



AWARENESS AND PERCEPTIONS TOWARDS CROP INSURANCE SCHEME IN SPECIAL REFERENCE TO COIMBATORE DISTRICT

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ABSTRACT

Agriculture is the back bone of the Indian economy. Government has launched several insurance schemes like National Agricultural Scheme and Weather Index Based crop insurance schemes for shielding the farmers against risks in agriculture. Due to the danger of loss in agriculture the farmers are making suicide attempts, selling their properties or the properties are seized by the Bank and financial institutions for the loan availed by the farmers. This is due to lack of awareness about the risk management among the farmers. The research was conducted among the 120 farmers of Coimbatore District to assess the farmer's perception about the various facts of crop insurance schemes.

KEYWORDS : *Agriculture, Crop insurance, National Agricultural Scheme, Farmers Awareness, Risk management.*

INTRODUCTION

Agriculture may be a risky prospect, wherever it is subject to vagaries of nature like flood, drought and cyclone. Agriculture contributes 24 per cent to the GDP and its disturbance has a multiplier effect on the economy of a country like India. Since, economic process and agricultural growth are inextricably linked to each other, managing risks in agriculture may be a big challenge to the policy makers and therefore the researchers. The risk aversion induces under Crop insurance are recognized to be a basic instrument for maintaining stability in farmers income, through promoting technology, encouraging investment, and increasing credit flow with the agricultural sector. The basic principle underlying crop insurance is that the loss incurred by a couple of people is shared among others in an area, engaged in a similar activity. Also, losses incurred in bad years was compensated from the resources accumulated in good years.

STATEMENT OF THE PROBLEM

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

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



SCOPE OF THE STUDY

In the present study, may helpful to small and marginal farmers to save 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 taken into account be an efficient 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 their compensation.

OBJECTIVES OF THE STUDY

- To know the awareness of Crop Insurance Scheme in Coimbatore.
- 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.
- To analyze the perception of the beneficiaries and non-beneficiaries regarding to the existing crop insurance schemes.

RESEARCH METHODOLOGY

Research methodology is the systematic way to solve research problem. It is a science of studying how the research is to be carried out. Its aim is to give work plan of the research. The study is based on a survey collected in Coimbatore district with the help of primary and secondary data.

DATA USED: Primary data and Secondary data are used.

AREA OF THE STUDY: The study was undertaken in Coimbatore district.

SAMPLE SIZE: The study was conducted with a sample size of 120 respondents.

ANALYTICAL TOOLS USED: Simple percentage, Likert scale analysis, Ranking Analysis

REVIEW OF LITERATURE

Bindiya Kunal Soni & Jigna Trivedi (2013) “Crop Insurance: An Empirical Study on

Awareness and Perceptions” Universally agriculture is perceived to be synonymous with risk and uncertainty. Crop insurance is one of the alternative to manage risk in yield loss by the farmers. It helps in stabilization of the farmer’s production and income of the farming community. As such it is a risk management alternative where production risk is transferred to another party at a cost premium.

Saraswathi kumbalep, m. Devaraju (2018) “awareness and perceptions of farmers about crop insurance” protecting the interest of farmers is very important in any country basically to have sustainable economy and food security. India is a developing country around 60–70 percent of Indian population is depending upon Agriculture sector and currently it contributes 16–17% of the GDP.

HISTORY & PROFILE OF THE STUDY

The Central Government has formulated the Farm Income Insurance Scheme during 2003-04. The two critical components of a farmer's income are the yield and price. FIIS targeted these two components through a single insurance policy so that the insured farmer can get a guaranteed income. The scheme provided income protection to the farmers by insuring the production and market risks. The insured farmers were ensured minimum guaranteed income that is, average yield multiplied by the minimum support price in a year. If the actual income was less than the guaranteed income, the insured would be compensated to the extent of the shortfall by the insurance. Initially, the scheme would cover only the wheat and rice and would be compulsory for farmers availing crop insurance. Would be withdrawn for the crops covered by FIIS, but would continue to be applicable for the other crops. The FIIS was withdrawn in 2004. The recent attempt by the government to re-introduce the Farm Income Insurance Scheme can reform agricultural insurance and prevent the farm-level distress.

**ANALYSIS****TABLE SHOWING DISTRIBUTION OF RANKING PERFORMANCE TOWARDS CROP INSURANCE SCHEME**

S. No	Particulars	1	2	3	4	5	TOTAL	RANK
1	Providing crop insurance scheme	25(5)	20(4)	27(3)	30(2)	18(1)	364	2
2	Providing relief fund at disaster time	50(5)	18(4)	16(3)	14(2)	22(1)	420	1
3	Service by the government	10(5)	25(4)	32(3)	29(2)	24(1)	328	4
4	Premium paid	16(5)	22(4)	25(3)	27(2)	30(1)	327	5
5	Renewal notice	19(5)	35(4)	20(3)	20(2)	26(1)	331	3

*(Source: Primary Data)***INTERPRPETATION**

From the table, it is understood that providing relief fund at disaster time is ranked 1, providing crop insurance scheme is ranked 2, Renewal notice is ranked

3, Service by the government is ranked 4, and Premium paid is ranked 5.

➤ Providing relief fund at disaster time have been ranked 1st by the respondents.

TABLE SHOWING DISTRIBUTION OF RANKING PERFORMANCE TOWARDS CLAIMING CROP INSURANCE

S. No	Particulars	1	2	3	4	5	TOTAL	RANK
1	Receiving of insurance amount	25(5)	40(4)	25(3)	15(2)	15(1)	405	1
2	Recovery of full loss	35(5)	20(4)	7(3)	25(2)	33(1)	329	4
3	Process for claiming insurance amount	12(5)	25(4)	28(3)	33(2)	12(1)	322	5
4	Coverage of risk	18(5)	15(4)	41(3)	27(2)	19(1)	346	3
5	Claiming process	30(5)	20(4)	19(3)	20(2)	31(1)	358	2

*(Source: Primary Data)***INTERPRPETATION**

From the table, it is understood that Receiving of insurance amount is ranked 1, Receiving of insurance amount is ranked 2, Coverage of risk is ranked 3, and Recovery of full loss is ranked 4, Process for claiming insurance amount is ranked 5.

➤ Receiving of insurance amount have been ranked 1st by the respondents.

FINDINGS**1. SIMPLE PERCENTAGE METHOD**

- 60.8% of the respondents are Male.
- 60.8% of the respondents are in the group of 41 to 60 years.
- 79.2% respondents are married.
- 29.2% of the respondents are in the family of 2 and 3 members.
- 48.3% of respondents are at up to school level.
- 46.7% of the respondents are live in rural areas.



- 43.3% of the respondents having yearly income of Rs.2 to 3 lakhs.
- 50.8% of the respondents owns less than 3 acres of land.
- 41.7% of the respondents have involved in farming 5 to 10 years.
- 100% of respondents are aware with crop insurance.
- 100% of the respondents are not insured their crops.
- 34.1% of respondents are aware by the government departments.
- 53.3% of respondents are avile with the medium term loan.
- 31.7% of the respondents are affected by the non aviability of workers.
- 32.5% of the respondent's avile with bank loan for the risk management.
- 33.3% of the respondents are aware with various crop insurance scheme.
- 33.3% of the respondents faced the problems like no proper valuation of loss and it is a long process.

2. LIKERT SCALE ANALYSIS

TABLE SHOWS THE LEVEL OF SATISFACTION OF THE RESPONDENTS IN CROP NSURANCE SCHEME

S. NO.	FACTORS	NO. OF RESPONDENTS	LIKERT SACLE VALUES(x)	TOTAL
1	Highly satisfied	8	5	40
2	satisfied	34	4	136
3	Neutral	48	3	144
4	Dissatisfied	22	2	44
5	Highly Dissatisfied	8	1	8
	TOTAL	120		372

(Source: Primary data)

INTERPRETATION

- Likert scale value 3.1 which is equal to the mid value 3, so the respondents are neutral in the crop insurance scheme.
- The respondents agreeing with the crop insurance scheme it helps them while unexpected loss has made.
- The respondents are natural with the factors.

3. RANKING ANALYSIS

- Providing relief fund at disaster time have been ranked 1st by the respondents.
- There is no significant difference between age and earning capacity of farmers.
- There is no significant difference between education level and economic condition of farmers
- Limited numbers of farmers are aware with the various crop insurance scheme.
- the major risk in farming are the drought and non-availability of workers
- Crop insured farmers are dissatisfied from the existing insurance schemes.

- in order to bear the risk of loss the farmers are borrowing loans banks

SUGGESTIONS

- Proper awareness of crop Insurance schemes and procedure to buy policy should be created.
- All crops need to be covered to make it a strong risk mitigating tool.
- Indemnity payment should meet the loss incurred and it should not be negligible amount.
- Procedure to purchase Crop Insurance should be made easy and at farmers door step or nearest place
- Awareness for the crop insurance can be created by service providers through SMS, hoardings, television and radios

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 mindset 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.

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