

Farmers' Perception Towards Crop Insurance Scheme in Maharashtra

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ABSTRACT

The main objective of Crop Insurance Scheme is to provide insurance coverage and financial support to the farmers in the event of prevented sowing and failure of any of the notified crop as a result of natural calamities, pests & diseases. Hence, it is necessary to know insurance products adopted and constraints of respondents and communicate feedback and suggestion of farmers to the government, policy makers and insurance companies. Therefore, the study entitled "Farmers' perception towards crop insurance scheme in Pune district" was undertaken. The study was conducted with 120 respondents from Bhor, Khed, Junnar and Ambegaon tahsils of Pune district. It was also observed that, the respondents had low perception towards Crop Insurance Scheme.

Keywords: Crop Insurance Scheme, Farmers' Perception

INTRODUCTION

Crop insurance is one alternative to manage risk in yield loss by the farmers. It is the mechanism to reduce the impact of income loss on the farmer (family and farming). 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. Crop insurance is a financial mechanism to minimize the impact of loss in farm income by factoring in a large number of uncertainties which affect the crop yields. As such it is a risk management alternative where production risk is transferred to another party at a cost called premium. The weather based crop insurance uses weather parameters as proxy for crop yield in compensating the cultivators for deemed crop losses. It provides a good alternative both to farmers and government. Farmers get on actuarially fair insurance with swift payments at little administrative costs to the government. Rainfall insurance is a specific form of weather insurance. As such weather insurance is not yield insurance while crop insurance is. In both the cases cultivators pass risk in yield to another party for a premium.

METHODOLOGY

The level of perception towards Crop Insurance

Scheme was measured by means of respondents response towards thirteen statements asked them through schedule. Farmers answers towards each statement were studied by means of agree, somewhat agree and dis-agree format independently. Scores assigned were 2, 1 and 0 for agree, somewhat agree and disagree respectively. The total score for each respondent were worked out and was considered as an indicator of perception of individual towards Crop Insurance Scheme.

On the basis of total score obtained, the selected respondents were grouped into three categories by equal interval method. The Pune District was purposively selected for the study as more beneficiaries of Crop Insurance Scheme are located in Pune and the tahsils selected were Bhor, Khed, Junnar and Ambegaon. Data were collected by contacting the respondent personally through structural interview schedule by keeping the view of objectives of the study. Total 120 respondents were selected purposively.

RESULTS AND DISCUSSION

The level of perception towards Crop Insurance Scheme was measured by means of respondents response towards twelve statements asked them through schedule. The data regarding perception of the respondents towards Crop Insurance Scheme were obtained and they were grouped into three different categories. The distribution is given in Table-1

Table 1 : Level of perception toward crop insurance scheme

n=120

Sr. No.	Statements	Agree		Somewhat Agree		Disagree	
		No.	Percent	No.	Percent	No.	Percent
1	Availability of information regarding CIS is decent	06	05.00	38	31.66	76	63.33
2	Adoption Process of CIS is not difficult	54	45.00	39	32.50	27	22.50
3	Premium rate is not reasonable	01	00.83	41	34.16	78	65.00
4	All crops should be incurred	97	80.83	23	19.16	00	00.00
5	Compensation offered in CIS is worthwhile	05	04.16	49	40.83	66	55.00
6	Required time of getting compensation is not manageable	57	47.50	34	28.33	29	24.16
7	Functioning of Financial institutions were good	18	15.00	27	22.50	75	62.50
8	Farmers willingness should not be taken under consideration	51	42.50	41	34.16	28	23.33
9	Individual assessment should not be followed in the scheme	02	01.66	29	24.16	89	74.16
10	Security level should be increased up to 60-100	92	76.66	27	22.50	01	00.83
11	Assessment should be followed/supervised by representative individually	75	62.50	39	32.50	06	05.00
12	Availability of the scheme should be in reach of everyone	69	57.50	46	38.33	05	04.16

Near about 63.34 per cent respondents were claimed concerning about low information available to the farmers regarding Crop Insurance Scheme. Nearly half (45.00 per cent) of the respondents were given satisfactory response when they were inquired about the adoption process of Crop Insurance Scheme. 65.00 per cent respondents were satisfied about the premium rate charged in the scheme at present. 80.84 per cent respondents argued that all crop should be involved in the Crop Insurance Scheme. 80.84 per cent respondents argued that all crop should be involved in the Crop Insurance Scheme. Nearly half (47.50 per cent) of the respondents were given unsatisfactory response when they were asked about the time required to get the compensation of Crop Insurance Scheme. 62.50 per cent respondents were unsatisfied about the financial institution functioning in respect to schemes provided by them. Majority (42.5 per cent) of the respondents discuss that, farmers willingness should be taken under consideration. Nearly three fourth (74.16 per cent) of the respondents were in the side of individual assessment should

be followed in the scheme for the individual economic justice. Security level adjusted in the scheme, 76.66 per cent respondents were unsatisfied about the same. 62.50 per cent respondents show positive response towards supervision of the institution officer. More than half (57.50 per cent) of the respondents were agree about the scheme should be available easy to the farmers.

Respondent's perception towards Crop Insurance Scheme

It refers to respondent's knowledge regarding Crop Insurance Scheme through different senses/sources. The level of perception towards Crop Insurance Scheme was measured by means of respondents response towards twelve statements asked them through schedule. The data regarding perception of the respondents towards Crop Insurance Scheme were obtained and they were grouped into three different categories. The distribution is given in Table- 11.

Table 2: Distribution of the respondents according to their perception towards Crop Insurance Scheme
n=120

Sr. No.	Perception (score)	Number	Percentage
1	Low (Up to 13)	71	59.16
2	Medium (14 to 19)	37	30.84
3	High (20 and above)	12	10.00

It is revealed from the Table-2 that, 59.16 per cent of the respondents have low perception towards Crop Insurance Scheme. Low perception followed by medium perception (30.84 per cent) and high perception (10.00 per cent). These findings are similar to findings of Sinha (2007) and Barah *et al.* (2011).

CONCLUSION

As the perception of the Crop Insurance Scheme is low, in order to enhance adoption of Crop Insurance Scheme, there is urgent need to increase awareness by way of giving through mass media of communication and seminars, farmer rally, exhibitions, advertisements etc. To increase the participation and adoption of the Crop Insurance Scheme, indemnity level of the Crop Insurance Scheme should be

raised from present 50 per cent to 100 per cent.

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Received : September 2015 : Accepted : December 2015