

**RESEARCH ARTICLE :**

Farmers perception towards crop insurance as a risk management tool

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SUMMARY : The present study on farmers perception towards crop insurance as a risk management tool was conducted in the year 2017-18 in the Amravati district. For the study 80 respondents were purposively selected from two tehsils of district with the help of random sampling method. Frequencies, mean, standard deviation, correlation of co-efficient analysis were employed for interpreting the results. The study revealed that age, farming experience and awareness are positively and significantly correlated with perception at 0.01 level of probability. And education, extension contact and source of information are positively and significantly correlated with perception at 0.05 level of probability and annual income and land holding are negatively non-significant with perception. Social participation has found non-significant relationship with perception.

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KEY WORDS :

Perception, Crop insurance, Risk management strategies

BACKGROUND AND OBJECTIVES

The crop insurance is an insurance arrangement aiming at mitigating the financial losses suffered by farmers due to damage and destruction of their crop as a result of various production risk.

Agriculture is backbone of Indian economy. The share of agriculture and allied sector in total GDP is 18.00 per cent in Indian economy. In India 70% of population depend on agriculture. Progress of our nation nothing without development of the agriculture. The economic growth is depending upon achievement of greater output in agriculture sector. Agriculture play vital role in

development of country. The crop insurance is such defense mechanisms which play an important role in shifting the risk in farming. Crop insurance contributes to self-reliance and self-respect among farmers, since in case of crop loss they can claim compensation as a matter of right. Crop insurance in India has been attempted in embryonic form since the independence and there have been many sporadic efforts to ensure protection of the farming community against losses suffered through natural calamities.

Crop insurance is recognized to be a basic instrument for maintaining stability in farm income, through promoting technology, encouraging investment, and increasing credit

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flow in the agricultural sector. The basic principle underlying crop insurance is that the loss incurred by a few is shared among others in an area, engaged in a similar activity. Also, losses incurred in bad years are compensated from resources accumulated in good years.

RESOURCES AND METHODS

Amravati district was purposively selected for the study. The study was conducted in Amravati and Achalpur tehsils of Amravati district. The farmers were interviewed with the help of structured interview schedule personally. Total 80 respondents were selected for the research purpose. The interview schedule was constructed by formulating relevant questions in accordance with objectives of the study. The schedule included questions pertaining to age, education, land holding, annual income, farming experience, extension contact, social participation, source of information, awareness and perception.

The information from the respondents was collected by personal interview methods and their responses were considered for the purpose of present study. Data was collected. Mean, S.D., co-efficient of correlation methods were used for analysis of the data.

OBSERVATIONS AND ANALYSIS

The findings of the study as well as relevant discussion have been summarized under the following heads:

Relation analysis:

In order to find out the relationship of the selected characteristics of respondents with their perception, co-

efficient of correlation were worked out. The findings are presented in this part.

Relationship of selected characteristics of respondents with their perception:

The correlation of co-efficient of perception with personal, situational, socio-economic and communication characteristics of the respondents have been furnished in Table 1.

On critical examination in Table 1, it reveals that among the 9 independent variables age, farming experience and awareness are positively and significantly correlated with perception at 0.01 level of probability. And education, extension contact and source of information are positively and significantly correlated with perception at 0.05 level of probability and annual income and land holding are negatively non-significant with perception. Social participation has found non-significant relationship with perception about crop insurance scheme. The findings are in line with finding of Goudappa *et al.* (2012); Kale and Kadam (2012) and Uvaneswaran and Moharapriya (2014).

It is observed from Table 2, that 71.25 per cent respondents have low awareness about crop insurance scheme and 78.75 per cent respondents faced the constraints of lack of communication with other and 87.5 per cent respondents have constraints regarding bank are away from residence. The 18.75 per cent respondents faced problem about unavailability of insurance agent.

As regard to administrative constraints, 53.75 per cent respondents faced problem related employee do not talk directly to the farmers and 30.00 per cent respondents about insufficient co-ordination and linkage between banks and farmer, 32.5 per cent respondents faced

Table 1 : Co-efficient of correlation of characteristics of the respondents with their perception

Sr. No.	Independent variables	Perception ('r' value)
1.	Age	0.3496**
2.	Education	0.224*
3.	Land Holding (in hectare)	-0.012 ^{NS}
4.	Annual income	-0.044 ^{NS}
5.	Farming experience	0.319**
6.	Extension contacts	0.2473*
7.	Social participation	0.2134 ^{NS}
8.	Source of information	0.2624*
9.	Awareness	0.2936**

*and **indicate significance of values at P = 0.05 and 0.01, respectively
NS = Non significant

Table 2 : Constraints arises by farmer in crop insurance scheme

Sr. No.	Constraints	Respondents	
		Number	Percentage
General constraints			
1.	Illiterate farmer	0	0
2.	Low awareness about crop insurance scheme	57	71.25
3.	Lack of communication with other	63	78.75
4.	Banks far away from residence	70	87.5
5.	Unavailability of insurance agent	15	18.75
Administrative constraints			
1.	Employee do no talk directly to the farmer	43	53.75
2.	Insufficient coordination and linkage between banks and farmer	24	30
3.	Unavailable of surveyor at crop loss time	26	32.5
4.	Unavailability of source for details of scheme	45	56.25

problem about unavailable of surveyor at crop loss time and 56.25 per cent respondents have problem about unavailability of source of details of scheme.

Conclusion:

The study revealed that nearly high number (56.25%) respondents are middle age group. (36.25%) respondents were educated up to senior college level education. Majority of respondents (37.50%) were belonging to the small land holding. Majority of respondents (27.5%) had low level of annual income in the range of (upto 100000), more than half of the respondents (70%) had medium farming experience. More than half of the respondents (70%) had medium level of extension contact. Majority of respondents (40%) had medium level of social participation. More than half of the respondents (65%) had medium source of information. Majority of respondents (63.75%) were medium level of awareness. These findings were similar to findings of Autade (2009), Manoj Kumar *et al.* (2003) and Suresh Kumar *et al.* (2011)

Major problem faced by farmer in crop insurance scheme that is banks away from residence and administrative constraints that is unavailability of source for details of scheme.

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