

## ROLE OF GOVERNMENT IN THE “IMPLEMENTATION AND ENHANCEMENT OF THE CROP INSURANCE SCHEMES” IN THE ADILABAD

**J. Anitha**

*Asst. Prof. of Commerce, GDC (co-ed), Adilabad, Telangana.*

### Abstract

*Government plays major role in implementation and enhancement of the crop insurance schemes in Adilabad district where most of the agriculture land is non irrigated and the farmers depend only on monsoon rains and their primary source of income is agriculture. Adilabad is a backward area and the farmers annual income is very low as they can fulfill their minimum needs only, if they get lost their crop income, their surviving will become question mark. Various crop insurance schemes have been getting introduced time to time by government of India.*

**Keywords:** *Implementation, Enhancement, Monsoon, Agriculture*



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### Introduction:

Indian agriculture is majorly dependent on rainfall which largely varies with the changing seasons. Maximum rainfall occurs during monsoon season of about two and half months. The unusual behavior of monsoon is the main cause of natural disasters such as scarcity conditions or drought, floods, cyclones, etc. Nearly two thirds of the cropped acreage is vulnerable to drought in different degrees. Even after a considerable annual rainfall, a large part of irrigated area does not get proper water supply for double cropping (intensive cropping). Further the adequate growth of crop and yield output is determined by the amount of rainfall and its distribution during the monsoon season. The loss of crop yield affects the farming community in more than one ways. Their inputs including labour get lost. The poor yield of major crops means reduced income and difficulty in arranging the necessities of life as well as inputs for the next season. In most cases the farmers are compelled to dispose of some assets to bear the loss. Sometimes, they have to resort to costly borrowing from informal sources. Successive failure of crops results in indebtedness of farmers with its adverse impact on farming and farm economy and consequently the economy in general. Paying compensation for the crop losses is an economic burden. With time, managing agricultural risk has become a big task. Government has launched Crop insurance as an alternative to manage risk in yield loss by the farmers. Crop insurance is a means of

protecting farmers against the variations in yield resulting from uncertainty of practically all natural factors beyond their control such as rainfall (drought or excess rainfall), flood, hails, other weather variables (temperature, sunlight, wind), pest infestation, etc. India, thus, has a publicly administered crop insurance scheme since 1972. In 1972-73, the General Insurance Department of Life Insurance Corporation of India introduced a Crop Insurance Scheme on H-4 cotton. Later, on the basis of experience gained from implementation of Pilot Crop Insurance Scheme (PCIS, 1979) government has made attempts from time to time to modify and implement new schemes according to the needs of the farmer. A number of crop insurance products are available to farmers in different geographical areas and for different purposes. These include mainly National Agricultural Insurance Scheme (NAIS), Weather Based Crop Insurance Scheme (WBCIS), Modified National Agricultural Insurance Scheme (MNAIS) and recently Pradhan Mantri Fasal Bhima Yojana (PMFBY). In this study we present the role of government in implementing CIS in Adilabad with the related insurance products, namely, National Agricultural Insurance Scheme (NAIS), Weather Based Crop Insurance Scheme (WBCIS) and Pradhan Mantri Fasal Bhima Yojana (PMFBY).

**Need of the Study:**

While international and national attention has been focused on crop insurance and risk management in agriculture, most of the farmers are unaware of the benefits of crop insurance schemes. Interestingly, even as the government laid an immense focus on Prime Minister Narendra Modi's 'Pradhan Mantri fasal Bheema Yojana' scheme, non awareness of farmers to insure for risk management has been found as a major factor in poor response to crop insurance schemes. As far as the farmers are concerned (100%) cent per cent of them were provided loans for farming practices. But the field reality is that there are no proper facilities to explain the details of the scheme. Hence, farmers are either unaware or confused to opt for insurance schemes. Mere introduction of schemes do not produce desired result. It also comprises intense propagation & extensive help centers for education to farmers and proper maintenance of data and records which affect largely. Of course, several national level surveys have been conducted on the status of crop insurance schemes introduced at various time points like NAIS, MNAIS and WBCIS etc., yet, few studies have been conducted on the role of insurance companies and banks in the successful implementation and running of insurance schemes in villages. Moreover, scant studies have been conducted in the role of

government in promoting CIS and response of farmer at individual level. On these grounds, the present study has a special significance for the policy makers, educationists and researchers to get details of the crop insurance scheme facilities available and their implementation by the government through agriculture office situated in Adilabad town of Telangana state.

**Objective:** To study the role of agriculture office and the Govt. in implementing the crop insurance schemes in Adilabad.

**Hypothesis:** Increasing the level of awareness among the farmers particularly in rural areas like Adilabad District increases the number of farmers opting insurance.

**Data collection:**

Data was collected from primary and secondary sources.

**Primary Data:**

The data is collected through Structured Questionnaire, open ended interviews & direct observations from district agriculture office and Mandal agricultural officers.

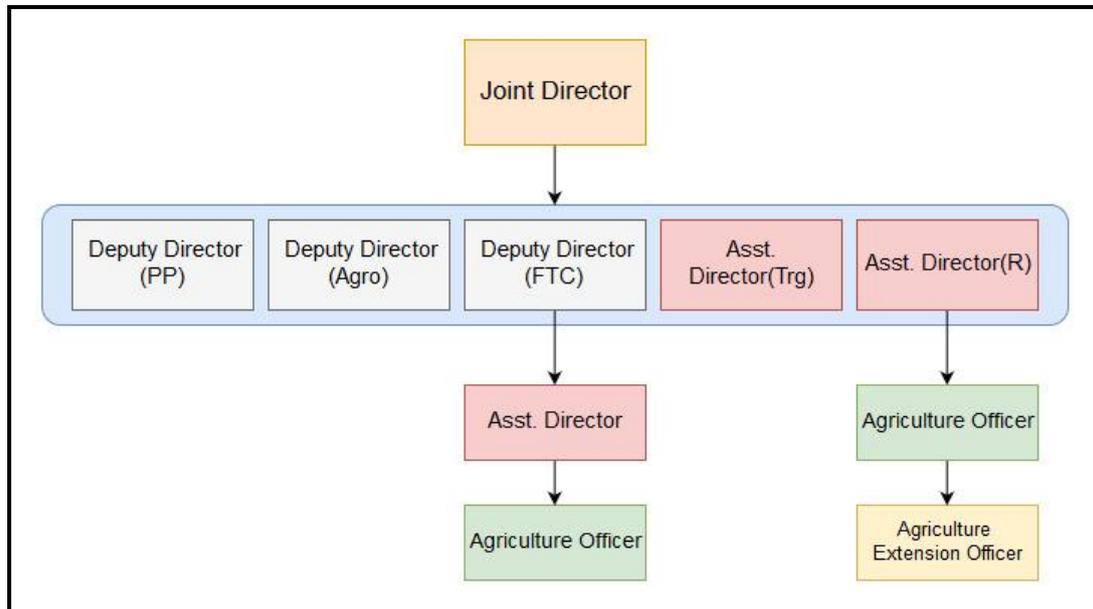
**Secondary Data:**

The data is collected through various Government Circulars, banks database, Agriculture Department databases and their publications, Articles & Research papers published in magazines, journals & news papers, books, also official website and other website etc.

**Role of Agriculture Officer:**

The Department of Agriculture at the national and state level is dedicated to serve the farming community by promoting various Developmental Programs and implementing the relevant technology to increase productivity and income from field crops. The Ministry of Agriculture heads the department of agriculture at the national level and there is a hierarchical organization structure at district level. The **Figure 1** shows the ideal district level organization chart.

**Figure 1: Hierarchical organization of Agriculture officers at the District level.**



At the District level the Department is headed by Joint Director of Agriculture and assisted by DDAs, ADAs and AOs at District, Division and Mandal levels. The Divisional ADA is the head of the Agriculture division and assisted by the agricultural officers at the mandal level. At least one Agriculture Officer is working in each mandal. These AOs are assisted by few Agricultural Extension Officers in the field work. The officers at different levels communicate at regular intervals for the proper functioning of the department and the welfare of farmers. The agriculture officers at the district and mandals are in direct communication with the farmers. Understanding the duties assigned to an agriculture officer will give us an insight of their scope to promote crop insurance schemes at the basic unit- village level.

In pursuance of section 4(1) (b) (i) of The Right to Information Act, 2005, the particulars of district agriculture officer were described and the following duties and functions were assigned.

- 1. Preparation of Block wise Agriculture Production Program.**
- 2. Distribution of agricultural inputs like seed, planting material, fertilizers, bio-fertilizers, pesticides, implements etc.**
- 3. Extension Services for dissemination of latest production technologies to the farmers.**
- 4. Promotion of Integrated Pest Management Approach.**
- 5. Training of the farmers in latest production technologies.**

- 6. Regulation and monitoring the quality of Agricultural Inputs.**
- 7. Promotion of natural resources management.**
- 8. Promotion of improved on farm water management**
- 9. Location specific development projects (NWDPR- National Watershed Dev. projects for Rain fed areas).**
- 10. Preparation of advanced estimates of area and production of different crops, compilation of agricultural statistics, estimation of cost of cultivation, impact evaluation of important development programs etc.**
- 11. Holding joint review with the Assistant/Deputy Registrar Cooperative Societies regularly to see the bottlenecks regarding inputs are removed at various levels and keeping the Deputy Commissioner informed about the program of the campaign.**

Most of the duties assigned to an agriculture officer are to check and organize the infrastructural facilities for farming in accordance with the seasonal variations.

**Duties executed by Mandal Agriculture Officer in promoting Crop Insurance Schemes:**

The present study was conducted in district agriculture office of Adilabad town. This study tried to provide current status of participation and problems faced by the mandal agriculture officers of various mandals in Adilabad. Response of MAO's was completely voluntary. A Questionnaire was used to collect the information from the MAO's. There were questions regarding specific role of MAO's & their communication with crop insurance agency, in addition to this interaction with MAO's was also made.

The particulars on extended duties executed by the MAO's to promote CIS are given below in **Figure 2**.

**Figure 2: List of duties mentioned by the framers to implement Crop Insurance Schemes.**

Role of AO in implementing PMFBY
Conducting CCEs through primary workers and sending reports
Conducting damage estimation survey in consultation with insurance companies in case of special provision such as post harvest loss
Act as bridge between farmers and insurance company
Collect information from farmers who do not receive any claim or amount
Creating awareness among farmers
Mana Telangana and Mana Vyavasayam
Educating on scheme guidelines, its importance, benefits and implementation

Many of them stated that they have been conducting awareness programs by broadcasting the state government programs like Mana Telangana and Mana Vyavasayam, circulating pamphlets regarding the schemes, their importance and benefits etc. Nearly 95% of them stated that their responsibility was only to introduce the government schemes to farmers that were changing from time to time.

**Crop Insurance Coverage and Government Subsidy Scheme from 2011-2017:**

Agriculture is the dominant sector in a large number of developing countries. It occupies major portion of gross national product and it is also a primary source of employment. Agriculture has always been a risky business. Every farmer has to face more or less risk of uncertainty of crop yield in all the developing countries. Majority of the farmers are poor and have limited means of resources and are therefore unable to bear the risks of crop failure. The modern insurance sector can play a major role in reducing or removing the uncertainty of crop production and considerably strengthen to streamline the relief efforts and reduces the direct and indirect costs on national economy. The statistics regarding the number of framers insured, area insured, sum insured and claims settled were obtained from the Agriculture office, Adilabad for the period 2011-2017. Our study reveals that from 2011 to 2015 the schemes NAIS and MNAIS were active and PMFBY replaced these schemes from 2016 to date. As shown in **Table 1**, there was a consistent increase on all the insurance performance parameters for crops from the period 2011- 2015. In terms of number of farmers, the average annual increase was 35.04%. However, there was a noted decrease of number of insured farmers in 2014. This was due to the drought that affected in the year 2013-14. The highest

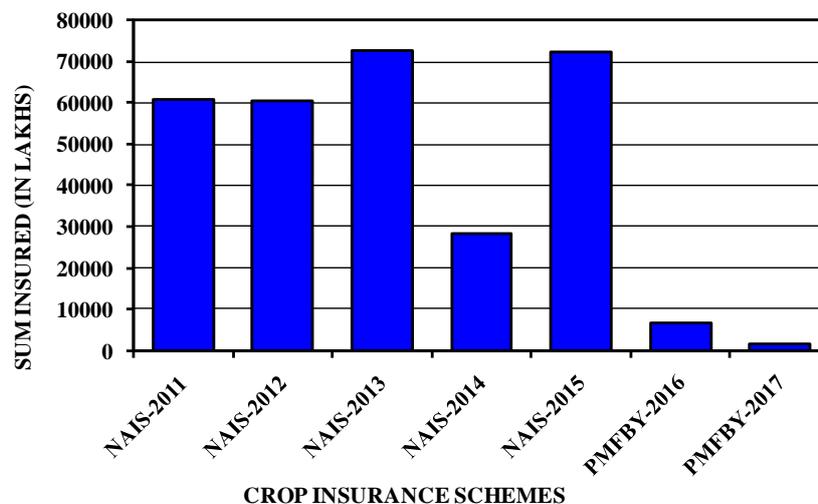
increment was registered in 2015 at 155.05%. This remarkable increase was attributed to the settlement of maximum number of claims filed in the previous year. Nearly 16243 farmers were benefited by the crop insurance during the year 2014-15.

**Table 1: Crop Insurance details of Adilabad District from 2011 to 2017-18**

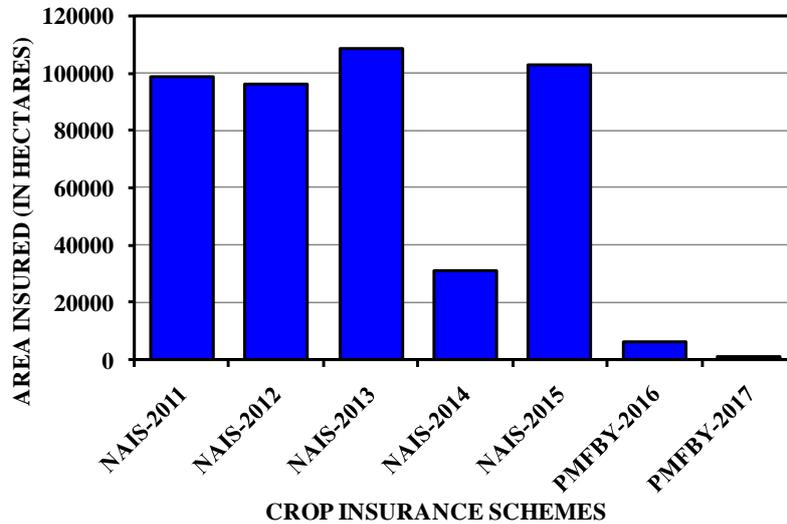
SL.NO	SCHEME	SEASON	NO. OF FARMERS COVERED	AREA INSURED (in HECTARE)	SUM INSURED (IN LAKHS)	NET PREMIUM (IN LAKHS)	CLAIMS (IN LAKHS)	FARMERS BENEFITED
1	NAIS	KHARIF-2011	60888	98713	16165	426	6	178
2	NAIS	KHARIF-2012	60589	96048	21664	539	30	1878
3	NAIS	KHARIF-2013	72702	108611	28957	717	23	515
4	NAIS	KHARIF-2014	28359	30843	9272	211	170	16243
5	NAIS	KHARIF-2015	72331	103018	30931	730	CLAIMS NOT SETTELED	
6	PMFBY	KHARIF-2016	6638	6040	1999	12.7	4090	698
7	PMFBY	KHARIF-2017	1723	862	324	6.5	CLAIMS NOT SETTELED	

**Figure 3** and **Figure 4** show that that the average number of farmers and area insured from 2011-2015 were extremely higher as compared to the average numbers from 2016 to date. But the field reality is that all the 52 mandals of erstwhile Adilabad district were included under the schemes NAIS and MNAIS. However, due to formation of state of Telangana and bifurcation of old districts, from 2016 to date the PMFBY scheme covers 18 mandal of the newly formed Adilabad district. Therefore we observe that when compared to the previous schemes, the enrollment for PMFBY has increased noticeably. This can be due to the government premium subsidy for the farmers insured were reduced drastically to 2% of the total premium. This amount was to be collected by the farmers annually. The remaining amount was shouldered by the government itself to promote many small farmers.

**Figure 3: Number of farmers enrolled in the crop insurance program.**

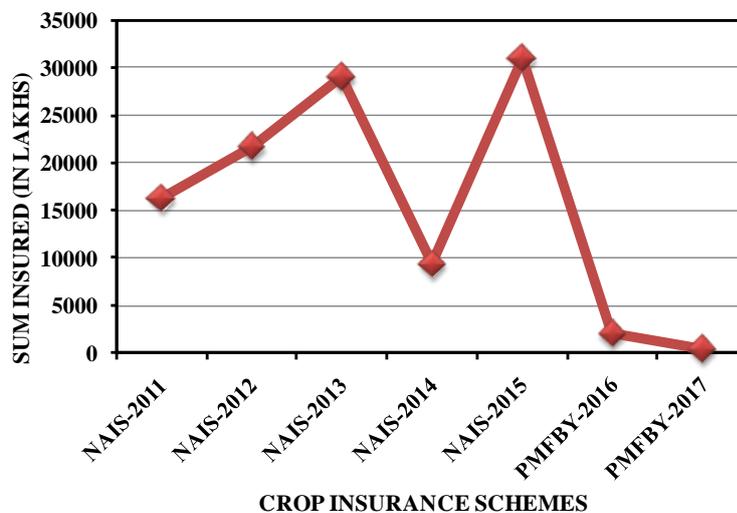


**Figure 4: The area insured under Crop Insurance Schemes. The data followed the same trend as of the number of farmers insured.**

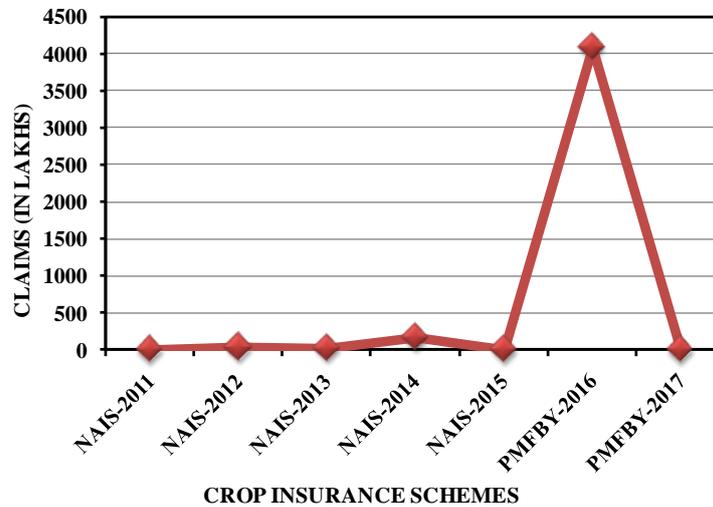


The sum insured under crop insurance schemes is directly proportional to the number of farmers who were covered under insurance. The number of farmers and sum insured under PMFBY is relatively low with the previous years. This is because the data for NAIS and MNAIS pertains to the erstwhile district (**Figure 5**). Interestingly, **Figure 6** shows that the average numbers of claims settled were gradually increasing from 2011-2015. The number was extremely higher with the implementation of PMFBY. This can be attributed to the benefits of the scheme such as low premium by farmers, toll free numbers to intimate crop loss immediately, easy access through online portals etc.

**Figure 5: Sum Insured under Crop Insurance Schemes in Adilabad.**



**Figure 6: Number of claims settled during the study period under Crop Insurance Scheme**



**Response of Mandal Agriculture Officers (MAO):**

After understanding the prescribed role of AO and the statistics of CIS in Adilabad, we have assessed different aspects regarding crop insurance scheme from the perspective of mandal agriculture officer in a questionnaire format. Questions like mode of implementation, regular practices to improve awareness among farmers, crop loss assessment, problems faced by MAO’s etc., were addressed (Table 2).

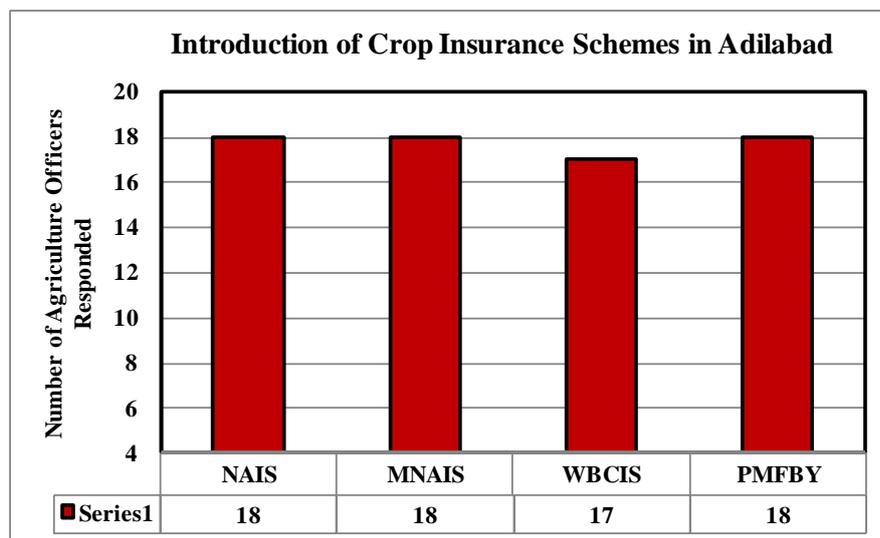
**Table 2: Assessment of the functioning of CIS based on Mandal Agriculture officers perception.**

SL.No	Parameters	Response of AO	% of Response
1	Awareness of Agriculture Officer (AO) on Crop Insurance	Yes	100
2	Appoint a special filed officer	Yes	27.78
3	Conduct awareness program	Yes	100.00
4	Help Desk at Mandal Agriculture office	Yes	33.33
5	Does Agency Submit a Report after loss assessment	Yes	5.56
		No	88.89
6	Communication between AO and Agency	Yes	11.11
		No	88.89
7	Training of Mandal AO regarding CIS	Yes	22.22
		No	66.67

The implementation of crop insurance schemes like NAIS, MNAIS, WBCIS and PMFBY is usually under the vigilance of either AIC or any other private company that has been affiliated to AIC. In Adilabad, nearly 90% of the officers expressed that introduction of the schemes to the framers is one of their primary responsibilities (**Figure 7**).

When MAO's were asked about their awareness regarding crop insurance schemes, 100% of the officers admitted that they have simple compiled information of the schemes without due diligence. Nearly 66.67 % of them replied that they were not exposed to an extensive training session that would make them technically skilled. Technical skill and capacity building of personnel associated with crop insurance schemes was one of the issues highlighted by a Committee appointed by the Department of Agriculture & Cooperation, Ministry of Agriculture, Government of India that reviewed the Implementation of Crop Insurance Schemes in India, 2014. Even today only 27.78% of the officers could appoint a special field officer for executing the operations related to crop insurance. Though 100 % of the officers were able to conduct awareness programs in their respective mandals, very few officers (22.22%) could only manage to set up farmer friendly help desks at the mandal agriculture office.

**Figure 7: Graphical Representation of the Agriculture Officer opinion regarding introduction of various crop Insurance Schemes.**



**Constraints faced by the Mandal Agriculture officers:**

The major constraint faced by the MAO's is the lack of communication between the AO and the crop insurance implementing agency. They expressed that the payment mode of the loanee and non-loanee farmer is different. A loanee farmer pays the premium through the bank and non loanee directly to the agent assigned by the CIS agency. Moreover the CIS for specific scheme or crop has been assigned to different agencies. Therefore, the agriculture officers state that they do not have complete data except for what has been submitted by the agency. Also the crop loss assessments are supposed to be done by crop cutting experiments under the guidance of revenue department by the agency and the agriculture office. Most of the officers state that their involvement in conducting CCE for the schemes like NAIS, MNAIS was passive due to various reasons. However, our data show that the crop cutting experiments carried under the scheme PMFBY involved 100% of the officers at the mandal level along with the officials from the agency (**Table 3**).

**Table 3: Opinion of the MAO's on their role in crop cutting experiments for different schemes.**

Sl.No	Scheme	Opinion of AO in Assessing Crop Loss	
		Agriculture office (%)	Crop Insurance Agency (%)
1	NAIS	22.22%	77.8
2	MNAIS	22.3	77.8
3	WBCIS	22.3	77.8
4	PMFBY	100	100

**Conclusion:**

The market for crop insurance in backward districts like Adilabad is no doubt, as vast as the acreage under cultivation. However, at the present stage of development of crop insurance coverage of crops, areas and farmers are varying from scheme to scheme depending upon the objectives set and the limitations imposed under the proposed schemes. A large number of crop insurance schemes have been developed in the public sector that are often of multi-risk or all-risk type and also has an advantage that it could have access to government budget and cooperation of other public institutions and banks. It is evident from the present study that the annual crop insurance coverage of the farmers in Adilabad is increasing as it is made mandatory to be linked to agricultural credit. Also the increase in

number of insured farmers can be attributed to the launch of the recent scheme PMFBY with very user friendly attributes. Our study reveals that government through agriculture office has taken the preliminary steps to enhance the implementation of CIS by conducting awareness programs to farmers. It is obvious that banks and insurance companies are dependent on each other and also with the agriculture department for smooth functioning of crop insurance. In spite of a collective effort made by the MAO's and Banks the study states that there is a need for a proper linkage between the government organizations and the insurance agency.

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