

Agricultural Insurance Schemes As a Mitigation Strategy for Climate Change- Problems There Off

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ABSTRACT

The impact of climatic changes has greater consequences in rural India, due to the higher dependence on agriculture and increasing human and livestock population, degradation of limited natural resources, incidence of pests and diseases, and changing land use pattern. The climate impact could be particularly severe on crop production once it crosses the resilience limit and adaptation level. Increasing frequency, high intensity rainfall, drought, floods, submergence and cyclones etc. are the major visible components of climate change in the recent times. While unfolding the causes of these changes are necessary for deriving mitigation interventions, the strategy for managing their impact on society and on economy is a critical short-term priority. Crop and livestock insurance is one of the institutional mitigation strategies for climate change. So keeping in view the importance of this the problems being faced regarding the Crop and Livestock Insurance Schemes of Crop and Livestock Insurance Schemes in Punjab has been studied. Problems are the difficulties foreseen or faced by the farmers in availing crop and livestock insurance schemes. Statements and questions were prepared and responses were recorded in yes or no form along with open ended questions. The respondents, who availed the Crop Insurance Scheme, opted it, as the compensation was satisfactory and easily available at the cooperative society. The main reason cited for not opting the Crop Insurance Scheme was the non availability of information. The respondents faced the problems like high premium rates, procuring certificate from the veterinary practitioner as a time taking process and direct payment of 50 per cent of the premium as a high amount to be paid. Some of the respondents faced problem in maintaining the ear tag of the cattle where as a small per cent of the respondents faced problem in maintaining the documents for the claim of loss.

Key words:

Agricultural production is associated with various types of risk, the most significant ones being variability in crop yield and income, due to erratic behavior of the weather. The uncertainty of crop yield is one of the basic risks that every farmer has to face. Indian agriculture is heavily dependent on weather and the uncertainty of the weather cycle makes agriculture a highly risky venture. Livestock being an allied agricultural enterprise also suffers from many diseases, accidents, etc. Crop Insurance is an instrument that protects farmers against uncertainties of crop production that are beyond their control and plays a vital role in sustaining farmers' economy (Vyas and Singh 2006). One of the factors that could alleviate the farmers' risk is the Crop Insurance. Thus Crop & Livestock Insurance can be used as an important instrument of social and economic policy to be pursued by the State

for the protection of farmers against unforeseen losses. In present scenario Punjab is looking forward for diversification of cropping pattern and crop insurance is such an instrument which can help popularization even more risky crops. Assessing of the problems being faced by the farmers helps to find the lacunas and also sorts out possible solutions for the same apart from formulating the suitable policies. So keeping in view of this the present study has been planned to study problems faced by the respondents regarding the Crop and Livestock Insurance Schemes.

METHODOLOGY

The study was conducted in purposively selected district i.e Ludhiana of Punjab due to the convenience of the researcher. From Ludhiana district three blocks viz. Sidhwan Bet, Sudhar and Raikot were selected

randomly and consecutively multistage random sampling technique was used to select the ultimate respondents. Then from each block two villages were further randomly selected. From each selected village twenty farmers were selected randomly. So in total a random sample of hundred twenty farmers were selected as the respondents from six villages of Ludhiana district. The data was collected by personal interview method through structured interview method. Appropriate statistical procedures like frequency and percentage were employed to analyze and interpret the data. Problem is operationally defined to be the difficulties foreseen or faced by the farmers in availing crop and livestock insurance schemes. Statements and questions were prepared and responses were recorded in yes or no form along with open ended questions to study the problems faced by the farmers relating to various aspects of Crop and Livestock Insurance such as premium, compensation, mode of payment of compensation etc.

RESULTS AND DISCUSSION

Problems faced by the respondents regarding the Crop Insurance Schemes: Majority of the respondents did not face much of the problems in availing Crop Insurance. The Table 1 reveal that nearly one- third of the respondents faced problems as they lacked information about various aspects of Crop Insurance policies where as 10.00 per cent of the respondents were unable to avail the schemes as they were non contract farmers and only 3.34 per cent of respondents faced delayed payment of compensation and also reported that mode of payment of compensation as tedious. Bhatia (2005) reported high premium rate as a problem with ICICI Lombard's Weather Insurance since there was assured irrigation and no drought hence there was no major crop damage. Consequently, the farmers did not receive any premium.

Table 1. Distribution of respondents according to the problems faced regarding Crop Insurance Scheme (N= 30)

S. No	Problems	Respondents*			
		Yes		No	
		f	%	f	%
1.	Problem in maintaining the cash receipt while purchasing the fertilizer bag	—	—	30	100.00
2.	The insurance policies have complex paper work	—	—	30	100.00
3.	The premium rates are higher	—	—	30	100.00
4.	The rules & regulations of the scheme are difficult to understand.	—	—	30	100.00
5.	Premium & indemnity rates are disproportionate.	—	—	30	100.00
6.	Settlement of the claims is a time taking process.	—	—	30	100.00
7.	Delayed payment of compensation.	1	3.34	29	96.66
8.	Lack of information about the various aspects of the insurance policies	10	33.34	20	66.66
9.	The mode of payment of compensation is tedious.	1	3.34	29	96.66
10.	Being a non -contract farmer, they were unable to avail crop insurance.	3	10.00	27	90.00

* Multiple responses

Problems faced by the respondents regarding the Livestock Insurance Schemes: The Table 2 contains information about the problems faced by the respondents regarding Livestock Insurance Scheme. It is seen that 17.77 percent of the respondents faced problems like premium rates were higher, procuring certificate from the veterinary practitioner as a time taking process and direct payment of 50 per cent of the premium was a high amount to be paid at one time. And 16.66 per cent of the respondents faced problem in maintaining the ear tag of the cattle where as only 3.33 per cent faced problem in maintaining the documents for the claim of loss as they found it cumbersome.

Reasons for not opting Crop Insurance Scheme: The Table 3 reveal that all the respondents who could not avail the Crop Insurance Scheme reported non availability of information as one of the reasons while 21.11 per cent were not able to avail the same being a non contract farmer. One of the major reason for not opting the crop insurance scheme at large scale is that the number of such schemes are scanty and their area coverage is also very less. Another reason that the schemes are mainly for wheat & rice crops and these crops are very sure crops in state like Punjab. Starting large numbers of schemes especially for non rice & wheat crops in Punjab will give boost to diversify Punjab agriculture.

Table 2. Distribution of the respondents according to the problems faced regarding Livestock Insurance Scheme N= 90

S. No.	Problems	Respondents*			
		Yes		No	
		f	%	f	%
1.	Maintenance of ear tag for the Livestock Insurance is difficult.	15	16.66	75	83.34
2.	Maintenance of the documents for the claim of loss is cumbersome	3	3.33	87	96.67
3.	Subsidy provided is inadequate	—	—	90	100
4.	Premium rates are higher.	16	17.77	74	82.23
5.	Procuring certificates from the Veterinary Practitioner is a time taking process	16	17.77	74	82.33
6.	Direct payment of 50% of the premium is a high amount to be paid at once	16	17.77	74	82.33
7.	Delay in settling claims.	—	—	90	100
8.	Delayed payment of compensation	—	—	90	100

*Multiple responses

Table 3. Distribution of respondents according to the reasons for not opting for Crop Insurance Scheme (N=90)

S.No.	Reasons	Respondents*	
		f	%
1.	Non availability of information	90	100.00
2.	Being a non contract farmer unable to avail the insurance scheme	19	21.11

*Multiple responses

Reasons for opting or not opting for Livestock Insurance Scheme: The respondents who had bought the cattle on loan availed the Livestock Insurance scheme as it was compulsory for the loanee farmers, where as the farmers who were non- loanee did not know about the insurance of livestock and hence could not avail insurance for their cattle.

CONCLUSION

The respondents, who availed the Crop Insurance Scheme, opted the same, due to the reason that compensation was satisfactory and was easily available at the cooperative society. The main reason cited for not opting the Crop Insurance Scheme was the non availability of information about these schemes. Majority of the respondents did not face much of the problems in availing the Crop Insurance. The respondents faced the problems like high premium rates, procuring certificate from the veterinary practitioner as a time taking process and direct payment of 50 per cent of the premium as a high amount to be paid in the beginning. Some of the respondents faced problem in maintaining the ear tag of the cattle where as a small per cent of the respondents faced problem in maintaining the documents for the claim of loss and considered it as cumbersome.

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