



## Centrally Sponsored Scheme under the Ministry of Agriculture and Farmers Welfare: Pradhan Mantri Fasal Bima Yojana

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**ABSTRACT:** Centrally Sponsored Schemes are instrumental in shaping India's agricultural landscape by providing financial assistance and guidance for various farming activities. Currently 14 schemes are under the Ministry of Agriculture and Farmers Welfare for Agriculture, Rural and Environment category. CSSs are funded by the central government with a state government share.

A thorough overview of the Pradhan Mantri Fasal Bima Yojana (PMFBY), its objectives, benefits, eligibility, coverage and premium sum insured over India and Jammu & Kashmir. PMFBY is a pivotal crop insurance scheme in India designed to mitigate various agro-climatic risks faced by farmers. Extending coverage for both Kharif and Rabi crops, PMFBY provides a safety net against natural calamities such as cyclones, unseasonal rains, hailstorms, and landslides, ensuring the income stability of farmers. The inclusion process requires submission of legal documentation proving land tenure, timely application within specified periods, absence of double compensation for the same crop loss, and provision of valid bank and identity details. Claim filing necessitates prompt notification to insurers post-calamity with substantiating evidence of loss.

**Keywords:** Centrally Sponsored Scheme, Pradhan Mantri Fasal Bima Yojana, Premium, Insurance.

### INTRODUCTION

Centrally Sponsored Schemes (CSS) are state government-run schemes in India but funded considerably by the central government, which also determines the contribution to be made by the state governments (myScheme, 2024). CSS are an important governance tool and play an important role in the implementation of national policies at the state level. To maintain a certain level of national homogeneity, the central government develops the policies and goals of these programs but the state government agencies are responsible for the practical implementation of CSS. In Centrally Sponsored Scheme (CSS) a certain percentage of the funding is borne by the States and the implementation is by the State Governments.

A continuous improvement of the Indian agriculture sector is necessary to maximize output and ensure food security (Patel *et al.*, 2024). India's government initiatives, including the Soil Health Card Scheme and PM-KISAN, complement these advancements by providing resources and financial support to farmers (Lal *et al.*, 2024).

The Rashtriya Krishi Vikas Yojana (RKVY) was India's first agricultural program to receive central sponsorship. It was started in 2007 with the goal of advancing the growth of the agricultural industry and

associated fields (Department of Agriculture & Farmers Overview, 2025).

### Centrally Sponsored Schemes under the Ministry of Agriculture and Farmers Welfare

1. National Bamboo Mission
2. National Mission on Edible Oils- Oil Palm
3. National Mission on Natural Farming
4. Coconut Palm Insurance Scheme
5. RKVY Soil Health and Fertility- Soil Health Card
6. Pradhan Mantri Krishi Sinchayee Yojana: Per Drop More Crop
7. RKVY Soil Health and Fertility Village level Soil Testing Lab
8. National Food Security Mission NFSM
9. Mission on Integrated Development of Horticulture- NHM and HMNEH
10. Agroforestry component under RKVY
11. Pradhan Mantri Fasal Bima Yojana (PMFBY)
12. Rainfed Area Development
13. Parampragat Krishi Vikas Yojana
14. Agriculture Infrastructure Fund

### OBJECTIVES OF RESEARCH

1. To evaluate the effectiveness of PMFBY in mitigating agricultural risks and providing financial stability to farmers.

**2. To analyze the trends in farmer participation, premium payments, and insured areas** under PMFBY over multiple years.

#### **Pradhan Mantri Fasal Bima Yojana (PMFBY)**

The Pradhan Mantri Fasal Bima Yojana (PMFBY) was introduced in Kharif 2016 with the goal of boosting agricultural output by offering a reasonably priced crop insurance plan that would protect farmer's crop from all unavoidable natural hazards from the pre-sowing to post-harvest phases (PMFBY, 2024). With the goal of reducing manual interventions and doing away with the use of variable methodologies for implementation and execution on the ground, the Ministry of Agriculture and Farmers Welfare (MoA&FW), Government of India (GoI), has worked to make the Scheme more effective, transparent, and autoadministration driven since its inception. This has been made possible by a comprehensive set of Operational Guidelines (OGs) and by utilizing effective and state-of-the-art technological solutions (myScheme, 2024).

#### **Objectives of PMFBY**

In order to promote sustainable production in the agricultural sector, PMFBY offers financial assistance to farmers who experience crop loss or damage as a result of unanticipated circumstances.

- Maintaining farmers' economic stability to guarantee their continued farming.
- Motivating farmers to embrace cutting-edge, contemporary farming methods.
- In addition to shielding farmers from production risks, ensuring farmers' creditworthiness, crop diversification, and boosting the agriculture sector's growth and competitiveness.
- Encouraging the development and study of insurance and related products to give farmers and state and local governments more options.

#### **Coverage of Crops**

- Annual Horticultural/ Commercial crops
- Oilseeds
- Food crops (Cereals, Millets and Pulses)

#### **Risks to be covered**

**1. Yield Losses:** To cover yield losses due to non-preventable risks, comprehensive risk insurance is provided, such as

#### **Natural Fire and Lightning**

-Storms, Hailstorms, Cyclones, Typhoons, Tempest, Hurricanes, Tornados, etc.

-Flood, Inundation, and Landslide

-Drought, Dry spells

-Pests/ Diseases etc.

**2. Prevented Sowing (on notified area basis):** In the case where insured farmers of a notified area, with an intention to sow/plant and incurred costs for such an intention, are not able to sow/plant the insured crop due to unfavorable weather conditions, shall be entitled to file claims for indemnity not exceeding 25% of the insured amount.

**3. Post-Harvest Losses (individual farm basis):** Coverage is provided up to a maximum duration of 14 days from harvesting for such crops, which are kept in "cut & spread" condition to dry in the field after harvesting, against certain perils of cyclone / cyclonic rains, unseasonal rains during the country.

**4. Localized Calamities (individual farm basis):** Loss/damage resulting from the occurrence of identified localized risks i.e. hailstorm, landslide.

#### **Benefits**

**The benefits of this scheme are mentioned as under:**

- Comprehensive insurance coverage for Kharif and Rabi crops.
- Add on the coverage available for specific circumstances.
- Optional for farmers, both loanee and non-loanee.
- Stability in the income of farmers so that they can continue farming.

#### **Eligibility**

- The farmer must be a cultivator or a sharecropper on the insured land.
- Farmers must have a valid and authenticated land ownership certificate or a valid land tenancy agreement.
- The farmer must have applied for insurance coverage within the prescribed time frame, which is generally within 2 weeks of the start of the sowing season.
- They must not have received any compensation for the same crop loss from any other source.
- The farmer should have a valid bank account and provide details of their bank account, along with a valid identity proof, at the time of enrollment
- All farmers growing notified crops in a notified area during the season who have an insurable interest in the crop are eligible.

## **RESULTS AND DISCUSSION**

**Table 1: Premium to be paid by farmers.**

Sr. No.	Season	Crops	Maximum Insurance charges payable by the farmer (% of Sum Insured)
1.	Kharif	Food & Oilseeds crops (all cereals, millets, & oilseeds, pulses)	2.0% of SI or Actuarial rate, whichever is less
2.	Rabi	Food & Oilseeds crops (all cereals, millets, & oilseeds, pulses)	1.5% of SI or Actuarial rate, whichever is less
3.	Kharif & Rabi	Annual Commercial / Annual Horticultural crops	5% of SI or Actuarial rate, whichever is less

**Coverage, Premium & Sum Insured of PMFBY in India and J&K in Rabi and Kharif season**

#### **1. Rabi Season**

Table 2-5 show PMFBY data from 2018 to 2024 during rabi season, varying farmer take-up, with an explosive

rise in applications, particularly among loanee farmers. While the insured area was relatively stable, applications were highest in 2023 and fell in 2024.

Premium contribution and amount insured also saw a similar trend, with 2023 being the peak year and 2024 seeing a fall. In J&K, non-loanee applications were higher, but insured farmers and premiums overall were

volatile. Trends indicate growing awareness and acceptability of crop insurance, although participation is policy change and fiscal-sensitive.

**Table 2: Coverage of PMFBY in Rabi Season (India).**

(In Lacs)	2018	2019	2020	2021	2022	2023	2024
<b>Farmers</b>	1,46,85,273	96,60,447	1,00,07,183	99,83,208	1,10,58,004	1,34,52,020	1,18,36,960
Applications (Loanee Farmers)	1,33,68,281	1,31,33,651	1,23,87,125	2,41,73,237	3,42,91,018	3,60,96,270	3,91,20,578
Applications (Non-Loanee Farmers)	94,09,337	52,74,635	78,35,795	89,99,439	88,10,359	2,03,13,587	1,41,52,907
Applications	2,20,45,540	1,76,66,948	1,98,30,349	3,27,78,415	4,25,07,041	5,54,62,620	5,25,91,750
Area Insured (Thousand Hect.)	19,640.91	15,420.93	15,730.44	15,174.49	15,214.76	18,625.04	16,395.21

**Table 3: Coverage of PMFBY in Rabi Season in J&K.**

(In Lacs)	2018	2021	2022	2023	2024
<b>Farmers</b>	66,496	37,200	40,788	77,479	58,926
<b>Applications (Loanee Farmers)</b>	67,002	38,942	41,134	72,848	38,499
<b>Applications (Non-loanee Farmers)</b>	537	128	331	5,673	22,052
<b>Area Insured (Thousand Hectare)</b>	48.23	20.38	20.95	38.49	20.5

**Table 4: Premium & Sum Insured in Rabi season (India).**

(In Lac.)	2018	2019	2020	2021	2022	2023	2024
<b>Farmers Premium</b>	1,60,567	1,33,650	1,42,245	1,40,627	1,45,308	1,44,115	1,45,092
<b>State/UTs Premium</b>	3,28,222	3,25,104	5,29,898	5,53,858	5,53,446	4,31,186	3,50,480
<b>GoI Premium</b>	3,17,726	3,18,554	4,35,508	4,40,042	4,30,790	3,69,313	3,10,223
<b>Gross Premium</b>	8,06,515	7,77,308	11,07,651	11,34,527	11,29,544	9,44,614	8,05,795
<b>Sum Insured</b>	91,99,019	71,86,704	84,40,942	79,81,394	87,99,063	1,08,19,594	99,28,954

**Table 5: Premium & Sum Insured in Rabi season in J&K.**

(In Lac.)	2018	2021	2022	2023	2024
<b>Farmers Premium</b>	578.71	244.67	252.17	407.17	176.25
<b>State/UTs Premium</b>	1,202.19	709.05	738.55	207.65	102.9
<b>GoI Premium</b>	1,202.19	709.05	738.55	1,868.85	776.31
<b>Gross Premium</b>	2,983.09	1,662.77	1,729.27	2,483.67	1,055.45
<b>Sum Insured</b>	38,580.44	16,311.33	16,811.04	27,144.98	11,750.3

## 2. Kharif Season

3. Tables 6 through 9 summarize PMFBY coverage from Kharif season 2018 to 2024, indicating significant growth in applications, most notably from loanee farmers, from 3.07 crore in 2018 to 9.70 crore in 2024. Area covered fluctuated but had an all-time high of 33,333.07 thousand hectares in 2024. Farmer

registration in J&K fluctuated with a sharp surge in non-loanee applications in 2023, then declining in 2024. Premium contribution and the total insured grew year to year, having a peak in 2023 before declining modestly in 2024.

**Table 6: Coverage of PMFBY in Kharif Season (India).**

(In Lacs)	2018	2019	2020	2021	2022	2023	2024
<b>Farmers</b>	2,16,63,839	2,00,50,883	1,68,70,919	1,59,16,772	1,91,96,857	2,41,88,895	2,59,67,881
<b>Applications (Loanee Farmers)</b>	2,04,76,008	2,38,09,297	2,70,07,297	3,79,54,030	4,64,37,106	5,28,69,438	6,02,35,320
<b>Applications (Non-Loanee Farmers)</b>	1,15,27,487	1,68,45,059	1,42,92,652	1,33,48,727	2,36,45,636	3,61,76,898	3,85,63,953
<b>Applications</b>	3,07,38,120	3,83,07,870	4,09,59,306	5,07,04,219	6,93,33,221	8,68,47,552	9,70,82,613
<b>Area Insured (Thousand Hect.)</b>	27,831.19	29,263.46	27,183.95	25,033.77	26,615.65	32,026.91	33,333.07

**Table 7: Coverage of PMFBY in Kharif Season in J&K.**

(In Lacs)	2018	2021	2022	2023	2024
<b>Farmers</b>	84,444	49,418	47,881	1,60,466	1,40,612
<b>Applications (Loanee Farmers)</b>	85,268	52,552	49,974	1,41,114	1,22,383
<b>Applications (Non-loanee Farmers)</b>	2,559	98	254	27,340	25,154
<b>Area Insured (Thousand Hectare)</b>	63.49	22.01	22.73	86.78	60.39

**Table 8: Premium & Sum Insured in Kharif season (India).**

(In Lac.)	2018	2019	2020	2021	2022	2023	2024
<b>Farmers Premium</b>	2,61,309	2,48,145	2,43,811	2,34,369	2,58,223	1,81,814	1,52,081
<b>State/UTs Premium</b>	7,45,125	9,08,309	8,43,269	8,64,762	9,39,358	10,73,276	10,82,491
<b>GoI Premium</b>	7,18,452	8,17,886	8,05,404	8,03,851	8,32,069	8,22,846	8,15,201
<b>Gross Premium</b>	17,24,886	19,74,340	18,92,484	19,02,982	20,29,650	20,77,936	20,49,773
<b>Sum Insured</b>	1,24,06,696	1,34,13,087	1,10,27,749	1,03,13,222	1,28,63,023	1,71,16,231	1,84,65,958

**Table 9: Premium & Sum Insured in Kharif season in J&K.**

(In Lac.)	2018	2021	2022	2023	2024
<b>Farmers Premium</b>	1,130.29	418.02	438.97	1267.99	930.87
<b>State/UTs Premium</b>	1,822.68	977.89	962.53	603.58	458.18
<b>GoI Premium</b>	1,822.68	977.89	962.53	5432.33	4,094.18
<b>Gross Premium</b>	4,775.65	2,373.80	2,364.03	7,303.9	5,483.56
<b>Sum Insured</b>	56,514.67	20,901.08	21,948.50	63,399.31	46,544.25

## CONCLUSIONS

The Pradhan Mantri Fasal Bima Yojana (PMFBY) has been instrumental in protecting Indian farmers from financial losses due to crop damage. A comparison of the over the years statistics puts its importance and progress into perspective.

During the Rabi season, the number of insured farmers was 1.46 crore in 2018, declining to 1.18 crore in 2024. But the number of applications increased dramatically from 2.20 crore in 2018 to 5.25 crore in 2024, reflecting enhanced repeated enrollment. The area insured varied but was still enormous at 16.39 million hectares in 2024. The gross premium increased to a peak of ₹11.34 lakh crore in 2021 before decreasing to ₹8.05 lakh crore in 2024, while the sum insured increased from ₹91,990 crore in 2018 to ₹99,289 crore in 2024, reflecting enhanced financial security.

Likewise, during the Kharif season, the insured farmers increased from 2.16 crore in 2018 to 2.59 crore in 2024, while insured area increased from 27.8 million hectares to 33.3 million hectares. The total insured amount also rose from ₹1.24 lakh crore to ₹1.84 lakh crore, reflecting increased coverage.

In Jammu & Kashmir, the farmers covered under insurance went up hugely from 84,444 in 2018 to 1.40 lakh in 2024. Gross premium and sum insured, however, declined in recent years as there were changes in government contributions.

PMFBY has increased farm financial protection and made farmers economically protected against climatic risks. Its growing coverage and rising farmer enrollment confirms its place in India's farm economy.

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