



**AWARENESS OF FARMERS TOWARDS CROP INSURANCE
IN ERODE AND NAMAKKAL DISTRICTS IN
TAMIL NADU (INDIA)**

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Abstract:

This working paper discusses the dependence of Indian agriculture on uncertain rains. In addition the farmers experience other production risks as well as marketing risks related to different crop enterprises and for different agro-climatic regions and areas. It then argues on the need for crop insurance as an alternative to manage production risk. It then takes up the historical overview of crop insurance products and their performance. It is followed by the discussion on the currently available crop insurance products for specific crops and regions. It discusses at length the two important products, namely, National Agricultural Insurance Scheme and Weather Based Insurance Scheme. It also reflects on some deficiencies in these products.

Key Words: Crop Insurance, Awareness & Farmers

Introduction of the Study:

Agriculture, as a primary sector provides livelihood to 56% of the population and contributes around 13% of the State GDP. The Government is taking efforts to achieve targeted growth rate of 4% in Agriculture during XI Plan period. Though fertile soil, good quality water and long period of sunlight which are the basic requirements for Agriculture available in abundance in Tamil Nadu, still the productivity has not been enhanced to its potential level. The System Rice Intensification (SRI) technology in rice has proved to achieve a productivity level of more than 10 tons paddy per hectare if done scientifically. The highest productivity up to 13 metric tons per hectare was recorded by adopting this technology. Hence Government will give greater emphasis to bring more area under SRI to enhance the productivity of paddy in the State. The precision farming methods integrating all technologies with drip fertigation can help to achieve very high productivity in agricultural and horticultural crops like sugarcane, cotton, banana, vegetables and also flowers. By adopting precision farming technology the productivity could be increased more than 2 to 3 times than the present level of productivity, besides quality enhancement. The Government will take steps to promote this technology on cluster basis for large scale adoption. Application of more of organic manure is essential to restore the soil health and hence, production of organic manure using crop residues at farm holdings and composting of municipal waste at local bodies are also aimed at. Application of macro and micro nutrients based on the soil test analytical report will certainly help to increase the productivity and in this regard all the districts have been provided with Soil Testing Laboratories with sophisticated equipments. Efforts will be taken to establish Agri Clinics with mini Soil Testing Laboratories at block level to strengthen the extension, inputs and soil testing activities with public private partnership. Promotion of farm machineries like paddy transplanter, paddy harvester, sugarcane harvester etc will also be given prime importance. The Agriculture and sister departments have been restructured by converting the three tier system to two-tier system by positioning more technical staff at block and village level for effective transfer of technologies. Massive promotion has been given to the technical officers and positioned to take up extension work with agility.

History of Crop Insurance in India:

Since 1920	Efforts have been made
1972	India's 1st crop insurance scheme launched
1985	Goi launched the Comprehensive Crop Insurance Scheme (CCIS)
1999	National Agricultural Insurance Scheme (NAIS) launched
2010	Modified NAIS (MNAIS)

Thus, PSBs do not have any incentive to sell it to non-loanee farmers.

Awareness of the Crop Insurance:

Crop insurance in the region has primarily been indemnity- based, but weather based index insurance has played a key role in India, and experimental and ongoing pilot programs have been established in countries such as Thailand and Vietnam.

Statement of the Problem:

In India normally all farmers are struggling lot for survival irrespective of total area of the cultivation, type of crop cultivated, etc., All the farmers say their views and reasons for the difficulties. The farmers who are cultivating various crops are forced to borrow amount from the outside due to lack of adequate money with

them. In Erode and Namakkal districts due to industrial development, there are huge amount of employment opportunities with reasonable wage or salary package.

Significance of the Study:

People are engaged in various activities to generate income to the family based on the efficiency, knowledge, family occupation or any other activities in which the individual has knowledge.

Objectives of the Study:

- ✓ To know the knowledge level of farmers with regards to crop insurance.
- ✓ To identify the schemes available to farmers under crop insurance.

Research Methodology:

Erode and Namakkal District is selected for this research. Primary data is collected through well-structured questionnaire. A sample of 100 respondents in Erode and Namakkal District has been selected by using random sampling method. For the purpose of analysis the data were further processed by using statistical tools. The statistical tools are

- ✓ Simple Percentage
- ✓ Weighted Average Rank

Limitations of the Study:

The data was collected from the farmers cultivating sugarcane in Erode and Namakkal districts only. The study was conducted to analyse the awareness level of the farmers regarding the crop insurance only. Hence it may not be considered for other insurance.

Analysis and Interpretation:

Socio economic Profile of the Farmers: Table no.1 describes the socio economic profile of the farmers. Out of 100 respondents it has been identified that majority (52%) of the respondent are male, (54%) of the respondents age group is under 26 to 50 years, majority (63%) of the respondents are up to school level, the annual income of (51%) respondents is above Rs.2,50,000, (65%) of the farmers have 5 to 10 acres farm area for their agriculture , (72%) of the respondents are in nuclear family and (68%) of the respondents came to know about the Crop insurance through Friends/Relatives.

Table 1: Socio Economic Profile of the Farmers

Factors	Number of Farmers N=100	Percentage
Gender		
Male	52	52
Female	48	48
Age (Years)		
Up to 25	28	28
26 to 50	54	54
Above 50	18	18
Educational Qualification		
Up to School Level	63	63
Graduate	23	23
Post Graduate	14	14
Annual Income		
Up to Rs.1,00,000	14	14
Rs.1,00,001 to Rs.2,50,000	35	35
Above Rs.2,50,000	51	51
Farm size (acres)		
Up to 5	20	20
5 to 10	65	65
Above 15	15	15
Type of Family		
Nuclear Family	72	72
Joint Family	28	28
Sources of Information		
Friends/ Relatives	68	68
Newspapers/TV	10	10
Bank Officers	22	22

Table 2: Awareness of Farmers towards Crop Insurance – Weighted Average Rank

Factors	A	N	DA	Total	Rank
Terms and conditions	45	25	30	100	5
Premium	68	24	08	100	1
Mode of premium	46	34	20	100	3

Factors	A	N	DA	Total	Rank
Type of Risk	50	22	28	100	2
Methods of loss determining	28	41	31	100	4

Table 2 shows about the weighted average rank for awareness of farmers towards crop insurance. It shows that Premium was the first awareness factor of the farmers towards crop insurance, Type of Risk was ranked as the second awareness factor, Mode of premium was ranked as third factor, Methods of loss determining was ranked as fourth factor and Terms and conditions was the fifth awareness factor of the farmers towards crop insurance.

Conclusion:

The farmer’s farm income is expected to bear a positive relationship with the volume of savings and capital accumulation. In present scenario the government should take necessary steps to educate the importance of crop insurance to the farmers. The result of the study shows that majority of the farmers came to know about crop insurance from their relatives and friends and most of the farmers are aware about the crop insurance. Proper enlightenments programme should be given to rural farmers as way of educating them on the importance of Crop Insurance. It is recommended that farmers should be encouraged to be applying for loans from the participating banks to enhance their agricultural activities and productivity.

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