



A Study on Farmers Awareness and Perception about Crop Insurance in Karimnagar District

Amtul Wahab¹, Iffath Unnisa Begum², Asia Minaz³, Asma Begum⁴, Asma Kausar⁵, Asma Naheed⁶

^{1,2}Assistant Professor, IPGDCW (A), Nampally, Hyderabad, Telangana, India.

^{3,4,5,6}Student, IPGDCW (A), Nampally, Hyderabad, Telangana, India.

Email Id: amtwahab@gmail.com¹

Abstract

This research endeavors to assess the levels of awareness and perception among farmers regarding crop insurance in Karimnagar District. The agricultural sector, being the backbone of the region, is susceptible to various risks, and crop insurance plays a pivotal role in mitigating the financial impact of unforeseen events. The study employs a mixed-methods approach, combining surveys and focus group discussions to gauge farmers' understanding of crop insurance, their awareness of available schemes, and their overall perception of the effectiveness of such risk-mitigation strategies.

Keywords: Farmers, Crop Insurance, Awareness, Perception, Risk Mitigation, Agriculture, Karimnagar District, Financial Impact, Agricultural Sector, Unforeseen Events, Schemes.

1. Introduction

The crop insurance is purchased by agricultural procedures and in cladding formers ranchers and others protect themselves against either the loss of their crops due to natural desist such as hail, drought and floods, on the loss of revenues due to declines in the prices of agriculture commodities. Crop insurance is an example of risk management tools that not only protects against losses but also offers the opportunity or more consistent gains. The two general categories of crop insurance are called crop yield insurance and crop-revenue insurance

1.1 Crop-Yield Insurance

There are two main classes of crop – yield insurance
Crop-Hail Insurance: Crop-hail insurance is generally available from private insurance (in countries with private sectors) because hail is a narrow peril that occurs in a limited place and its accumulated losses tend not to over whelm the capital reserves of private insurance.

Multi-peril Crop Insurance: Multi-peril crop insurance coverage in this type of insurance is not limited to just one risk. Usually multi-peril crop insurance offers hail. Rain and dough in a combined package.

Crop-Revenue Insurance: Crop yields times the Crop price-gives the crop –revenue. Based on formers revenues, crop revenue insurance is based on deviation from the mean revenue.

2. Need and Importance of the Study

Such support has been provided in the form of subsidies on premium to Formers, Operation subsides to private insurance to cover some of the high administrative costs associated with the agricultural insurance contracts, under curating and subsidized. All these events severally affect formers through losing products and form income and they are beyond the control of the formers, with magnitude of loss due to unfavorable eventualities is increasing.

3. Statement of the Problem

In the present study we propose to study and analysis farmer's awareness and perception about crop insurance. It is analyzed in terms of cognitive aspects and the effective aspects of the perception about crop insurance the farmer's awareness and the perception has been studied.

4. Objectives of the Study

The objectives of the study are



- To study about the awareness level of farmers about crop insurance on Karimnagar district.
- To study and analyze the perception of farmers about crop insurance.
- To know crop loss in Karimnagar district.

5. Scope of the Study

The scope of the study is

- The scope of the study is confined only to awareness and perception about crop insurance on Karimnagar district at Lingampeta.
- The sample survey has been done only on 80 respondents from Karimnagar district.
- The comparative study is not made with the other insurance companies.
- The sample survey is done for one year only.

6. Literature Review

Everyone knows that agriculture is an important sector in the developing countries from various Economic standpoints. In different times the government of developing countries has taken various financial polices to improve the conditions in agriculture. In the developing countries Most of the farmers are small and marginal and they face various risks such as flood, draught etc. In this situation crop insurance serves as an important instrument to safeguard the farmers against risk and uncertainty [12, 13]. It gives income protection, helps them to increase their production Capacity and also encounter risk in production. Though the government has introduced various Insurance policies (such as CCIS, NAIS, FIIS and rainfall, climatic relief fund) to ensure Financial security and to encourage participation in insurance policy. The crop insurance should link with credit on a compulsory basis. Dandekar (1976) found that the crop insurance scheme offered insurance against a chance occurrence. The chance phenomenon underlying a crop insurance scheme is the fluctuations in the output of from one year to another or from one crop season to another [6-8]. According to Shivrami Reddy & Narasaiah (1998), crop insurance is needful to the farmers & it provides financial support to the farmers in the event of crop failure & make them credit worthy for the next crop season. They described the operation of

Comprehensive Crop Insurance Scheme in Andhra Pradesh. The national Agricultural Insurance Scheme introduced since Kharif 2000, it appears very slow in taking roots in the southern states. (The Insurance Times, 2001). G. Venketesh (2008) stated that, in USA, crop insurance is clearly identified as risk management option and Multiple Peril Crop Insurance (MPCI) policies are available for most insured crops. According to R. K. Ray (1987), the level of education of among the farmers and their awareness is important to make crop insurance effective. Insurance should be limited. Many research works have been done in different areas of crop insurance in India and especially about the perception of farmers on it. A good number of literatures are available on the various aspects of crop insurance in India. A few of these reviews are as follows [1-3].

S. S. Raju and Ramesh Chand (2008) in their research article - A Study on the Performance of National Agricultural Insurance Scheme and Suggestions to make it more Effectivel, they have examined the features and performance of National Agricultural Insurance Scheme (NAIS) operating in the country and has suggested some modifications to make it more effective. Every suggested improvement has financial implications and affects the concerned insurance practices. It requires renewed efforts by the government in terms of designing appropriate mechanisms and providing financial support to agricultural insurance. Providing of similar support to the private sector insurers would help in increasing the insurance coverage and improving the viability of insurance schemes over time. The study has also suggested that different general insurance companies in the country may be assigned some reasonable targets to cover agricultural insurance, and to begin with, it could be equal to the share of agriculture in the national income [14].

D. Suresh Kumar, B. C. Barah, C. R. Ranganathan, R. Venkatram, S. Gurunathan and S. Thirumoorthy (2011) in their research work - An Analysis of Farmers" Perception and Awareness towards Crop Insurance as a Tool for



Risk Management in Tamil Nadu, they have reported the results of a survey of 600 farmers conducted to assess their perception about various facets of crop insurance schemes. The survey has revealed that most farmers (65%) are aware of risk mitigation measures of the government. But, only half of the farmers have been found aware about the crop insurance schemes/products. This implies that there is need to disseminate information about insurance schemes across the target groups. Further, it has been shown that factors such as gross cropped area, income from other than agricultural sources, presence of risk in farming, number of workers in the farm family, satisfaction with the premium rate and affordability of the insurance premium amount significantly and positively influence the adoption of insurance and premium paid by the farmers. The study has clearly brought out the urgency of developing more innovative products, having minimum human interventions [4, 5].

J. Sundar and Lalitha Ramakrishnan (2013) in their paper - A Study on Farmers' Awareness, Perception and Willing to Join and Pay for Crop Insurance, they have discussed the findings of the study in the area of crop insurance. Firstly, it measures the awareness level and source of awareness, secondly examines the farmers' perception, finally identify the farmer's willingness in paying for crop insurance. The study was conducted in Kunichampet village, Puducherry District, India and 140 convenient respondents were chosen and been carried out in June and July, 2012. From the analysis farmer's awareness level about crop insurance was low. 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 [9-11].

7. Findings

- The study finds that 63% of the sample respondents are male and that they are in the age group of 35 years to 50 years.
- The study finds that 63% of the sample respondents are live in joint family.
- The study finds that majority of the sample

respondents are have their annual income below Rs.1, 00,000.

- The study finds that 50% of the sample respondents are doing farming more than 10 years and they have leased land to cultivate.
- The study finds that 50% of the sample respondents cultivate Less than 1 Acer of land.
- The study finds that majority of the sample respondent's opined that there is a crop loss during cultivation and main reasons for crop losses are crop diseases, poor fertility of land and power problems.
- The study finds that 63% of the sample respondents are using bank loan to finance their crop.
- The study finds that majority of the sample respondents are aware about crop insurance from agriculture department and by following other farmers.
- The study finds that majority of the sample respondents are expressed that crop insurance is not only for high income farmers.
- The study finds that majority of the sample respondents are aware that crop insurance is suitable for all farmers and it covers losses for their crops.
- The study finds that 50% of the sample respondents are expressed that the insurance pays 50% to 75% money for the losses of crops.
- The study finds that majority of the sample respondents are opinion that they are willing to take crop insurance in the future.
- The study finds that majority of the sample respondents are recommend for full compensation to be paid to the farmers.
- The study finds that majority of the sample respondents are expressed that the amount for losses takes longer time to pay.
- The study finds that majority of the sample respondents are aware about the procedures involved in crop insurance.
- The study finds the majority of the sample respondents are opinion that they want door to door services to be implemented.



8. Suggestions

The following are the suggestions made.

- It is suggested that the farmers should take crop insurance.
- It is suggested to create awareness among farmers about crop insurance.
- It is suggested to increase the compensation paid when crop loss occurs.

9. Limitations of the Study

The following are the limitations of the study are

- The study was confined only to awareness and perception about crop insurance in Karimnagar district.
- The sample site is restricted to 80 respondents only.
- The study is restricted to Karimnagar district only.
- The views expressed by respondents might be biased.
- Haptic perception is the process of recognizing objects touch. It involves a combination of somatosensory perception of patterns on the skin surface (ex. Edges, curvature and texture) and proprioception of hand position and conformation. People can rapidly and accurately identify three-dimension objects by touch

Conclusion

- The following are the conclusions of the study
- It can be concluded that majority of the sample respondents are male and that they are in the age group of 35 years to 50 years.
- It can be concluded that majority of respondents are having income below Rs.1, 00,000 and they live in joint family.
- It can be concluded that majority of the sample respondents are Illiterates.
- It can be concluded that majority of the sample respondents are doing farming more than 10 years and they have leased land to cultivate.
- It can be concluded that majority maximum of the sample respondents cultivate land less than 1 Acer.
- It can be concluded that there is crop loss while cultivating and the main reasons for crop losses

is crop diseases, poor fertility of land and power problems.

- Finance their crop. It can be concluded that majority of the sample respondents are aware about crop insurance.
- It can be concluded that maximum of the sample respondents is came to know about crop insurance by Agriculture department.
- It can be concluded that majority of the sample respondents are aware that crop insurance is suitable for all farmers.
- It can be concluded that maximum of the sample respondents is expressed that the insurance pays only 50% - 70% for the losses of crops.
- It can be concluded that majority of the sample respondents are willing to take crop insurance in the future.
- It can be concluded that majority of the sample respondents are expressed that compensation paid for the losses takes longer time to pay
- It can be concluded that majority of the sample respondents are aware about the procedures involved in taking crop insurance.
- It can be concluded that majority of the sample respondent's wants door to door services to be implemented.
- It can be concluded that the amount received from insurance is not sufficient to cover losses.

References

- [1]. Ramchandran. (February 2008). Rural Insurance Potential and Challenges. Insurance World.
- [2]. Abdalla Z M. (December 1997). Agricultural Insurance System in The Near East Needs, Mechanisms and Experiences. FAIR Review, p. 3-16.
- [3]. Agarwal, A. K. (1980). Crop Insurance in India. APRACA / NAIA Asian Crop Insurance Seminar, Tokyo, 16-20 September, 1980.
- [4]. Bhende M J. (2002). An Analysis of Crop Insurance Scheme in Karnataka, Bangalore. Agricultural Development and Rural Transformation Unit, Institute for Social and Economic Change (ISEC).



- [5]. Crop insurance Compendium. (1991). Crop insurance compendium 1991. Rome: FAO.
- [6]. Dandekar V M. (1976-77 to 1984-85). Crop Insurance in India: A Review. Economic and Political Weekly, XX (25 & 26).
- [7]. Dandekar, V.M. (1985). Crop Insurance in India : A review 1976-77 to 1984-85,. Economic and Political Weekly, 20(25&26): A-46 to A-59.
- [8]. Dandekar, V.M. (1994). Indian Economy 1947-92, V.1: Agriculture. New Delhi: Sage Publication India Pvt. Ltd.
- [9]. Dillon J L and Anderson J R. (1971). Allocative Efficiency, Traditional Agriculture and Risk. American Journal of Agricultural Economics, 53 (p1).
- [10]. Gian Jyothi Journal, Volume3, Issue2, Farmers Perception towards Risk Factors Apr-Jun 2013.
- [11]. Reshmi Nair Crop Insurance in India: Changes and Challenges Economic and Political Weekly, Vol. 45, No. 6 (FEBRUARY 6-12, 2010), pp. 19-22.
- [12]. Horowitz and Lichtenberg Survey of studies on crop insurance on use of fertilizer and effects on Environment 1993.
- [13]. V. S. Vyas and Surjit Singh Crop Insurance in India: Scope for Improvement Economic and Political Weekly, Vol. 41, No. 43/44 (Nov. 4-10, 2006), pp. 4585-4594.
- [14]. S. S. Raju and Ramesh Chand Progress and Problems in Agricultural Insurance Economic and Political Weekly Vol. 42, No. 21 (May 26 - Jun. 1, 2007), pp. 1905-1908.