

CROP INSURANCE IN INDIA: PROBLEMS AND PROSPECTS

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Abstract

Agricultural sector is important sector of the Indian economy because of India's 58% people directly or indirectly depend on agriculture sector for livelihood. Agricultural sector face the several problems of crop yields or the production because of dependence of monsoon are the natural calamities. The agricultural production and farmer income in India are affected by natural disaster such as floods, draught, landslides, earthquake and cyclone. In the developing country like India the agricultural business is become a risky because of production, price, market, weather issue which affect the agricultural sector. The risk in agricultural sector can be minimized by crop insurance scheme. In this paper we study the agricultural crop insurance scheme problems and prospects.

Keywords: *Agriculture Insurance, India, Crop Production, Weather, Natural Calamities.*



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Introduction:

India is a predominantly agricultural economy. The agricultural sector having more problems like natural calamities like floods, drought, landslides, storm etc are the issue which can directly affect the agricultural sector which is indirectly effect on the Indian economy. The crop insurance is the best instrument for maintaining the stability in farm income which promotes the farmers for adopting the new technology in agriculture, to encourage the farmers for investment and it also contribute to self-reliance and self respect among the farmers of India. In India Mr. S. Chakravarti, District Magistrate of Mysore state proposed the agricultural insurance scheme based on rainfall approach to recover the losses of farmer. The Crop Insurance is a major instrument to contribute the self-reliance of farmers and the Indian agricultural sector.

Problems adopting the Crop Insurance Scheme:

1. The awareness of the farmer about the crop insurance is poor because of lack of interaction between farmers and implementing agency.
2. The illiteracy of the farmer getting the information about crop insurance & implementing agency will not advertise or interaction with farmers in a simple language.

3. Limited crops are involved in the crop insurance scheme.
4. Crop insurance scheme can be implemented in a specific season or crop yield.
5. Lack of coordination between implementing agency, government and farmers.
6. Large area for crop insurance.
7. The financial institution fails to influence the farmers.
8. Traditional information report method.
9. The calculation method of average yield of crop is not good.
10. Crop insurance involving only the Lonee farmers.

Suggestions:

1. The insurance company and government regularly arranged the oriented program for availing the farmers about crop insurance.
2. The financial institution and government are improving the crop insurance scheme.
3. To involve the non-loanee farmers in crop insurance scheme.
4. Increase the number of crop covered in the insurance scheme.
5. The important thing for adopting the insurance scheme is more effectively there is a need of reduction of insurance unit to gram panchayat level.
6. To change the method of land survey which is traditional? For the survey modern methods to be used helping with mobiles, satellite etc. are to be used.
7. Inadequate the infrastructure for implementing the crop insurance scheme.
8. Extended the risk coverage to prevented sowing for planting in adverbs seasonal conditions.
9. To provide the coverage of post harvest losses.
10. To aware and give the service to non-lonee farmers.
11. The premium should be share by financial institution.

Prospects of Agricultural insurance:

In India about 12 million farmers can avail the crop loan from financial institution and only three fourth of those are insured. The remaining farmers are either depends on informal sector or non institutional sources for the loan. In India most of the farmers are illiterate and they do not know about the crop insurance scheme. There is need to advise or give moral support to farmers to take crop insurance and the government or the implementing agency help to the farmers for insured amount & claim settlement method should be changed. The time between crop failure and the crop claim settlement period are very long that's why the

farmers are not getting the crop insurance. In India there is a tremendous potential to adopt or to involve the farmers in crop insurance because in agricultural sector there is a problems of natural calamities increases rapidly so adopt the crop insurance sincerely and also the implementing agency and government do their role properly. In this way we help to farmers for solving their agricultural problems. Indian agricultural sector found to be as a developed sector and it will be increased the share of GDP in Indian economy.

Conclusion:

In a few current years the tremendous changes in agricultural sector which is the changing of irrigation system facility, technology, price of inputs of agriculture, changing market situation, price of Agricultural goods etc. but now a days the agricultural sector of India facing several problems can be increased and the risk should be increased because of natural calamities. In this risk situation there is a need to protect the farmers against the risk such as Natural calamities for these there is a need of aware the farmers about the crop insurance scheme for agricultural sector. It is required that the different general insurance company in the country may assign reasonable targets to cover the agricultural insurance and give support to the farmers to solving their problems of crop production.

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