



ISSN (E): 2277-7695
ISSN (P): 2349-8242
NAAS Rating: 5.23
TPI 2023; 12(12): 4124-4129
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www.thepharmajournal.com
Received: 10-11-2023
Accepted: 12-12-2023

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A study on implementation and socio-economic utilization of Rythu Bima scheme in Telangana state: A case study of peddapalli district

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Abstract

In India, agriculture is the most predominant occupation of rural people and plays a very conspicuous role in the enhancement of national economy of the country. In the young state of Telangana too, agriculture is an “elixir occupation”, which helps in strengthening the economy of the state. This paper tries to present the problems that persist in the agriculture sector in Telangana state and the reasons that led the state government to introduce an innovative scheme called “Rythu Bima Scheme”. This paper also explains the implementation process and the socio-economic utilization patterns of the scheme.

Keywords: CCLA (Chief Commissioner of Land Administration), debt trap, land holdings, life insurance, Pattadar, ROFR (Recognition of Forest Rights), Rythu Bima

Introduction

In India, “Farmer” is always considered as a provider of our “DAILY BREAD”. The farmer plays a vital role in feeding the millions of people of this country, and also helps India to become a self-sufficient country in food grains. The slogan given by the former Prime Minister of India, Sri. Lal Bahadur Shastri, “Jai Jawan, Jai Kisan”, emphasizes the importance of a farmer in keeping up the national security and sustainability of our country. While one protects the country from outside elements like enemies, the other protects the country from inner constraints of starvation and hunger, and boosts the morale of both the Jawan and the citizen by providing a “daily platter of delicious food” on the table.

But unlike the Jawans, the Indian farmers were least remembered by many in their daily lives. We are always indebted to farmer and we should always thank God and pray for their welfare as “Dear Lord, thank you for this food. Bless the hands that produced and prepared it”.

In India, the marginal and small farmers accounted for around 85 percent of the operational holdings and the area operated by them is around 67 percent of the total area operated in the country. The large farmers accounted for only 1 percent while the medium and semi-medium farmers 14 percent of the operational holdings (Agricultural census, 2010-11). Furthermore, these marginal and small farmers contribute around 60 percent of the total food grain production. (Agricultural census, 2014).

But the incomes of these farmers were continuously disrupted due to various reasons like uncertain weather conditions, erratic climate change, natural disasters, increased input costs, less technological penetration, because of which there were huge crop losses and they were unable to receive even the money invested for crop production, and remain in vulnerable state with lack of sufficient credit on hand. This forces them to approach private money lenders at high interest rates or try to avail loans from banks, for resowing of the crops and to meet the family expenditures. All these consequences finally lead the poor farmer into the vicious cycle of debt trap and financial turmoil. When they are unable to come out of this financial crunch, year after year, the farmer is losing his health and mental stability, and ultimately resorting to suicides or unnatural, untimely death (Gulati 2018) ^[8].

The life insurance is one form of a social security net, which provides financial assurance to the families of the insured persons, and therefore many general citizens prefer to get their lives insured, so that their families will be safe from financial burden if any unexpected ill-fated event happens. The employees of organized sectors were covered under life insurance by different private and government institutes. But the unorganized sector population in India, especially the farmers, upon whom the economic growth of the entire country is dependent, were left out from any sort of security net, like life insurance coverage.

Most of the farming community, being small and medium land holders with poor finances, cannot afford to pay the premiums to get themselves insured. In such cases, the death of such bread winning farmer, leaves the bereaved farmer family in severe financial crisis and poverty. Therefore, there should be some policy implications, to be definitely taken up to ensure life insurance to the farmers.

Considering the need of the distressed farmers and their families, to enable them overcome all these situations, and to ensure economic and social security to the farmers, the Government of Telangana introduced a social security life insurance scheme called the Rythu Bima scheme (Farmers Group Life Insurance Scheme) in 2018 (G.O. Ms No.63, Dated:19-06- 2018, Agri. & Co-op. (AGRI.II) Dept., Government of Telangana), in addition to other initiatives in the agricultural sector. This scheme provides much needed financial relief and social security to the family members of the insured farmer.

Bout Rythu Bima scheme

This scheme is first of its kind and unique in the country as it is implemented based on farmer-wise online land database through the Information Technology and Management Information Systems (MIS) developed by National Informatics Centre (NIC). To be enrolled in the scheme, the pattadar or farmer should be in the digitally signed pattadars data obtained from CCLA (Chief commissioner of Land Administration) and RoFR (Recognition of forest rights patta holders as per Commissioner of Tribal Welfare data), prior to commencement of policy year. The pattadar should be in the age group of 18 to 59 years as on 15th August of the respective policy year. Aadhar card will be considered as authentication for age and identity proof.

Under Rythu Bima Scheme, the entire premium on behalf of the enrolled farmer shall be paid by the government to the insurance agency. The implementing insurance agency is Life Insurance Corporation of India (LIC). The Nominee opted by the farmer (Pattadar) at the time of his/her enrolment in the scheme shall be entitled to get Rupees Five lakhs from the LIC, in case of death of the enrolled farmer, due to any cause. (Annual Action Plan, Telangana, 2021- 22).

Process of implementation of the scheme

The entire process of implementation of the scheme is monitored by National Informatics Centre (NIC). The process of implementation consists of three stages. The enrollment procedure, claim form submission and claim settlement procedure.

The enrollment procedure

For the purpose of enrollment into the scheme, the farmer should fill up the enrollment cum nomination form. The farmer should clearly mention the nominee details in the enrollment form. and submit the duly signed form, along with the copy of Aadhar card of both the pattadar and the nominee, to the Agriculture Extension Officer (AEO). The details will be uploaded in the online portal by the AEO and after verification of the details by the Mandal Agricultural Officer (MAO), the data will be shared with the Life Insurance Corporation (LIC). The LIC will generate an unique number

called the LIC Id for each enrolled farmer and the details will be uploaded in the portal by the NIC.

Claim form submission procedure in the event of death of the enrolled farmer

After the enrolment procedure, which should be completed within the stipulated time frame, before the commencement of the policy year, if any enrolled farmer expires due to any reason, a claim form should be submitted by the nominee, to the AEO, along with the death certificate of the farmer and nominee bank details. The claim form should be duly signed and submitted with all the required documents. The Agriculture Extension Officer will record the death and uploads the claim form, along with the attached documents in the Rythu Bima Portal.

Claim settlement procedure

The claim forms uploaded by the AEO, will be forwarded by NIC to the concerned District Nodal Officer (DNO) for verification and approval. The claim forms will be verified by the DNO and if found correct will be approved and further forwarded to LIC through NIC. The details will be verified by LIC, and if all the documents are correct, the claim will be settled within 10 days and the intimation of settlement of claim will be sent through SMS to the nominee as well as the DNO.

Material and Methods:

The Rythu Bima scheme was introduced in 2018 and continued for the sixth term during 2023-24. Based on the past data and statistics of the state regarding the enrolment of farmers into the scheme, the uploading of the death claims towards settlement of the claim amount and of the number of claims settled, it was found that Peddapalli district in Telangana has always ranked first, and therefore Peddapalli district was selected for analysis.

The present research study is aimed at analysing the implementation of Rythu Bima, in the state, since its inception in 2018, with a case study in Peddapalli district, where the progress of the scheme is evaluated, based on the primary and secondary data of 60 sample beneficiary farmers in seven mandals of Peddapalli district of Telangana state. The secondary sources of information from various authentic sources were used in this paper and content analysis was done using suitable statistical methods and simple mathematical tools. The data analysis tools of excel, have been used to solve valid statistical and mathematical calculations. Valid conclusions and inferences were drawn from the results of the study.

Results and Discussions

Land holding pattern in Telangana

Out of total number of 59.48 lakh operational holdings in Telangana state, the marginal and small farmers hold about 88.3% of the landholdings (less than 4.94 acres). This accounts for 61.7% (36.83 lakh hectares) of the area operated. semi-medium, medium and large farmers hold 9.5%, 2.1%, 0.2% of the land holdings account for 24.6%, 11.5%, 2.3% of the area operated respectively (TSEO, 2023). The details are presented in Table 1.0 and Figure below.

Table 1: Land Holdings according to size of the group in Telangana

Size group (in Acres)	No. of holdings (in 000)	% of holding	Area operated (in 000' Acres)	% of Area operated
Marginal (Below 2.47)	3840	64.6	4216	28.6
Small (2.48-4.94)	1409	23.7	4885	33.1
Semi-medium (4.95-9.88)	564	9.5	3625	24.6
Medium (9.89-24.77)	126	2.1	1700	11.5
Large (24.78 and above)	9	0.2	334	2.3
Total	5948	100	14757	100

Source: TSEO, 2023

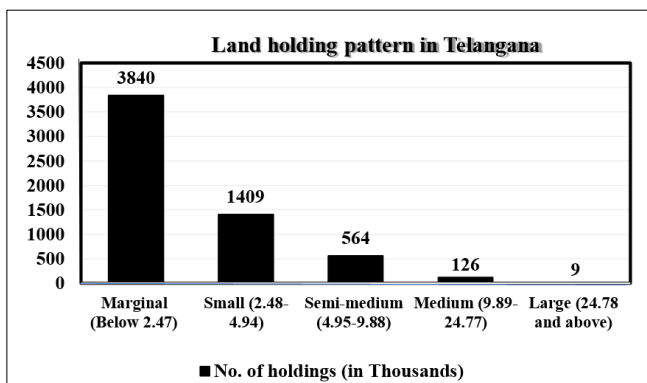


Fig 1: Land holding pattern in Telangana

Category wise land holdings in Telangan

The Scheduled Castes (SC) population own 11.8% of landholdings, covering 8.9% of the total area. The Scheduled Tribes (ST) population own 12.0% of agricultural landholdings, covering 12.4% of the total area. 76.2% of the landholdings belong to the 'Others' category, and cover 78.6% of the area operated. While around 0.1% of the area is operated under institutional category (TSEO, 2023). The details are presented in Table 1.1 and Figure 1.1 below.

Table 2: Category wise land holdings in Telangana

Social group	No. of holdings (000)	% of holding	Area operated (000' Acres)	% of Area operated
Scheduled Castes	700	11.8	1315	8.9
Scheduled Tribes	712	12	1830	12.4
Institutional	1	0	13	0.1
Others	4535	76.2	11599	78.6
Total	5948	100	14757	100

Source: TSEO, 2023

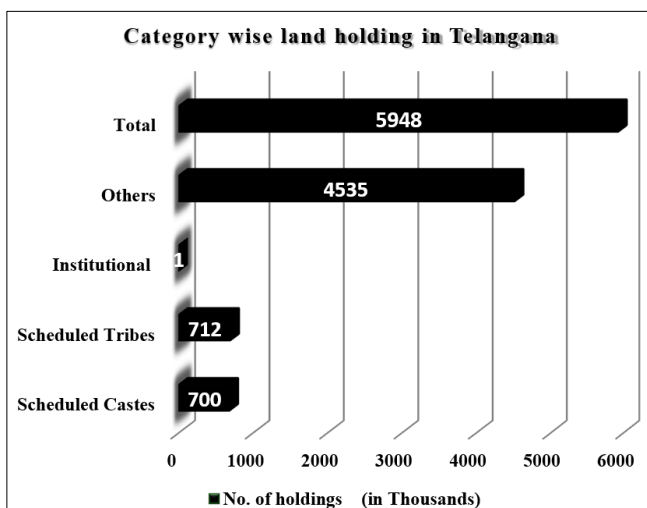


Fig 1: Category wise land holding in Telangana

How Rythu Bima turned out to be a “Saviour in times of trouble”:

The small and marginal farmers, make up a major contribution to the farming and agricultural production, but are always under severe poverty. Though “agriculture” plays an important role in improving the GDP, the farming sector is facing many problems since last many decades. Therefore, the initiative of Rythu Bima scheme, taken up by the state of Telangana, which acts as a support system during the trivial periods, to thousands of distressed farmer families. The number of eligible farmers who got enrolled into the scheme and number of farmer families which were benefitted from this scheme since its inception in 2018 till 20-01-2023. (TSEO, 2023) were presented in the Table 1.2 and Figure 1.2 below,

Table 3: Progress of Rythu Bima in Telangana state

Year	No. of enrolled Pattadars (in Lakhs)	No. of claims settled	Amount settled (in Rs. Crores)
2018	31.25	17666	883.3
2019	30.73	19020	951
2020	32.73	29070	1453.5
2021	35.64	23093	1154.65
2022	37.77	6567*	328.35*
Total		95416	4770.8

*As on 20-01-2023

Source: TSEO, 2023 & Dept. of Agriculture

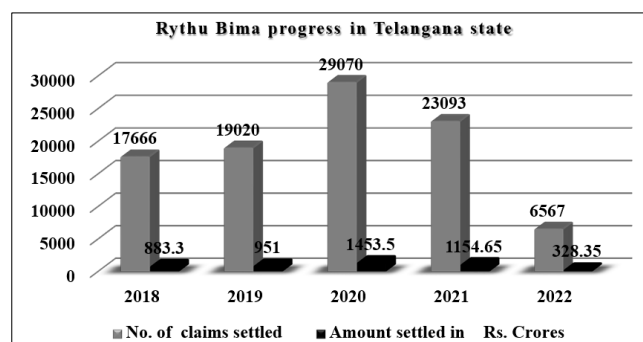


Fig 2: Rythu B ima progress in Telangana state

Progress of Rythu Bima in Peddapalli district

Since this paper is a case study of implementation of the scheme in Peddapalli district of Telangana state, the secondary sources of data were analysed and to supplement this, the primary data from 60 beneficiary (enrolled) farmers were studied. The results shows that, the scheme is very successfully implemented in the state as well as in the district. The claim settlement process is very quick and the satisfactory levels of the beneficiary farmers’ families were significant. The Table 1.3 and Figure 1.3 below shows the progress of Rythu Bima scheme implementation in Peddapalli district, since its inception (2018) up to 20-01-2023.

Table 4: Progress of Rythu Bima in Peddapalli district

Year	No. of enrolled Pattadars	No. of claims settled	Amount settled (in Rs. Crores)
2018	70627	311	15.55
2019	69416	349	17.45
2020	71148	554	27.70
2021	79270	420	21.00
2022	86026	114*	5.70*
Total		1748	87.4

* Up to 20-01-2023

Source: Department of Agriculture, Telangana

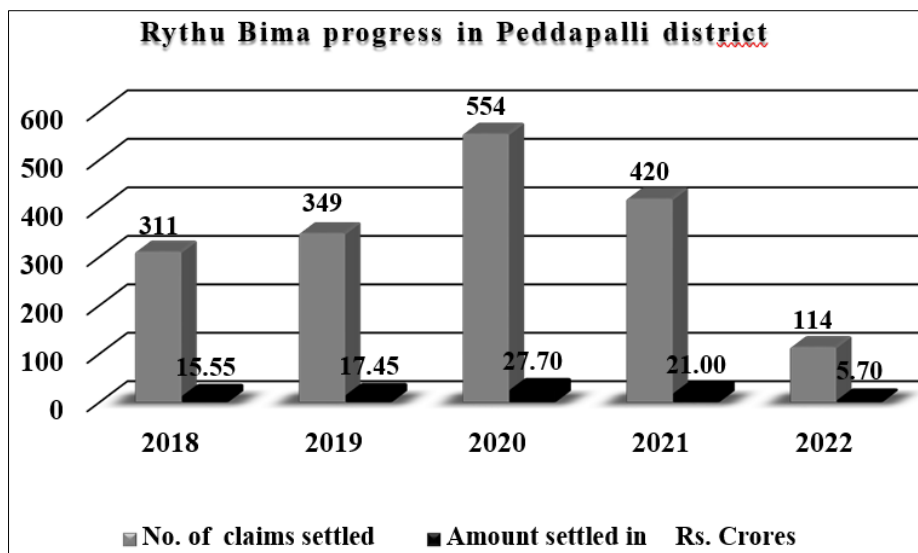


Fig 3: Rythu Bima progress in Peddapalli district

Mandal wise progress of Rythu Bima in Peddapalli District

There are 14 mandals in the Peddapalli district and the mandal wise analysis of the number of claims settled and the amount of claim settled, it can be understood that, the number of deaths recorded were high during the year 2020 compared to other years. This is because, many farmers have succumbed to COVID infection during 2020. But the Rythu Bima insured farmers’ families have received quick financial relief even during covid period. The presented data in the below Table 6 depicts, the explicit role of Rythu Bima scheme, in addressing the risk mitigation through the financial and socio-economic outlay of the relief to the bereaved farmers’ families. This also emphasises the quick and dedicated service by the officials of the Department of Agriculture, LIC and the Government of Telangana, even during the worst COVID scenario. This can be understood from the Table 1.4 and Figure 1.4 presented below.

Table 5: Mandal wise no. of claims settled in Peddapalli district since inception

S. No.	Mandal	2018	2019	2020	2021	2022
1	Anthergaon	10	18	29	15	9
2	Dharmaram	47	41	62	54	27
3	Eligaid	16	15	30	21	12
4	Julapalle	9	13	31	29	7
5	Kamanpur	15	18	26	14	8
6	Manthani	36	37	46	42	15
7	Mutharam	15	12	34	24	8
8	Odela	25	32	51	35	19
9	Palakurthy	13	24	31	30	7
10	Peddapalle	38	63	72	54	29
11	Ramagiri	20	14	25	21	5
12	Ramagundam	4	7	7	0	7
13	Srirampur	35	23	48	45	16
14	Sultanabad	28	32	62	36	1
	Total	311	349	554	420	170*

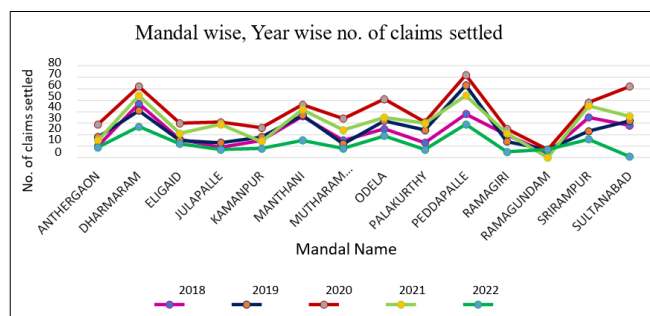


Fig 4: Mandal wise, Year wise no. of claims settled

Utilization of Rythu Bima benefit by the beneficiary farmers

The pattern of utilization of the Rythu Bima benefit of Rupees Five lakhs received by the sample beneficiary farmers were analysed and it can be inferred that, the majority of total Rythu Bima amount has been utilized for clearing private debts under all the land size categories with around 50.28 per cent being utilized for clearing private debts by marginal and small category farmers, while 30.33 per cent was utilized to clear private debts by medium farmers and 6.79 per cent was utilized for clearing private debts by large farmers of the sample. Similarly the Rythu Bima benefit has been utilized

for various socio-economic purposes like payment of school or college fees of children, conducting marriages to their daughters, for purchasing agricultural land or construction of new house, for digging new borewell in the field or to purchase farm implements etc. The various patterns of

utilization of the Rythu Bima amount by the sample beneficiaries, has been presented in the Table 1.5 and the cumulative utilization pattern has been presented in the Figure 1.5 below.

Table 6: Comparison of socio-economic utilization pattern of Rythu Bima amount among different categories of sample beneficiary farmers

Type of farmer and no.	Priv debts (Rs.)	Marriage (Rs.)	Education (Rs.)	Farm needs (Rs.)	Family consumption (Rs.)	House construction /purchase of land (Rs.)	Medical bills (Rs.)	Savings (Rs.)	New business (Rs.)	Total (Rs.)
Small (n=48)	99,20,000 (50.28)	30,57,000 (15.49)	40,50,000 (20.53)	1,65,000 (0.84)	3,25,000 (1.65)	6,40,000 (3.24)	12,50,000 (6.34)	2,24,000 (1.14)	1,00,000 (0.51)	1,97,31,000 (100)
Medium (n=8)	24,00,000 (30.33)	18,50,000 (23.38)	18,32,300 (23.16)	1,70,000 (2.15)	1,25,000 (1.58)	3,50,000 (4.42)	10,25,000 (12.95)	80,000 (1.01)	80,000 (1.01)	79,12,300 (100)
Large (n=4)	1,60,000 (6.79)	10,20,000 (43.28)	2,65,000 (11.24)	2,50,000 (10.61)	17,700 (0.75)	28,000 (1.19)	6,01,000 (25.50)	15,000 (0.64)	0	23,56,700 (100)
Total	1,24,80,000 (41.60)	59,27,000 (19.76)	61,47,300 (20.49)	5,85,000 (1.95)	4,67,700 (1.56)	10,18,000 (3.39)	28,76,000 (9.59)	3,19,000 (1.06)	1,80,000 (0.60)	3,00,00,000 (100)

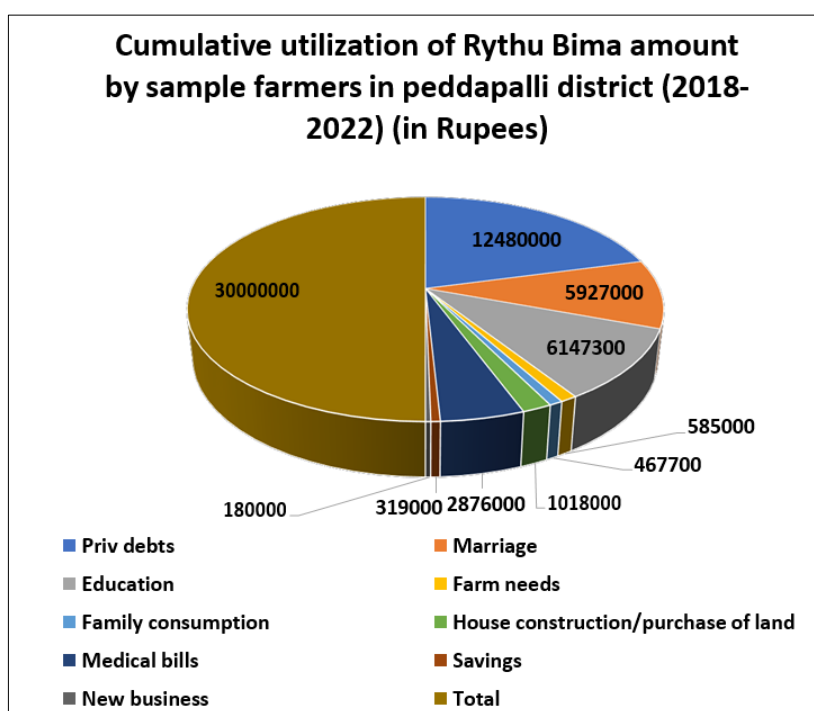


Fig 5: Cumulative utilization of Rythu Bima amount by sample farmers in peddapalli district (2018- 2022) (in Rupees)

Conclusion

All the analysis can lead us to a conclusion that, the performance of Rythu Bima with respect to financial and socio-economic relief received by family members of the deceased beneficiaries is reflecting the progress of the farming community in Telangana from the past shadows of farmer suicides and extreme indebtedness, to a successful agriculturist community, which is leading Telangana to become a model state for farmer friendly initiatives in India.

Future scope

Schemes such as Rythu Bima, has won accolades at the United Nations and such analogous schemes can be adopted by other states, as well as, be made as a mandatory to all the farmers by the central government too.

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