

**RESEARCH NOTE :**

Attitude of paddy farmers towards crop insurance in Erode and Tiruchirappalli districts of Tamil Nadu

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SUMMARY : Crop insurance is one alternative to manage risk in yield loss by the farmers. It helps in stabilization of farm production and income of the farming community. This paper has reported the results of a survey of 200 paddy farmers conducted to assess their attitude and awareness about various facets of crop insurance schemes and to analyze the factors affecting awareness among the farmers. The paper further examines the attitude about crop insurance in paddy farmers of Erode and Tiruchirappalli districts of Tamil Nadu. Majority of them had moderate to less favourable attitude towards crop insurance. The study concludes with various suggestions for increasing the awareness level of the farmers for ensuring better penetration of crop insurance in both districts.

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Crop insurance is recognised to be a basic instrument for maintaining stability in farm income, through promoting technology, encouraging investment and increasing credit flow in the agricultural sector. It contributes to self-reliance and self-respect among farmers, since in cases of crop loss they can claim compensation as a matter of right (Chandrakanth and Rebello, 1980). Agricultural production is an outcome of biological activity which is highly sensitive to changes in weather. The erratic and uneven distribution of monsoon rains perpetuated yield/price volatility and hence increased farmer's exposure to risk and uncertainty. In this scenario of high risk and uncertainty of rain fed agriculture, allocating risk is an important aspect of decision making to farmers

(Reddy, 2004). The risk burden of the farmers can be reduced through crop insurance, which is primarily a way of protecting farmers against the element of chance in crop production. Crop insurance spreads the crop losses over space and time, provides social security to the farmers, helps in maintaining their dignity, offers self-help, encourages large investments in agriculture for improving crop yield and increasing agricultural production (Singh, 2004). Thus, crop insurance cushions the shock of crop loss by assuring farmers protection against natural hazards beyond their control. The Central Government and the State Governments in India have constituted in recent years several crop insurance schemes. Realising the importance of crop insurance as a tool for managing risk and

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uncertainties in agriculture, the present study was taken upto study the farmers awareness about the crop insurance and perception about various risk involved in agriculture.

Paddy is the staple food crop of Tamil Nadu and is heavily exposed to the extreme and extraneous events of climate change. Erode and Tiruchirapalli districts were purposively selected for the study as the district has high range of variability in both rainfall and temperature. Kalingarayan (Erode) and Ponnaniyar (Tiruchirapalli) basins were then chosen as they have maximum acreage under paddy with majority of the farmers being small (2.5 to 5 acres) and marginal (< 2.5 acres). Canal irrigation was also found to be prominent in these basins resulting in farmers becoming more vulnerable to climate change events. Based on the discussions with the officials and subject matter specialists of the agricultural department, one block was selected from each basin. For the selection of villages, an inventory of revenue villages in each block was collected. Then ten villages from each block were randomly chosen. The total sample size was 200 with randomly selecting 100 paddy farmers (comprising 50 male farmers and 50 female farmers) from each of the blocks.

Attitude towards crop insurance :

The paddy farmers who were aware about crop insurance were asked their attitude on crop insurance. Most of the farmers felt that crop insurance was made

only for big (large farm size) farmers or high income farmers. It could be derived from the Table 1 that nearly two-third (63.00%) of the respondents in Ponnaniyar basin were found to possess moderately favourable attitude towards crop insurance, followed by 22.00 per cent and 15.00 per cent of respondents were possessed less favourable and highly favourable attitude, respectively. Nearly three-fourth of the respondents in Kalingarayan basin were possessed moderately favourable attitude towards crop insurance, followed by 18.00 per cent and 16.00 per cent of the respondents possessed less favourable and highly favourable attitude, respectively.

The respondents in both basins had moderately favourable attitude due to that they know the benefits of crop insurance through their high level of extension agency contact and social participation like member in farmer's association etc. They believed that crop insurance was benefit during unexpected circumstances, but most of them did not receive it at the time when needed. So majority of them had moderate to less favourable attitude towards crop insurance.

Source of awareness on crop insurance :

The selected respondents subscribed crop insurance along with crop credit loan. Bank acts as a nodal agency in delivering crop insurance and being the main source of providing information on crop insurance to farmers in study area. From Table 2 it shows that Ponnaniyar basin

Sr.No.	Categories	Ponnaniyar basin (n=100)		Kalingarayan basin (n=100)	
		No	(%)	No	(%)
1.	Less favourable	22	(22.00)	18	(18.00)
2.	Moderately favourable	63	(63.00)	66	(66.00)
3.	Highly favourable	15	(15.00)	16	(16.00)
	Total	100	(100.00)	100	(100.00)

*Figure in parentheses indicate percentage to total

Sr. No.	Extension method	Rank	
		Ponnaniyar basin (n=100)	Kalingarayan basin (n=100)
1.	Radio programmes	II (18)	II (21)
2.	TV programmes	V (12)	IV (16)
3.	Printed materials	VI (8)	V (15)
4.	Advisory service by experts	IV (15)	I (22)
5.	Sharing of experience by others farmers	I (24)	III (17)
6.	Workshops/training by insurance company	III (17)	VI (14)

*multiple response

farmers about their source of awareness of sharing of experience by others farmers (rank I) followed by radio programmes (II), workshops/training by insurance company (III), advisory service by experts (IV), TV programmes (V) and Printed materials (VI) with, respectively rank order one to six.

Whereas, in Kalingarayan basin Advisory service by experts (rank I) followed by radio programmes (II), sharing of experience by others farmers (III), TV programmes (IV), printed materials (V) and workshops/training by Insurance company (VI) with, respectively rank order one to six.

There is an urgent need to change the attitude of the farmers in rural areas so as to understand that the premium payment is not a liability but an investment for them in the event of loss of crop. It could be understood from the analysis that encouraging the social participation and education will increase the awareness of the farmers. Income from non-agricultural sources, presence of number of earning members in the family encouraged the farmers to go for crop insurance. Farmers are investing in crop insurance and other farming related activities with the income mainly from sources other than agriculture.

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