



RURAL FARMER AWARENESS ON CROP INSURANCE SCHEME IN POLLACHI TALUK

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ABSTRACT

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. 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. The research mainly discuss to know the awareness of Crop Insurance Scheme in Pollachi Taluk. Convenience sampling was also used to determine the sample size for the farmers. Pollachi Taluk is the study area. A total of 185 farmers are taken as sample for this study. The study makes use of statistical techniques such as simple percentage analysis and Friedman Rank Test in analyzing the data for finding the result. The study reveals that awareness campaign can be conducted through the government from time to time in the village level to increase the awareness level of farmers about crop insurance. To create an Awareness on farmers about crop insurance schemes can be created through newspaper, television, radio and other electronic print media.

Keywords :- Crop insurance, awareness and government

INTRODUCTION

The crop insurance is a potentially more effective risk-shifting mechanism to give protections to all types of farmers and the use of it as a risk management tool has grown rapidly in recent years. Also the crop insurance subsidies help the farmer on various grounds. They give protection from different natural calamities. They encourage the planted acres and also encourage the producer to use large amounts of chemical fertilizers, pesticides and herbicides. The crop insurance subsidies create important problem, which increases the probability and size of production loss (moral hazard). Due to the presence of moral hazard problem the insured farmers reduce input use and average yields. Again many environmentalists argue that if agricultural chemical input use increases, it becomes harmful to animal and human wealth.

Crop insurance contributes to self-reliance and self-respect among farmers, since in cases of crop loss they can claim compensation as a matter of right. Thus, it cushions the shock of crop loss by assuring farmers protection against natural hazards beyond their control. The central and state governments in India have instituted several crop insurance schemes as safety measure in recent years. Realising the importance of crop insurance as a tool for managing risk and uncertainties in agriculture, the present paper has examined the farmers awareness about crop insurance and perception about various risks involved in agriculture.

STATEMENT OF THE PROBLEM

Crop insurance, thus, promotes flow of institutional credit to the agriculture sector which in turn induces farmers to adopt new technology. The agricultural sector is still untapped and is also growing significantly owing to promotional policies initiated by the government in these countries. The rural sector will offer wide scope for insurance companies particularly to local companies which



have better knowledge of realities in rural marketing. In this context, this study is an attempt to find out answers to the following questions.

- What is the awareness level of the farmers about crop insurance schemes?
- What are the problems faced by Crop Insurance Scheme?

OBJECTIVES OF THE STUDY

- To know the awareness of Crop Insurance Scheme in Pollachi Taluk.
- To identify the problems that are faced by cultivator while getting Crop Insurance Scheme.
- To provide suggestions to improve awareness among farmers for crop insurance scheme.

SIGNIFICANCE OF THE STUDY

In the present study, may helpful to small and marginal farmers to protect their interest in crop against natural calamities and getting benefits under this scheme. It will also assist the insurers, bankers and policy makers for policy prescription and policy intervention. Crop insurance is considered to be an effective risk management tool 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.

RESEARCH METHODOLOGY

The data have been collected in primary source through issue of questionnaire. Owing to the location advantages, respondents belonging to Pollachi Taluk alone have been selected.

- Data Collection
- Sampling
- Framework of Analysis

Sampling procedure

Data for the study has been collected Pollachi Taluk Farmers. Total 185 farmers has been selected for the study by adopting random sampling technique.

Data Collection

The required data for the study has been collected both primary and secondary data. Primary data collected through issued questionnaire and secondary data has been collected they magazines, newspapers, websites, research articles.

Frame work Analysis

The data was further processed by doing statistical tools namely:

- Simple Percentage
- Friedman Rank Test

LIMITATIONS OF THE STUDY

- The study is restricted to the selected sample of Pollachi Taluk.
- The Results cannot be generalized.
- The findings are applicable only to the farmers who living in Pollachi Taluk. Hence care has to exercised while extending this results to other areas.



REVIEW OF LITERATURE

J.Sundar and Lalitha Ramakrishnan (2013), in their study entitled, “A study on farmers awareness, perception and willing to join and pay for crop insurance”, aims to assess the farmers perception and awareness towards crop insurance scheme. The data for the study have been collected through issue of questionnaire. A sample of 140 farmers have been collected for the study by adopting random sampling techniques. Tools like Percentage analysis and the Chi-square test are used to analyze the data. They find that, the most of the farmers were not willing to pay for crop insurance because of instable income, premium rate, no or low compensation, problems with distribution channel and lack of financial knowledge.

Amol Haridas Bobade et.al (2014), carried out their study on, “Awareness of farmers about District (Maharashtra)”, aims to examine the awareness of farmers about crop insurance scheme in study area. The required data for the study have been collected in primary through issue of questionnaire. A sample of 150 farmers have been collected by adopting convenience sampling techniques. Tools like Descriptive statistics, Correlation are used to analyze the data. They find that the most of the insured as well as non insured farmers have information about crop insurance, but few of them know the procedure of getting crop insurance, because they illiterate and implanting agency failed to advertise entire process in simple language which understandable to the illiterate people.

Robert Aidoo (2014) in his study on, “Prospects of Crop Insurance as a Risk Management tool among Arable crop farmers in Ghana”, to assess the willingness of farmers to adopt crop insurance and the critical factors that influence the premium they are willing to contribute towards such a scheme. The required data for the study have been collected in primary through issue of questionnaire. A sample of 120 farmers were selected from the Municipality for personal interviews to elicit primary information with the help of a structured questionnaire. Tools like descriptive statistical tools such as arithmetic mean, standard deviation and frequency distribution tables were used to analyze the data. He finds that, the low premium farmers are willing to contribute towards crop insurance schemes, government subsidy might be required if future crop insurance schemes are to be sustainable.

S.M.Uvaneswaran and T.Mohanapriya (2014), in their study entitled, “Farmers perception and awareness about crop insurance in Tamilnadu – A Descriptive analysis”, aims to find the farmers awareness level towards crop insurance scheme. The required data for the study have been collected primary in nature. A sample of 150 farmers from Tamilnadu have been collected in primary data through issue of questionnaire. The tools like Simple percentage, Chi-square test and Henry Garrate ranking are employed to analyze the data. They find that the awareness for the crop insurance can be created by service provides through sms, hoardings, television and radios.

C.B.Srilatha and P.B.Pradeep Kumar (2016), in their study entitled “A study on Awareness levels and adoption strategies for climate variability among farmers”, to examine the awareness of farmers about crop insurance scheme in RANGEREDDY district of Telangana. The data for the study have been collected through primary in nature through issue of questionnaire. A sample consist of 120 farmers have been collected by adopted purposive sampling techniques. Tools like Mean and Standard Deviation are used to analyze the data. They find that the awareness among the farmers was mainly due to media followed by university scientists.



ANALYSIS AND INTERPRETATIONS

I. AWARENESS OF FARMERS

TABLE NO: 1
AWARENESS OF CROP INSURANCE

S.No	Determinants	No of Respondents (N=185)	Percentage (%)
1	Aware of Pradhan Mantri Fasal Bima Yojana (PMFBY) Scheme	45	24.3
	Aware and insured	48	25.9
	Aware but not insured	76	41.1
	Not aware	16	8.6
	Not aware but insured		
2	Sources of Awareness of the Schemes		
	Newspaper	56	30.3
	Radio	100	54.1
	Television	16	8.6
	Fellow farmers / Relatives	12	6.5
Bank / Financial Institutions	1	0.5	
3	Availed loan from bank or Financial Institutions	106	57.3
	Yes	79	42.7
4	Get loan from bank or Financial institutions		
	Bank	90	84.9
	Financial Institutions	16	15.0
5	Crop is Destroy		
	Yes	119	64.3
	No	66	35.6
6	Reason for Crop Destroyed		
	By natural calamities	24	20.1
	By animals	21	17.6
	By fire accident	12	10.0
	By lack of water	62	52.1
7	Strategies followed by farmers to face loss		
	Borrowing from friends and relatives	42	22.7
	Hypothecation of jewellery	97	52.4
	Government Policy	7	3.8
	Co-operative society	33	17.8
	Lease of land	6	3.2

It could be seen from the table that the most of the farmers the majority Most of 76 (41.1%) farmers are not aware on Pradhan Mantri Fasal Bima Yojana (PMFBY) Scheme. Most 100 (54.1%) farmers have know about crop insurance scheme through radio. The most 106 (57.3%) farmers have availed loan from the bank or financial institutions. The most 90 (94.9%) farmers get loan from bank



or financial institutions . Most 119 (64.3%) farmers are destroyed crop. The most of 62 (52.1%) farmers crops are destroyed by lack of water and the most 97 (52.4%) farmers are hypothecation of jewellery to face loss.

II. AWARENESS OF FARMERS ABOUT CROP INSURANCE

The farmers of Pollachi Taluk are facing the problems of drought over a period of several years & due to natural calamities they are suffering losses in their agriculture activities. It is necessary to evaluate the crop insurance scheme implementing in Pollachi Taluk and also check the awareness of farmers about crop insurance scheme. Agricultural development is important to economic development of people in study area.

TABLE NO: 2
AWARENESS OF FARMERS ABOUT CROP INSURANCE

S.No	Awareness	Yes	No	Total	Mean Value	Rank
1	Know the information about crop insurance	153 (82.7)	32 (17.3)	185	0.8270	2
2	Know the procedure of taking crop insurance	140 (75.7)	45 (24.3)	185	0.7560	4
3	Aware of workshop orientation program regarding crop insurance	152 (82.2)	33 (17.8)	185	0.8216	3
4	Know about Kisan Credit Card (KCC)	156 (84.3)	29 (15.7)	185	0.8432	1
5	Adopt agricultural insurance from any Co-operative bank	131 (70.8)	54 (29.2)	185	0.7081	5
6	Aware of crop insurance	121 (65.4)	64 (34.6)	185	0.6541	7
7	Willing to pay the premium of crop Insurance	97 (52.4)	88 (47.6)	185	0.5243	9
8	Crop Insurance is necessary for crop cultivation	128 (69.2)	57 (30.8)	185	0.6919	6
9	Set our target yield in any Crop Insurance	120 (64.9)	65 (35.1)	185	0.6486	8
10	Aware of government loan waiver scheme	95 (51.4)	90 (48.6)	185	0.5135	11
11	Aware of crop insurance based on weather data	68 (36.8)	117 (63.2)	185	0.3676	13
12	Aware of share of central and state government in crop Insurance	96 (51.9)	89 (48.1)	185	0.5189	10
13	Aware of standards of crop insurance	76 (41.1)	109 (58.9)	185	0.4108	12

FINDINGS

AWARENESS OF CROP INSURANCE

- Most of 76 (41.1%) farmers are not aware on Pradhan Mantri Fasal Bima Yojana (PMFBY) Scheme.
- Most 100 (54.1%) farmers have know about crop insurance scheme through radio.
- The most 106 (57.3%) farmers have availed loan from the bank or financial institutions.



- The most 90 (94.9%) farmers get loan from bank or financial institutions .
- Most 119 (64.3%) farmers are destroyed crop.
- The most of 62 (52.1%) farmers crops are destroyed by lack of water.
- Most 97 (52.4%) farmers are hypothecation of jewellery to face loss.

SUGGESTIONS

In the light of the present findings and suggestions given by the sample respondents, the following recommendations are made for the improvement of crop insurance:

TO GOVERNMENT

- The farmers should be made aware of the various insurance schemes for which adequate publicity / extension support should be provided by the state governments.
- Awareness campaign to induce non-borrowers to buy insurance covers for major / notified crops. Hence, it is suggested that the Insurance companies and Government should take necessary steps to improve the satisfaction level of farmers by using the following steps.

TO INSURANCE COMPANIES

- Awareness campaign can be conducted through the government from time to time in the village level to increase the awareness level of farmers about crop insurance.
- The existing crop insurance schemes must be redesigned to attract more farmers in the chain of crop insurance.
- The claim settlement procedure should be faster as far as practicable.

TO FARMERS

- Farmers should pay indemnity as early as possible like within 2 to 3 month from loss. Hence they can make preparation for their next crop season. Hence there is need to proper co-ordination between bankers and implementing agency.
- There is need of interaction between all of the agencies involved in this scheme.

CONCLUSION

Agriculture is affected by the natural calamities like drought, flood, etc., which forms the major risk for the farmers. Theoretically the crop insurance stabilizes the farmer's income during the loss period. But in real practice it doesn't act as an instrument during the period of loss. In the mind set of the farmers the crop insurance is best suited for large scale farmers because the premium is not afford to the small & medium farmers further the extent of coverage is very low. The major role in creating the awareness among farmers is played the Bank officials but they didn't take active participation in explaining the benefits of crop insurance. Hence the benefits of the crop insurance should reach all types of farmers and change the perception of the farmers about the cultivation and its risk aversion.

SCOPE FOR FURTHER RESEARCH

This study deals with only the farmers awareness and satisfaction of crop insurance scheme. The buddy scholars who would like to do the research work in space of following areas.

- Farmers perception on crop insurance.
- Farmers awareness and satisfaction on crop insurance in other district (or) states.



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