

Farmers perceptions towards NAIS and WBCIS insurance schemes in southern Rajasthan

ABSTRACT

Crop insurance is an insurance arrangement aiming at mitigating the financial losses suffered by the farmers due to damage and destruction of their crops as a result of various production risks beyond their control such as natural fire, weather, floods, pests, diseases etc. Government of India started offering widespread crop insurance in 1985, with the Comprehensive Crop Insurance Scheme. This would encourage them to carry on with their productive efforts, which not only improves the wellbeing of the farmers but also ultimately helps in stabilizing the agricultural output. Total majority of the respondents the insured loanee farmers 88 (58.70 per cent) expressed favourable attitude, while 35 (23.30 per cent) could be placed under less favourable category. The proportion of the farmers reported in the highly favourable was 27 (18.00 per cent). The statement wise attitude of insured loanee farmers in five-point continuum recorded most favourable attitude owing to mean per cent score 81.52, 78.17, 77.49 and 71.50 and placed at 1st, 2nd, 3rd and 4th respectively. This stated that farmers can sustain during natural calamities and compensation is available in time.

KEY WORDS: Crop insurance, attitude level, insured loanee farmers, NAIS and WBCIS.

INTRODUCTION

Agriculture production and farm incomes in India are frequently affected by natural disasters such as droughts, floods, cyclones, storms, landslides and earthquakes. Susceptibility of agriculture to these disasters is compounded by the outbreak of epidemics and man-made disasters such as fire, sale of spurious seeds, fertilizers and pesticides, price crashes etc. All these events severely affect farmers through loss in production and farm income, and they are beyond the control of the farmers. With the growing commercialization of agriculture, the magnitude of loss due to unfavourable eventualities is also increasing. For a section of farming community, the minimum support prices (MSP) crops provide a measure of income stability. However, MSP does not cover many crops and the procurement mechanism is quite poor in eastern part of the country. Mechanisms like contract farming and future trading, another possible option for risk transfer, have their own limitations. Considering all these instruments, agricultural insurance is still considered as an important mechanism to tackle the physical risk both in case of output and income. Agricultural Insurance is a means of protecting the farmer against financial losses due to

uncertainties that may arise from named or all unforeseen perils beyond their control. Unfortunately, agricultural insurance in the country has not made much headway even though the need to protect Indian farmers from agriculture variability has been a growing concern for agricultural policy.

Crop insurance is an insurance arrangement aiming at mitigating the financial losses suffered by the farmers due to damage and destruction of their crops as a result of various production risks. The agricultural sector in India has been accorded top priority since independence. A cursory look at the growth of agriculture in the past five decades indicates that agricultural production has reached comfortable heights especially after the Green Revolution. India has reached a stage of self-sufficiency, but it is still dominated by nature, which means that the instability still haunts agricultural sector and seriously threatens the Indian farmers' ability to step up the agricultural output and their viability. Government of India started offering widespread crop insurance in 1985, with the Comprehensive Crop Insurance Scheme. The Comprehensive Crop Insurance Scheme (CCIS) was in operation till Rabi 1999. The National Agricultural Insurance Scheme (NAIS) was introduced in the country from the Rabi season of 1999-2000. Agricultural Insurance Company of India Ltd (AIC) which was incorporated in December, 2002 and started operating from April, 2003 took over the implementation of NAIS. This scheme is available to both loanees and non-loanees farmers. It covers all food grains, oilseeds and annual horticultural/commercial crops for which past yield data are available for an adequate number of years. Weather based crop insurance scheme (WBCIS) has been introduced in the country from Rabi 2007-08. It aims to mitigate hardships of insured farmers against likelihood of financial loss on account of anticipated crop loss resulting from incidence of adverse conditions of weather parameters like deficit or excess rainfall and also other parameters like temperature, frost, humidity and wind, etc. As per the field officers, farmers and other stakeholders, there is earnest need of evaluation and partial comparison between NAIS and WBCIS, so that their strengths and weakness could be determined (Wasihum *et. al.*, 2014). The comparison may lead to further strengthening the existing scheme or to evolve any new crop insurance scheme.

METHODOLOGY

The investigation was conducted in the Salumber and Vallabhnagar tehsils of Udaipur district of Rajasthan during 2013 & 2014. Udaipur district lies between 28.3° N latitude and 75° E longitude at an elevation of 579.5 meters above mean sea level. Udaipur district was divided into eleven Panchayat samities. The Salumber and Vallabhnagar tehsils were selected on the

basis of highest insured loanee farmers (ILFs) under crop insurance schemes. The NAIS and WBCIS had been operated in around 200 villages of Salumber and Vallabhnagar tehsils. Ten villages (5 from Salumber and 5 from Vallabhnagar), which fell in the radius of 10 kms from the tehsil headquarters of Salumber and Vallabhnagar were included for the investigation. A list of such villages was prepared; care was taken to select first five villages from each of the tehsils with higher number of insured loanee farmers (ILFs). The number of respondents appears to be 300 in case, while comparison between NAIS and WBCIS schemes has been attempted because of multiples responses of ILFs. It was planned to select 150 (75 from Salumber and 75 from Vallabhnagar tehsils) insured loanee farmers from selected villages. To achieve the desired size of sample, proportionate random sampling procedure was followed in identifying real insured loanee farmers under both the schemes. Prior to drawing sample from every village, a pre-survey was conducted for preparing the list of those insured beneficiaries and who have drawn loan under crop insurance through NAIS and WBCIS. The investigation is a comparative study of NAIS and WBCIS of both the tehsils. NAIS is no more in operation. WBCIS is still being executed. Therefore, the investigation was carried out combining 'Ex-post-Facto Research design (for NAIS) and process evaluation study design (for WBCIS). Process evaluation is carried out during execution of any programme. The respondents regarding their attitude were classified into three categories viz., less favourable (23.64 to 48.79), moderately favourable (48.79 to 73.94) and highly favourable (73.94 to 99.09). The statement wise attitude of insured loanee farmers was also measured on five-point continuum (Likert, 1932).

RESULTS AND DISCUSSION

Attitude of the insured loanee farmers towards NAIS and WBCIS

Table 1. Respondents Level of attitude of the insured loanee farmers towards NAIS and WBCIS. n=150

S.No	Adoption level	Tehsil		Total
		Vallabhnagar	Salumber	
1	Less favourable (23.64 - 48.79)	27 (77.14) 36.00*	8 (22.86) 10.67*	35 (23.30)
2	Moderately favourable (48.79 - 73.94)	39 (44.32) 52.00*	49 (55.68) 65.33*	88 (58.70)
3	Highly favourable (73.94 - 99.09)	9 (33.33) 12.00*	18 (66.67) 24.00*	27 (18.00)
Total		75 (100)	75 (100)	150 (100)

n= Total number of respondents, *= Percentage to columns, Figures in the parentheses show percentage of rows

Comparative analysis shows that near about more than one half of the ILFs 88 (58.70 per cent) expressed favourable attitude, while 35 (23.30 per cent) could be placed under less

favourable category. The proportion of the farmers reported in the highly favourable was 27 (18.00 per cent). Thus, it could be concluded that majority of ILFs had moderate favourable to highly favourable attitude towards both the schemes for wheat cultivation. This might be due to the farmers were satisfied with both the types of insurance schemes. The farmers of Salumber tehsil were found to be highly and more favourable toward NAIS and WBCIS. The study was in conformity with the findings of Sawant *et al.* (2002). It is recommended that the insured loanee farmers of Vallabhnagar should be persuaded more and more for their inclination toward crop insurance. It is possible through counselling and convincing strategy followed by the government department of agriculture. Field functionaries of insurance schemes were also responsible for the same.

Item wise attitude of the insured loanee farmers towards NAIS and WBCIS

Table 2: Item wise attitude of the insured loanee farmers towards NAIS and WBCIS

n=150

S. No	Aspect	Tehsil				Total	
		Vallabhnagar		Salumber		MPS	Rank
		MPS	Rank	MPS	Rank		
1	I can go for any Agricultural operations with the help of crop insurance	65.52	6	89.45	1	77.49	3
2	My economic condition does improve due to C.I.	59.21	8	51.56	19	55.35	17
3	I can sustain safely in drought years due to C.I.	54.33	14	88.00	2	71.17	5
4	I can sustain safely during flood, high/low temperature and humidity	79.00	2	84.04	3	81.52	1
5	Adequate compensation	59.01	9	67.00	7	63.01	10
6	I can sustain in case of poor production	62.44	7	64.04	8	63.24	9
7	Premium is bearable	58.89	10	61.33	10	60.11	11
8	Decisions about compensation appropriate.	49.01	18	49.00	20	49.01	21
9	I get compensation in time	77.67	3	78.67	4	78.17	2
10	Premium of C.I. is optimum	48.21	19	67.99	6	58.10	12
11	Claim is adequate	81.00	1	62.00	9	71.50	4
12	Given adequate loan	56.09	13	72.45	5	64.27	6
13	Many crops are covered under crop insurance scheme	52.56	16	48.36	21	50.46	20
14	adequate agriculture companies under crop insurance scheme	51.97	17	60.12	11	56.07	14
15	Easy formalities in the banks	47.64	21	47.94	22	47.79	22
16	Threshold / Guaranteed yield is high	45.19	22	59.67	12	52.43	18
17	Ease in getting claims	68.01	5	59.66	13	63.84	7

18	I get claim in case of crop is damaged	56.72	12	56.21	15	56.47	13
19	Prevention from financial disasters due to crop failure	53.83	15	57.00	14	55.42	16
20	More improvement in relation to agricultural credit	74.73	4	52.00	18	63.37	8
21	Increment in productivity	57.67	11	53.97	17	55.82	15
22	Economic stability	47.55	20	55.11	16	51.33	19

MPS = Mean per cent score

** = Significant at 1 per cent level

→ rs = 0.93** ←

The statement wise attitude of insured loanee farmers was measured on five-point continuum. It is obvious that the most important statements viz., “Hardly I can sustain safely during flood, high/low temperature and humidity” “I get compensation in time” “I can go for any Agricultural operations with the help of crop insurance” and “Claim is adequate” showed most favourable attitude owing to mean per cent score 81.52, 78.17, 77.49 and 71.50 and placed at 1st, 2nd, 3rd and 4th respectively. The statements which reflected good degree of attitude were “I can sustain safely in drought years due to Crop insurance”, “Given adequate loan” and “ease in getting claims” with mean per cent score 71.17, 64.27 and 63.84 were ranked 5th, 6th and 7th respectively. Table 2 further indicates moderate attitude towards the statements like “Lesser improvement in relation to agricultural credit”, “I can sustain in case of poor production”, “Adequate compensation”, “Premium is bearable”, “Premium of Crop insurance is high”, “I get claim in case of crop is damaged”, “Sufficient agriculture companies under crop insurance scheme” and “Increment in productivity” with their scoring 63.37, 63.24, 63.01, 60.11, 58.10, 56.47, 56.07 and 55.82 which were placed at 8th, 9th, 10th, 11th, 12th, 13th, 14th, and 15th rank respectively. The respondents expressed slightly favourable attitude toward statements viz. “prevention from financial disasters due to crop failure”, “my economic condition does not improve due to C.I.”, “threshold / Guaranteed yield is low”, “economic instability”, “many crops are covered under crop insurance scheme”, “decisions about compensation are defective” and “easy formalities in the banks” with mean per cent scores 55.42, 55.35, 52.43, 51.33, 50.46, 49.01 and 47.79. It can be concluded that the ILFs of Salumber and Vallabh Nagar tehsils had most favourable attitude towards insurance schemes stating farmers can sustain during natural calamities, compensation is available in time, they can go for any operation with crop insurance, claims under the insurance schemes is adequate and they can sustain during droughts. The results of the study are also supported by the findings of Sawant *et al.*, 2002 who revealed that 85.82 per cent of the respondents had favourable attitude, followed by 18.36 per cent of them having unfavorable and 15.32 per cent having most favorable attitude towards agricultural

courses. On the basis of the findings, it is recommended that threshold guaranteed period must be increased, the formalities of insurance schemes may be made easy, economic stability under the schemes be ensured, premium must be made optimum and compensation procedure must be made proper.

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