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Effectiveness of Pradhan Mantri Fasal Bima Yojana (PMFBY)

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ABSTRACT
Banking can be defined as accepting and safeguarding money owned by other individuals and entities and then lending this money to earn a profit. However, the activities covered by the banking business have expanded with the passage of time, and banks are now also offering various other services. These days, the banking services include issuing debit and credit cards, providing safe custody of valuable items, lockers, ATM services, and transferring funds online across the country/world.

Keywords: *Crops, crops insurance, banking sector*

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INTRODUCTION
Pradhan Mantri Fasal Bima Yojana (PMFBY) as a part of visualization of our honorable Prime Minister, Narendra Modi. The main objective of government is to enhance financial security to the farmers. Several studies have been made to understand the relationship between awareness levels of public versus the governing objective of Government Schemes. Research analysis and review techniques have been made into implementation to thoroughly understand the governing principle of launching these schemes and their effectiveness [1–2].

RESEARCH OBJECTIVE
Main Objective
To know the effectiveness of Pradhan Mantri Fasal Bima Yojana.

Secondary Objective
To study the customer awareness towards Pradhan Mantri Fasal Bima Yojana.

OBJECTIVE OF PMFBY
- Pradhan Mantri Fasal Bima Yojana aims to promote sustainable agricultural production by providing financial support to farmers suffering from crop loss / damage resulting from unforeseen events.
- Stabilizing farmers ' incomes to ensure that farming continues.
- Encourage farmers to adopt modern and innovative farming practices.
- Ensuring the flow of credit to the agricultural sector, contributing to food security, crop diversification and enhancing the growth and competitiveness of the agricultural sector in addition to protecting farmers from the risk of production [3].

CROPS COVER UNDER PRADHAN MANTRI FASAL BIMA YOJANA
- Ravi Crops
- Kharif Crops

PREMIUM UNDER PMFBY
The scheme covers kharif, rabi crops as well as annual commercial and horticultural crops. The premium charged would be up to 2 percent of the insured sum for Kharif crops. The premium would be up to 1.5 percent of the insured sum for Rabi crops. The premium would be 5% for annual commercial and horticultural crops [4].

Table 1. *Premium cover under PMFBY*

Season	Crops	Premium
Kharif	All food grain and oilseeds crops (all cereals, millets, pulses and oilseed crops)	2%
Rabi	All food grain and oilseeds crops (all cereals, millets, pulses and oilseed crops)	1.5%
Kharif and Rabi	Annual commercial and annual horticultural crops.	5%

ADVANTAGES

- The scheme is open to all farmers across the country. It is no more restricted only those who take agricultural related loans from banks. It provides a wide scope of business to the insurance company to motivate them to venture in to crop insurance. In fact it is first **"one nation—one policy"** kind of initiation.
- The premium to the farmer community is low and there is a heavy subsidy by Govt. in it. It is kept @ 2% for kharif and 1.5% for the rabi crop. For the commercial and horticulture crop it is capped @ 5%. The difference between the actual premium quoted by insurance companies and these fixed rates for farmer, is to be borne by central and state govt. on 50: 50 basis. There is no upper cap proposed as far as the subsidy element is concerned.
- The heavy emphasis is given on use of technology such as remote sensing, drone and mobile technology to assess the damage for smooth and speedy claim settlement. The entire insurance process right from joining of the farmers to disbursement of claim is to be made electronically to make it a fraud free and effective scheme.
- For the wide coverage, the Govt. has empaneled eleven insurance companies to participate in the scheme. It is for the first time that a much wider participation from the private sector companies is seen.

LITERATURE REVIEW

Literature suggests that major research in the area of newly launched government schemes, PMFBY as a part of visualization of our honorable Prime Minister, Narendra Modi. The main objective of government is to enhance financial security to the farmers. Several studies have been made to understand the relationship between awareness levels of public versus the governing objective of Government Schemes. Research analysis and review techniques have been made into implementation to thoroughly understand the governing principle of launching these schemes and their effectiveness.

The Pradhan Mantri Fasal Bima Yojana is premised on a premium amount of 2 percent for Kharif crops and of 1.5 percent for Rabi crops. This covers most food crops and oil crops cultivated in India. The premium is pegged at 5 percent for commercial or horticultural crops (including cotton) for one year [5].

DATA COLLECTION AND INTERPRETATION

Data collection and interpretation shown in Tables 1–5 and Figures 1–5.

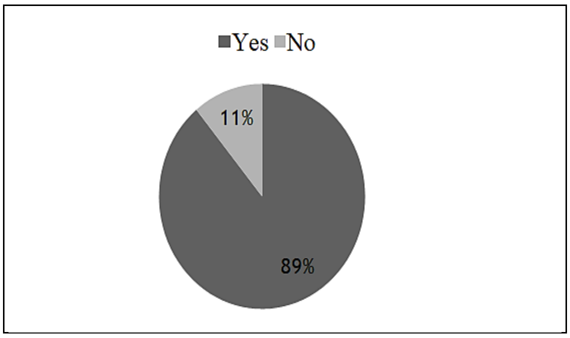

Fig. 1. *Awareness on Pradhan Mantri Fasal Bima Yojna*

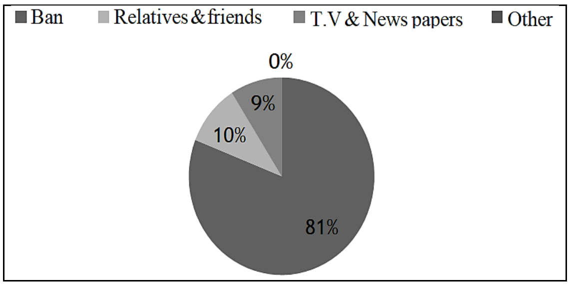

Fig. 2. *Which source you get idea about Pradhan Mantri Fasal Bima Yojna.*

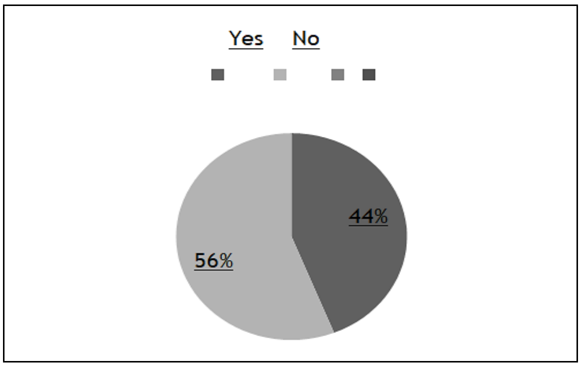

Fig. 3. *Can you take advantage of any other crop scheme before Pradhan Mantri Fasal Bima Yojna*

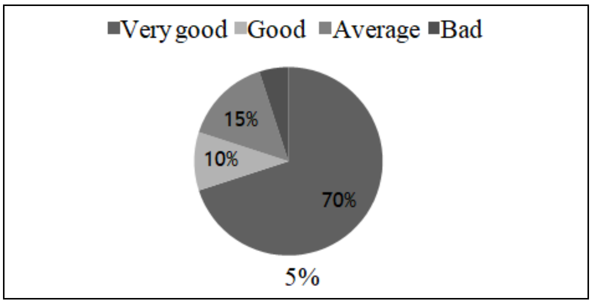

Fig. 4. *How is Pradhan Mantri Fasal Bima Yojna in compare to other schemes*

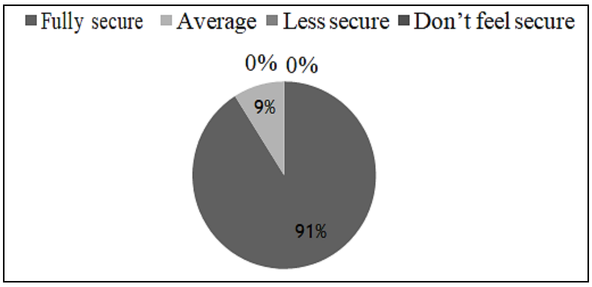

Fig. 5. *Do you feel secure for future crop loss after registering under Pradhan Mantri Fasal Bima Yojna*

Table 1. *Do you have awareness about Pradhan Mantri Fasal Bima Yojna?*

Particulars	No of respondents	Percentage
Yes	89	89%
No	11	11%

Table 2. *From which source you get idea about Pradhan Mantri Fasal Bima Yojna?*

Particulars	No of respondents	Percentage
Bank	81	57%
Relatives and friends	10	33%
T.V. and News papers	9	10%
Other	0	0%

Table 3. *Can you take advantage of any other crop scheme before Pradhan Mantri Fasal Bima Yojna?*

Particulars	No of Respondents	Percentage
Yes	44	44%
No	56	56%

Table 4. *How is Pradhan Mantri Fasal Bima Yojna in compare to other schemes ?*

Particulars	No of respondents	Percentage
Very good	70	63%
Good	10	37%
Average	15	0%
Bad	5	0%

Table 5. *Do you feel secure for future crop loss after registering under Pradhan Mantri Fasal Bima Yojna?*

Particulars	No of respondents	Percentage
Fully secure	91	91%
Average	9	9%
Less secure	0	0
Don't feel secure	0	0

FINDINGS

As per the people think that government schemes are a tool to protect their family and enhances social security. They are partially aware of facts and realizing its importance. Need of the hour is to make everyone aware about the schemes via. Media and other information agencies.

Bank should come up with strong and trained delivery channels at rural and unprivileged area so the needy people can get there benefit.

Especially PSB's are effectively involved in the implementation as their purpose is to serve the people and bringing the prosperity in everyone's life.

A major segment of Indian citizens, frequently in rural areas depends on cultivation and farming so it is necessary to aware people about Crop Insurance.

Since every coin has two sides, so on the darker side, The premium to be paid by the farmers is kept low when compared with earlier crop insurance scheme, so the scheme will increase the financial burden on the Govt.

On the brighter side of the coin, it is beneficial from the farmers' point of view.

On the darker side of is the challenge of this scheme is problems of poor land ownership records, and corruption.

SUGGESTIONS

The main motto of this new crop insurance scheme is to provide a more efficient insurance support to the farmers of the country and become a financial support to thousands of farmers.

In order to effectively utilize the benefits of the schemes thus we need to educate the people. If people are literate they would be able to perceive these schemes more effectively and a larger section of the society would be benefitted. It is important to aware the rural and unprivileged people. So as to deliver benefit to the needy section of the society.

CONCLUSION

These unique schemes would be path breaking initiatives towards providing social security at a very nominal cost to the millions of farmers. The governing objective behind launching of this scheme is these unique schemes would be path breaking initiatives towards providing social security at a very nominal cost to the millions of countrymen.

For Pradhan Mantri Fasal Bima Yojana, Govt. providing 5,500 crore in the budget of 2016–2017, Finance minister Mr. Arun Jetly said.

This time farmers in drought-hit stats took crop insurance seriously. For the 2016–17 kharif seasons in Gujarat, more than 50,000 farmers have so far enrolled for PMFBY through the state portal on crop insurance. PTI was told by a senior official of the Ministry of Agriculture.

In Saurashtra Gramin Bank, Khapat Branch about 221 farmers are has enrolled for Pradhan Mantri Fasal Bima Yojana for the 2017–18 Kharif season.

There are some challenges for this scheme, but no one can dispute this fact that the scheme is really good.

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