

Farmers' Perception towards Agricultural Insurance- A Case Study in Davangere

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Abstract- *The agriculture is the major economic activity which acts a backbone of our Indian economy by facing risks, uncertainties, and problems associated with the growth and development of this sector. The natural disaster is in one hand and the problems raised due to some other issues like lack awareness about the scientific agriculture, scarcity in factors of production and pricing decisions in agricultural produce etc. So in order to protect the interest of farmers from uncertainties the agriculture or crop insurance was introduced. The Risk or Uncertainty is one of the basic factors for approaching the insurance policies. So the present study concentrates on Agricultural Insurance. This study intends to analyze the farmers' awareness about the Crop Insurance. The research methodology includes both primary data and secondary data. The primary data is going to collect with the help of field survey through questionnaire. The primary data is collect from farmers in selected rural areas in Davangere region. For secondary data the researcher is going to refer different books, journals, articles, working papers and internet source also. The main objectives of the study are to understand the importance of agriculture Insurance, to analyze the different motivational factors on purchasing the agricultural insurance, to study the farmers' awareness about the Agricultural Insurance.*

Keywords- Crop Insurance, Agriculture, Farmers perception.

I. INTRODUCTION

Agriculture is the major economic activity as well as source of livelihood in many countries in the world. The agriculture is the oldest occupation in the world and also it is a backbone of our Indian economy. The term the agriculture is an art or science of cultivating the ground, harvesting of crops and management of livestock. Agricultural sector face different risks, uncertainties, and problems associated with the growth and development of agriculture. It is particularly exposed to adverse natural events, such as droughts or floods and the economic costs of major disasters may even increase further in the future because of climate change. This unexpected event can lead farmers to poverty if unchecked .Agricultural insurance is a veritable tool that agricultural producers can potential use to adapt and mitigate the risk associated with adverse natural events (F.N.Nnadi and et al,

2013).Agricultural Insurance is one method by which farmers can stabilize farm income and investment and guard against disastrous effect of losses due to natural hazards or low market price. Crop insurance not only stabilizes the farm income but also helps the farmers to initiate production activity after a bad Agricultural year(S.S.Raju, Ramesh Chand,2008).The crop or Agricultural Insurance plays a significant role in the Agriculture by compensating crop losses due to some natural reasons. The present study focus on farmers' awareness about agricultural or crop insurance. the dependence of Indian agriculture on uncertain rains, in addition the farmers experience, other production risks as well as marketing relating to different crop enterprises and for different agro-climate regions and areas(Gurdevsingh,2010). The importance of agriculture in developing economies, how Agricultural Insurance can complement and enhance risk management activities. The traditional adaptation practices alone cannot sustain the farmers in the face of changing climate scenarios (F .N.Nnadi & et al,2013). The weather index based crop insurance as an instrument to graduate poor farmers out of poverty trap They examine the advantages of this product over traditional crop Insurance based on developing countries experience (Dr.Md Mushfiqur Rahman et al,2014).

II. OBJECTIVES OF THE STUDY

- To analyze the different motivational factors on purchasing the agricultural insurance ,
- To study the farmers awareness about the Agricultural Insurance

III. METHODOLOGY OF THE STUDY

This study intends to analyze the farmers' awareness about the crop insurance. The research methodology includes both primary data and secondary data. The primary data is going to collect with the help of field survey through questionnaire. The questionnaire consist thirteen questions and fifty respondents. The survey is conducted in rural areas in Davangere region. For secondary data the researcher is going to refer different books, journals, articles, working papers and internet source also.

IV. LIMITATIONS OF THE STUDY

- The study is restricted to Davangere district only.
- The researcher has less time to complete the work.

ABOUT CROP INSURANCE

Crop insurance is purchased by Agricultural producers including farmers, ranchers, and others to protect themselves against either the loss of their crops due to natural disasters such as hail, drought and floods or the loss of revenue due to decline in the prices of Agricultural commodities(www.wikipedia.org).According to Merriam Webster dictionary the Insurance available to farmers against loss or damage to growing crops as a result of natural hazards (as hail, drought, flood, and insects). This Insurance scheme is also known as Rashtriya Krishi Bima Yojana .It came into existence in India from 22nd June 1999.The primary objective of the Insurance scheme is to provide a measure of financial support to farmers in the event of crop failure due to drought, flood etc, to restore credit eligibility of farmers after a crop failure, for the next crop season, to support and simulate production of pulses and oil seeds.

V.ANALYSIS & INTERPRETATION

Age group	Fq	%	Education	Fq	%
Below-25	10	20	Below-SSLC	30	60
25-35	00	00	PUC	14	28
35-45	20	40	UG	04	08
45&above	20	40	PG	02	04
Total	50	100%	Total	50	100%
Income	Fq	%	Sources of income	Fq	%
Below-20000	16	32	Agriculture	42	84
20000-40000	16	32	Business	04	08
40000-80000	02	06	Service	02	04
80000&above	16	32	Others	02	04
Total	50	100%	Total	50	100%

Source: Field Survey

Farmers age: The Age group between 45& Above is 40% and 40% of farmers are belongs to the age group between 35-45,the age group between below-25 is 20%.The age is also

one of the important demographic variable which is going to influence on growth and development of farmers.

Educational qualification: Educational qualification of farmers States that 60% of the farmers are below SSLC,28 % of the farmers are having pre university level education, 8% of the respondents are complete the under graduate level education and finally 4% of the respondents are the post graduate level education.

Income status: The income level is also one of indicator of the growth and development of Agricultural sector. The table and graph States the information about income of the farmers in Davangere region. 32% of the Farmers earn the profit from the agriculture I.e. Below-20000, 20000-40000 and 80000 &above and only 04% of the farmers earn the profit of Rs.40000-80000 annually.

Main source of Income: In rural areas we can see most of the respondents are mainly depends on agriculture. Agriculture is the main source of the Income. The above mentioned clearly states that 84% of the respondents says that their main occupation is agriculture. Most of the people in the rural areas mainly depend on Agricultural activities. 16%of the respondents say that they are not having agriculture as the main source of Income.

Awarness	Fq	%	Status	Fq	%	Main occupation	Fq	%
Yes	50	100	Yes	50	100	Yes	42	84
No	00	000	No	00	000	No	08	16
Total	50	100	Total	50	100%	Total	50	100
Frequen t buy	Fq	%	Premiu m	Fq	%	Reason	Fq	%
Always	16	32	High	04	08	Bank compulsion	16	32
Sometim es	32	64	Low	20	40	Financial security	20	40
Never	02	04	Reason able	26	52	Other	14	28
Total	50	100	Total	50	100%	Total	50	100

Source: Field Survey

Awareness about agricultural Insurance: The main objective of the study is to know about the farmers' awareness towards Agricultural Insurance. So the above table reveals that 100% of the respondents they are heard about the Agricultural or crop insurance. The respondents in rural areas are clearly states their opinion about Agricultural Insurance.

Status of having Agricultural Insurance The farmers having the Agricultural Insurance in rural areas. The table and graph reveals that 100% of the respondents said that they have Agricultural Insurance policies .According researcher opinion in Davangere region the farmers are really heard about Agricultural Insurance.

Main occupation: The above table and graph reveals the information about the main occupation as agriculture by the respondents. 84 % of the respondents said that they earn the more income from the agriculture. 16% of the respondents they have more income other than agriculture. They depend and earn the profit from services and other works. In rural areas most of the respondents are depends on agriculture.

Frequency of Purchase: The above mentioned graph and frequency analysis table reveals that the information about making or purchasing the Agricultural or crop insurance policies. 64% of the respondents purchases the crop insurance policies only some time not regular. 32% of the respondents purchase the crop insurance regularly and finally 04% of the respondents never purchase the crop insurance.

Payment of Premium: The above table and graph reveals that the information about payment of premium relating to agricultural Insurance or crop insurance. 52 % of the respondents they feel that the crop insurance premium is reasonable. 40% of the respondents said that the premium is low and finally 8% of the respondents said that the premium is high.

Reason for purchase the agricultural insurance: The motivation for purchasing the crop insurance policies reveals that some of the motivational factors influencing on approaching the crop insurance policies by the farmers. The factors like Banks compulsion, financial security, other farmers etc. it is clear that 40% of the respondents purchase the crop insurance policies because of financial security, 32% of the respondents purchase crop insurance policies because of the banks compulsion, and finally 28% of the respondents motivate from other farmers.

VI. FINDINGS

- The farmers fully aware about Agricultural Insurance. The financial security is the main reason to approach the crop insurance by the farmers.
- By observing the data about the awareness, the status of having the crop insurance as well as main occupation of the respondents' as a agriculture it's clear that 84.61% are having the agriculture as main occupation, 100% they are aware about crop insurance and finally 100 % they have the crop insurance.
- Another important demographic component is main source of income of the respondents is agriculture.
- Total 366.637 lakh farmers insured in India under PMFBY and RWBCIS (combined) during Kharif 2016.

- The top 10 States in terms of number of farmers insured under PMFBY and RWBCIS (combined) during Kharif 2016 were: Maharashtra, Rajasthan, Madhya Pradesh, West Bengal, Uttar Pradesh, Odisha, Andhra Pradesh, Bihar, Chhattisgarh and Gujarat.
- In Karnataka 10.59 lakh farmers insured under PMFBY and RWBCIS during Kharif 2016.

VII. CONCLUSION

The crop insurance is a tool or a measure to protect the farmers from natural disasters by analyzing the different demographic factors which are influencing the farmers awareness about crop insurance its depicts that the crop insurance is act as a source of avenue to the farmers for their losses. The awareness about crop insurance is very essential to farmers. They are fully aware about agricultural insurance schemes in Davangere region. Based on the survey report and respondents opinion the researcher is going give their suggestions. The government tries to give more focus on creating awareness about Modified agricultural insurance schemes. The crop insurance is not an optimal solution to the problems associated with agriculture sector. It is a protective tool for farmers from floods, droughts & natural disasters. But the farmers lot of other problems beyond the natural issues like pricing for agricultural products, lack of awareness about agricultural marketing, scarcity of labors and fundamental basic infrastructure etc, apart from these issues one of the major problem in agricultural sector is lack of awareness about scientific agriculture means the adoption technology or technological knowhow is play a significant role in its faster growth.

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