

FARMER PERCEPTION AND AWARENESS ABOUT CROP INSURANCE IN KARNATAKA

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ABSTRACT: Crop insurance as a concept for risk management in agriculture has emerged in India since the turn of the twentieth century. From concept to implementation, it has evolved sporadically but continuously through the century and is still evolving in terms of scope, methodologies and practices.

India is an agrarian country, where the majority of the population depends on agriculture for their livelihood. Yet, crop production in India is dependent largely on the weather and is severely impacted by its vagaries as also by attack of pests and diseases. These unpredictable and uncontrollable extraneous perils render Indian agricultural and extremely risky enterprise. It is here that crop insurance plays a pivotal role in anchoring a stable growth of the sector. The study found that the majority of farmers perceived crop insurance as an important tool for managing risk and uncertainty associated with crop production, but many were hesitant to enroll due to lack of trust in the insurance companies and the lengthy and complicated claim process. The study also identified some key factors that influenced farmers' decision to enroll in crop insurance schemes, including the cost of premiums, the level of coverage, and the ease of access to insurance services.

INTRODUCTION: India is an agrarian economy with 116 million farm holdings covering 163 million hectares, with small and marginal farmers making up 80% of the producer population. Farming is an inherently risky business and farmers face many types of risks. Natural disasters such as droughts, floods, cyclones, storms, landslides and earthquakes severely affect agricultural production and farm incomes. Agricultural insurance is an important mechanism to address the risks to output and income resulting from various natural and manmade events. Crop insurance is a basic risk faced by agriculturalists worldwide, particularly in India due to the extreme dependence of the farm sector on weather conditions and the poor economic condition of farmers. The Comprehensive Crop Insurance Scheme (1985-99) and its successor, the National Agricultural Insurance Scheme (NAIS), have evolved over the years, and the last couple of years have seen the entry of the weather insurance sector. However, crop insurance is a complicated concept to administer due to the systemic nature of agricultural risks, moral hazard, difficulty curbing adverse selection, and non-viability and unaffordability. The National Agricultural Insurance Scheme (NAIS) is a countrywide crop-yield insurance programme implemented by all states except Punjab, Arunachal Pradesh, Manipur and Nagaland. It eliminates the problem of adverse selection and takes care of the pooling concept by ensuring the uninterrupted participation of farmers both in good and bad years. However, less than one-third of the farming community avails of institutional credit in India and for the remaining, insurance continues to be voluntary. A disaggregated study of beneficiaries under the NAIS reveals that more than 60% of the farmers, who benefited under food crops and oilseeds, belong to the small and marginal category (having landholdings less than two hectares).

Agriculture in Karnataka is a vital part of the state's economy, but growth is limited by a variety of factors. Rain-fed farms, affected by the vagaries of the weather, create fluctuations in farm incomes that put farmers in a precarious position. To protect farm livelihoods, risk mitigation strategies such as crop insurance are needed. This policy brief is based on two earlier studies on the farm sector and examines the state of crop insurance in Karnataka using secondary data from the National Sample Survey Office (NSSO).

OBJECTIVE OF THE STUDY

- To Study the Agricultural insurance Scenario in India
- To Analyse the Awareness of Existing crop insurance Schemes in India
- To Know the opinion of farmers on the benefits of crop insurance

REVIEW OF LITERATURE:

SL NO	Author name	Journal name	
1	K S Aditya, Avinash, Kishore	A case of weather-based crop insurance in Punjab, India	Conducted a contingent valuation study in Punjab, a state where irrigation is used for farming and where the risk is thought to be so low that crop insurance has not yet been implemented by the government. The primary data used in this study came from 716 wheat farmers. The study discovered that farmers are willing to pay less than the premium based on current rates, INR 297 per acre, for crop insurance
2	S.S. Raju, Ramesh Chand	'A Study on the Performance of National Agricultural Insurance scheme and Suggestions to Make it More Effective'	This essay has looked at the characteristics and effectiveness of the National Agricultural Insurance Scheme (NAIS) in use in the nation and has made some recommendations for improvements. The National Agricultural Insurance Scheme has only slightly improved the crop insurance programme since it was introduced in the nation. The area covered, the number of farmers, and the value of agricultural output are all relatively tiny.
3	NIRAJ VERMA	Making Insurance Markets Work for Farmers in India	The switch from a social crop insurance scheme with sporadic support from the GOI to a market-based crop insurance The Indian crop insurance programme is appealing to private insurance and reinsurance businesses because it is a programme where the product design and premium rates are actuarially sound. To provide mNAIS in Rabi in 2010, two domestic commercial insurers have already reached agreements with several states. For its MNAIS insurance portfolio
4	Arun Kumar Deshmukh* Deepak Khatri**	Agricultural insurance in India – A paradigm shift in Indian	This paper tells about the evolution of agricultural insurance in India and its critical appraisal. The over dependence of Indian agriculture on uncertain rains during monsoon The market for agricultural insurance has demonstrated enormous potential. However, after being around for forty years, it hasn't been able to establish a solid foothold in the farming community. To achieve deep penetration, further efforts are needed in this direction
5	Sidharth Sinha	Agriculture Insurance in India	In order to protect Indian farmers from agricultural variability, the government runs a crop yield insurance programme, purchases are made at minimum support prices, and calamity relief funds are the main tools being used . The closure we get from this paper is the crop yield scheme is failed to implant due to less coverage and high claims to premium ratio. problem arises in both the design execution of the scheme. Problems with measuring the crops in a regular and neat manner

DATA AND METHODOLOGY

Study type: Exploratory Research

An approach to methodology called exploratory research looks into unanswered research questions

Data Collection Method: primary data (Survey)

First-hand knowledge was obtained through direct observation, personal interviews with respondents' former employees, or other methods of data collection

Hypothesis test

Hypothesis 1

Ho: Farmer not aware of risk insurance and its benefits

H1: Farmer aware of risk insurance and its benefits

Hypothesis 2

Ho: There is a no difference in opinion of farmer on risk insurance benefits based on year of farming

H1: There is a no difference in opinion of farmer on risk insurance benefits based on year offarming

DATA ANALYSIS AND FINDINGS

ANOVA						
		Sum of Squares	Df	Mean Square	F	Sig.
Crop insurance is management tool in agricultural production	Between Groups	27.941	4	6.985	5.830	.000
	Within Groups	116.225	97	1.198		
	Total	144.167	101			
Crop insurance will protect viability of my farm operation regardless of water-related risks	Between Groups	25.407	4	6.352	4.959	.001
	Within Groups	124.240	97	1.281		
	Total	149.647	101			
I can't imagine managing my farm without crop insurance	Between Groups	27.310	4	6.828	4.588	.002
	Within Groups	144.337	97	1.488		
	Total	171.647	101			
Crop insurance requirement limit my ability to implement conservation practices	Between Groups	28.352	4	7.088	6.110	.000
	Within Groups	112.520	97	1.160		
	Total	140.873	101			

ANOVA

		Sum of Squares	Df	Mean Square	F	Sig.
I will buy crop insurance regardless of whether or not it is subsidized	Between Groups	12.338	2	6.169	5.051	.008
	Within Groups	120.917	99	1.221		
	Total	133.255	101			
Crop insurance provides good protection to my yield	Between Groups	13.856	2	6.928	4.813	.010
	Within Groups	142.497	99	1.439		
	Total	156.353	101			
I am willing to expose myself to greater risk to increase the yield of my crop because of crop insurance	Between Groups	5.695	2	2.847	2.012	.139
	Within Groups	140.119	99	1.415		
	Total	145.814	101			

Interpretation :

This is another ANOVA table showing the results of a study comparing farmers' attitudes towards crop insurance. The variables are different attitudes (e.g. "I will buy crop insurance regardless of whether or not it is subsidized") and the groups are different farmers. The F values and Sig. levels show the significance of the differences between the groups. In this case, the first two attitudes have a significant F value (less than .05), suggesting that there is a significant difference between the groups. The third attitude does not have a significant F value (greater than .05), which suggests that there is not a significant difference between the groups.

Findings :

- The study shows that 55.9% of the farmers state it has neutral Expenses of the agricultural
- The study shows that 41.2% of the farmers get financial support the private/cooperative Bank
- The above survey shows that 48.0% of farmers lack of finance for affect of theyield
- The above analyses says that 85.3% of farmers heard about a agriculture insurance

SUGGESTIONS:

- Creating more a Awareness about crop insurance
- Providing more number of scheme in agriculture
- To providing benefit to the farmer
- To providing a compensation to loss on crop with in short time

CONCLUSION:

It is necessary for the Agriculture Department to establish a separate Crop Insurance Wing in order to address the current limitations in the current scheme. Agriculture More than 80% of respondents claimed that the department is not carrying out the plan properly. Additionally, they have no knowledge of any Crop Insurance procedures or data. More than 90% of respondents indicated that there is a need to increase awareness about crop insurance through the effective use of RSK services or by appointing Crop Insurance Agents similar to LIC agents to provide insurance service at the farmers' door step. Since most farmers lack literacy, they are unaware of the formal financial institutions' procedural and other requirements. Although institutional loanees are required by the NAIS to be insured, only about 40% of non-loaneees are. The H-K region's farmers voluntarily purchase insurance. This is a good illustration of the enormous potential that insurance has to address

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