurance were,

1. Need of media to know about crop insurance programs
2. Need of publicity about crop insurance programs
3. More number of Farmers meeting conducted about crop insurance programs

The Study concluded that 51.67 percent of the non-insured farmers were aware of the plan. The remaining 48.33% of non-insurer respondents claimed they were unaware of the scheme. Those who were aware of the scheme learned about it from their bank or fellow farmers. In terms of the impact of the Crop Insurance Scheme (PMFBY), 82.50 percent of non-insurers stated that they had never used insurance before, while 17.50 percent of farmers stated that they had previously used insurance. There were several reasons given for not using the insurance provision. The vast majority of farmers not aware of the insurance service and 19.17 percent farmers gave more than one reason for not availing crop insurance. The suggestions made by non-insured farmers to improve the awareness of the crop insurance were need

media to know about insurance programs, need of publicity about crop insurance programs and more number of farmers meeting conducted about crop insurance programs.

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