

CHAPTER – V

ANALYSIS ON ATTITUDE AND SATISFACTION OF FARMERS TOWARDS CROP INSURANCE SCHEME

5.1 INTRODUCTION

This chapter has been divided into two sections. The first section is devoted to test the attitude of farmers. For this purpose, opinion in respect of the sample farmers has been gathered in 20 statements in connection with the crop insurance. The second section deals with the satisfaction of farmers towards crop insurance scheme. It measures the level of satisfaction of farmers towards crop insurance scheme under 11 parameters and also analyses the reasons for dissatisfaction. For all analyses, the data collected through the field survey have been extensively used. Statistical tools such as Likert's scaling technique, mean score and satisfaction score have been applied.

5.2 ATTITUDE OF FARMERS TOWARDS CROP INSURANCE SCHEME

Attitude is an important determinant of behaviour. Attitudes are an expression of inner feelings that reflect whether a person is favourably or unfavourably predisposed to some 'object' (e.g. price, a service, a mark, a symbol, etc). As an outcome of some psychological processes, attitudes are not directly observable, but must be inferred from what people say or from their behaviour. According to Leon G. Schiffman, "an attitude is a learned predisposition to respond in a consistently favourable or unfavourable manner with respect to a given object".¹

¹ Leon G.Schiffman and Leslie Lazar Kanuk (1988), **Consumer Behavior**, Prentice-Hall of India Private Limited, New Delhi, p.270.

The most common way of assessing the farmers' attitude is through the administration of interview schedule or questionnaire containing attitude scales. While a great many attitude-scaling procedures have been available, the Likert's scale, otherwise called as Summated scale, is by far the most popular form of attitude scaling because it is easy for researchers to prepare and is uncomplicated for farmers to respond. Hence, in the study attitude has been measured using Likert's five point scale technique. The scale incorporates the various aspects approach of the coverage, publicity, premium sharing, formalities adopted, settlement, and so on.

5.2.1 Attitude Measurement Using Likert's Scaling Technique:

In the Likert scale, the farmers were asked to respond to each of the statements in terms of five degrees usually as – a) Strongly Agree b) Agree c) No Opinion or Undecided d) Disagree and e) Strongly Disagree. These five points constitute the scale. Each point on the scale carries a score. The answers supporting the statement 'fully' are given the maximum score of five, while the answers on the other end receive a score of one. At one extreme of the scale there is strong agreement with the given statement and at the other, strong disagreement, and between them lie intermediate points. Then all the score values are totalled for each question and the total score for each question is divided by the maximum possible score and multiplied into one hundred (in terms of percentage). Thus, the final score represents the extent of the support to the statement mentioned in the question. If the final score is more than 75 per cent, then it is said to be that there is strong agreement to the given statement. If it is 50 to 75, there is agreement and if it is less than 50 it shows disagreement to the given statement. In the above said ways, the attitudes of farmers are analyzed by the researcher for the purpose of this study.

In this study, for analyzing the attitude of farmers towards crop insurance, 20 statements are placed before the respondents. The sample respondents of Madurai District are asked to state their opinion towards these 20 statements. With a view to finding out the opinion, the respondents are asked to indicate whether they strongly agreed or agreed or no opinion or disagreed or strongly disagreed about the given statements. For eliciting the responses the following statements are given to them in the sample study:

- 1) Protects against loss or damage of crops.
- 2) Gives financial security.
- 3) Provides guarantee for the banker.
- 4) It helps in reducing the risks.
- 5) Premium rate is reasonable.
- 6) Served by the Agricultural Insurance Company.
- 7) Schemes are modified by the Central Government.
- 8) Follows simple formalities.
- 9) Easily accessible through bank.
- 10) Motivation from banks/financial institutions.
- 11) Adequate publicity.
- 12) Covers wide range of crops.
- 13) Covered by the National Agricultural Insurance Scheme.
- 14) Crop insurance schemes are well defined.
- 15) Quick settlement of claims.
- 16) Premiums are shared by Government.
- 17) Structured compensation payouts.
- 18) Compulsory coverage for loanee farmers.
- 19) Voluntary coverage for non-loanee farmers.
- 20) Rainfall variations reduce crop yields.

The above statements are analyzed with the help of Likert's five point scaling technique and the results of the analysis are depicted in Tables 5.1 to 5.21.

5.2.2 Farmers' Opinion about Protection of Crops:

To assess the attitude of the farmers towards protection against loss or damage of crops during crop insurance, the researcher has computed weighted total score and the findings are given in Table 5.1.

TABLE – 5.1

**Assessment of Farmers' Attitude towards the Statement
"Protects against Loss or Damage of Crops"**

Attitude	Score Given	No. of Loanee Farmers	Total Score	No. of Non-Loanee Farmers	Total Score
Strongly Agree	5	44	220	37	185
Agree	4	195	780	23	92
No Opinion	3	37	111	21	63
Disagree	2	3	6	-	-
Strongly Disagree	1	-	-	-	-
Total		279	1117	81	340
Final Score %		$1117 / 1395 \times 100$ = 80.07		$340 / 405 \times 100$ = 83.95	
Mean Score		4.00		4.20	

From the Table 5.1, it is clear that the loanee as well as non-loanee category of farmers have a favourable opinion towards the crop insurance statement, viz. "protects against loss or damage of crops". The final score in respect of the loanee farmer is 80.07 per cent and mean score is 4.00. It is 83.95 per cent and 4.20 respectively in the case of non-loanee farmers. It is inferred that as the farmers' agreement is more than 75 per cent in all the cases, the statement 'crop insurance protects against loss' is strongly agreed by majority of respondents.

5.2.3 Farmers' Opinion about Financial Security:

Normally financial security starts up when a farmer takes up any type of insurance. Crop insurance is no exception to this. Whether the sample farmers get financial security because of crop insurance or not has been assessed by the researcher. The result of analysis is displayed in Table 5.2.

TABLE – 5.2
Assessment of Farmers' Attitude towards the Statement
“Gives Financial Security”

Attitude	Score Given	No. of Loanee Farmers	Total Score	No. of Non-Loanee Farmers	Total Score
Strongly Agree	5	17	85	8	40
Agree	4	43	172	7	28
No Opinion	3	100	300	32	96
Disagree	2	93	186	24	48
Strongly Disagree	1	26	26	10	10
Total		279	769	81	222
Final Score %		$769 / 1395 \times 100$ = 55.13		$222 / 405 \times 100$ = 54.81	
Mean Score		2.76		2.74	

With a view to ascertain the opinion of the respondents towards the provision of financial security in connection with crop insurance, the strength of their opinions has been tested. It is discernible from the Table 5.2 that a majority of respondents have a favourable attitude towards the statement. The score given by the sample respondents for the statement is around 55 per cent both by categories of loanee and non-loanee farmers and thus it is agreed. The computed mean score works out to 2.76 for loanee farmers and 2.74 for non-loanee farmers.

5.2.4 Farmers' Opinion about Guarantee :

An attempt has been made by the researcher, whether the crop insurance provides guarantee for the banker or not. The gathered opinions are weighted and total score and mean scores have been found out. The result of opinion is exhibited in Table 5.3.

TABLE – 5.3
Assessment of Farmers' Attitude towards the Statement
“Provides Guarantee for the Banker”

Attitude	Score Given	No. of Loanee Farmers	Total Score	No. of Non-Loanee Farmers	Total Score
Strongly Agree	5	146	730	18	90
Agree	4	104	416	43	172
No Opinion	3	24	72	15	45
Disagree	2	4	8	3	6
Strongly Disagree	1	1	1	2	2
Total		279	1227	81	315
Final Score %		$1227 / 1395 \times 100$ = 87.96		$315 / 405 \times 100$ = 77.78	
Mean Score		4.40		3.89	

Table 5.3 highlights the opinion of samples farmers towards provision of guarantee for the banker in case of default in payment. It can be inferred that 87.96 per cent of loanee farmers and 77.78 per cent of non-loanee farmers have accepted the statement, i.e. “provides guarantee for the banker”. The mean score worked out to 4.40 and 3.89 scores respectively. It is concluded that strong agreement is seen from both the category of farmers for the given statement by assigning more than 75 per cent total score.

5.2.5 Farmers' Opinion about Reduction in Risks :

In general, there is an opinion that insurance will reduce the risks. In order to test this fact, a statement i.e. “crop insurance helps in reducing the risks” has been placed before the sample respondents for getting their opinions. Table 5.4 reveals the opinion of farmers.

TABLE – 5.4

**Assessment of Farmers' Attitude towards the Statement
“It Helps in Reducing the Risks”**

Attitude	Score Given	No. of Loanee Farmers	Total Score	No. of Non-Loanee Farmers	Total Score
Strongly Agree	5	12	60	2	10
Agree	4	27	108	3	12
No Opinion	3	44	132	17	51
Disagree	2	181	362	49	98
Strongly Disagree	1	15	15	10	10
Total		279	677	81	181
Final Score %		$677 / 1395 \times 100$ = 48.53		$181 / 405 \times 100$ = 44.69	
Mean Score		2.43		2.23	

It is understood from the Table 5.4 that the statement “it helps in reducing the risks” has been disagreed by both the loanee as well as non-loanee farmers. The calculated final score comes to 48.53 per cent and 44.69 per cent respectively and the mean score is also low (i.e. 2.43 for loanee and 2.23 for non-loanee farmers). As the final score is less than 50 per cent, it is concluded that there is disagreement among the sample respondents for the given statement.

5.2.6 Farmers' Opinion about Premium Rate:

The researcher has made an attempt to know about the opinion of farmers about premium rate in crop insurance. For this purpose, a statement has been included in the schedule for analyzing the attitude of sample farmers. The result of the opinion is shown in the following Table 5.5.

TABLE – 5.5

**Assessment of Farmers' Attitude towards the Statement
"Premium Rate is Reasonable"**

Attitude	Score Given	No. of Loanee Farmers	Total Score	No. of Non-Loanee Farmers	Total Score
Strongly Agree	5	4	20	-	-
Agree	4	22	88	6	24
No Opinion	3	51	153	12	36
Disagree	2	189	378	60	120
Strongly Disagree	1	13	13	3	3
Total		279	652	81	183
Final Score %		$652 / 1395 \times 100$ = 46.74		$183 / 405 \times 100$ = 45.19	
Mean Score		2.34		2.26	

Table 5.5 reveals the opinion of respondents regarding the reasonability of crop insurance premium. It clearly shows that the majority of respondents in both categories have an unfavourable attitude towards the statement "premium rate is reasonable". The score obtained by this statement is 46.74 per cent for loanee farmers and 45.19 per cent for non-loanee farmers. The mean score in respect of this statement is 2.34 and 2.26 scores respectively. It is observed from the above analysis that the premium rates are not reasonable for the sample farmers.

5.2.7 Farmers' Opinion about Service of Insurance Company:

There is a separate insurance company i.e. Agricultural Insurance Company (AIC) for serving agricultural insurance. This is known by the sample respondents or not has been attempted. The farmers' opinion has been assessed in the following Table 5.6.

TABLE – 5.6

**Assessment of Farmers' Attitude towards the Statement
“Served by the Agricultural Insurance Company”**

Attitude	Score Given	No. of Loanee Farmers	Total Score	No. of Non-Loanee Farmers	Total Score
Strongly Agree	5	46	230	20	100
Agree	4	186	744	46	184
No Opinion	3	47	141	14	42
Disagree	2	-	-	1	2
Strongly Disagree	1	-	-	-	-
Total		279	1115	81	328
Final Score %		$1115 / 1395 \times 100$ = 79.93		$328 / 405 \times 100$ = 80.99	
Mean Score		4.00		4.05	

It is evident from the Table 5.6 that abundant of light is thrown on the fact that majority of respondents have a favourable attitude towards the statement “served by the Agricultural Insurance Company”. The sample loanee and non-loanee respondents have given 79.93 per cent and 80.99 per cent score respectively for the statement. From this it is clear that sample respondents have known well that the crop insurance is served by the AIC.

5.2.8 Farmers' Opinion about Modification of Schemes:

Generally agricultural insurance schemes are offered by the Central Government. It can modify the schemes depending upon the needs of agriculturists from time to time. The statement "schemes are modified by the Central Government" has a favourable attitude or not has been tested in Table 5.7.

TABLE – 5.7

**Assessment of Farmers' Attitude towards the Statement
"Schemes are modified by the Central Government"**

Attitude	Score Given	No. of Loanee Farmers	Total Score	No. of Non-Loanee Farmers	Total Score
Strongly Agree	5	93	465	39	195
Agree	4	137	548	31	124
No Opinion	3	49	147	11	33
Disagree	2	-	-	-	-
Strongly Disagree	1	-	-	-	-
Total		279	1160	81	352
Final Score %		1160 / 1395 x 100 = 83.15		352 / 405 x 100 = 86.91	
Mean Score		4.16		4.35	

The opinion with regard to the modification of schemes by the Central Government has been analyzed in Table 5.7. It can be safely concluded that majority of respondents have agreed to the statement "schemes are modified by the Central Government" by giving 83.15 per cent score by the loanee farmers and 86.91 per cent by the non-loanee category farmers. The attitude towards this statement by the sample respondents is a favourable one and it has a strong agreement by scoring more than 75 per cent from both categories of farmers.

5.2.9 Farmers' Opinion about Formalities:

An attempt has been made to find out the formalities adopted in connection with the crop insurance. The opinions of respondents have been weighted and total scores and mean scores have been computed. Table 5.8 illustrates this fact towards the statement "follows simple formalities".

TABLE – 5.8

**Assessment of Farmers' Attitude towards the Statement
"Follows Simple Formalities"**

Attitude	Score Given	No. of Loanee Farmers	Total Score	No. of Non-Loanee Farmers	Total Score
Strongly Agree	5	27	135	4	20
Agree	4	141	564	28	112
No Opinion	3	41	123	11	33
Disagree	2	52	104	26	52
Strongly Disagree	1	18	18	12	12
Total		279	944	81	229
Final Score %		$944 / 1395 \times 100$ = 67.67		$229 / 405 \times 100$ = 56.54	
Mean Score		3.38		2.83	

From the Table 5.8 it is understood that the sample respondents have a favourable attitude towards the statement "follows simple formalities". The score given by the sample loanee respondents to this statement is 67.67 per cent whereas it is 56.54 per cent in the case of non-loanee farmers. The computed mean score is 3.38 for loanee farmers and 2.83 per cent for non-loanee farmers. From the analysis the researcher comes to conclusion that there is some agreement for the given statement.

5.2.10 Farmers' Opinion Easy Accessibility:

The detail regarding the accessibility of crop insurance through bank is easy or not has been gathered. The result of opinion of sample farmers is shown below in Table 5.9.

TABLE – 5.9

**Assessment of Farmers' Attitude towards the Statement
"Easily Accessible through Bank"**

Attitude	Score Given	No. of Loanee Farmers	Total Score	No. of Non-Loanee Farmers	Total Score
Strongly Agree	5	15	75	17	85
Agree	4	234	936	44	176
No Opinion	3	23	69	12	36
Disagree	2	7	14	8	16
Strongly Disagree	1	-	-	-	-
Total		279	1094	81	313
Final Score %		$1094 / 1395 \times 100 = 78.42$		$313 / 405 \times 100 = 77.28$	
Mean Score		3.92		3.86	

The accessibility position of crop insurance through bank has been opined by the respondents and it is shown in the Table 5.9. It is observed from the above table that the majority of respondents have given a positive opinion towards the statement "easily accessible through bank" by awarding 78.42 per cent score by loanee farmers and 77.28 per cent score by non-loanee farmers. Strong agreement is seen from the table by obtaining more than 75 per cent score for this statement from both categories of farmers.

5.2.11 Farmers' Opinion about Motivation:

To encourage the farmers to take up crop insurance, motivation is necessary. The motivation can be given either by banks or financial institutions. It has been tested through a statement "motivation from banks/financial institutions". The opinion is given in Table 5.10.

TABLE – 5.10

**Assessment of Farmers' Attitude towards the Statement
"Motivation from Banks/Financial Institutions"**

Attitude	Score Given	No. of Loanee Farmers	Total Score	No. of Non-Loanee Farmers	Total Score
Strongly Agree	5	16	80	3	15
Agree	4	43	172	11	44
No Opinion	3	56	168	12	36
Disagree	2	109	218	29	58
Strongly Disagree	1	55	55	26	26
Total		279	693	81	179
Final Score %		$693 / 1395 \times 100$ = 49.68		$179 / 405 \times 100$ = 44.20	
Mean Score		2.48		2.21	

Table 5.10 highlights the opinion regarding the motivation in connection with the crop insurance. The respondents have an unfavourable attitude towards the statement "motivation from banks/financial institutions" as evinced in the Table 5.10 by scoring less than 50 per cent. The score given by the sample loanee respondents to this statement is 49.68 per cent and 44.20 per cent by the non-loanee farmers. Hence, it is concluded that there is no much motivation from banks or financial institutions in the study area.

5.2.12 Farmers' Opinion about Publicity:

Publicity is must for each and every category of product or service. Crop insurance also requires publicity. Whether adequate publicity has been provided or not has been tested and the result of their opinion is displayed in Table 5.11.

TABLE – 5.11

**Assessment of Farmers' Attitude towards the Statement
"Adequate Publicity"**

Attitude	Score Given	No. of Loanee Farmers	Total Score	No. of Non-Loanee Farmers	Total Score
Strongly Agree	5	10	50	2	10
Agree	4	61	244	14	56
No Opinion	3	48	144	18	54
Disagree	2	97	194	26	52
Strongly Disagree	1	63	63	21	21
Total		279	695	81	193
Final Score %		$695 / 1395 \times 100$ = 49.82		$193 / 405 \times 100$ = 47.65	
Mean Score		2.49		2.38	

The opinion of sample consumers in respect of adequate publicity for crop insurance has been analyzed and it is depicted in Table 5.11. It exhibits that the loanee respondents have assigned 49.82 per cent score and the non-loanee farmers have assigned 47.65 per cent score to the statement "adequate publicity". Since the final score in both the cases is less than 50 per cent disagreement is seen for this statement. This means, the attitude towards this statement by the sample respondents is unfavourable one and publicity is needed for crop insurance scheme.

5.2.13 Farmers' Opinion about Coverage of Crops:

To ascertain the opinion of different categories of farmers about the coverage of crops in crop insurance, the researcher has given the statement “covers wide range of crops” to predict the degree of agreement of the farmers. The results are presented in the Table 5.12.

TABLE – 5.12

**Assessment of Farmers' Attitude towards the Statement
“Covers Wide Range of Crops”**

Attitude	Score Given	No. of Loanee Farmers	Total Score	No. of Non-Loanee Farmers	Total Score
Strongly Agree	5	54	270	14	70
Agree	4	152	608	39	156
No Opinion	3	22	66	13	39
Disagree	2	37	74	9	18
Strongly Disagree	1	14	14	6	6
Total		279	1032	81	289
Final Score %		$1032 / 1395 \times 100$ = 73.98		$289 / 405 \times 100$ = 71.36	
Mean Score		3.70		3.57	

The Table 5.12 indicates that majority of the farmers in both categories have a favourable opinion towards the statement “covers wide range of crops”. The farmers who are in loanee category have given a score of 73.98 per cent and the farmers in non-loanee category have given 71.36 per cent to this statement. Thus the farmers hold the view that there is agreement about the wide of coverage of crops in crop insurance.

5.2.14 Farmers' Opinion about Coverage under NAIS:

To assess the opinion of the farmers regarding whether the sample farmers hold favourable view towards the statement, viz. covered under the National Agricultural Insurance Scheme (NAIS), an attempt is made. The weighted scores were calculated and the results are given in the Table 5.13.

TABLE – 5.13

**Assessment of Farmers' Attitude towards the Statement
"Covered by the National Agricultural Insurance Scheme"**

Attitude	Score Given	No. of Loanee Farmers	Total Score	No. of Non-Loanee Farmers	Total Score
Strongly Agree	5	42	210	16	80
Agree	4	164	656	47	188
No Opinion	3	63	189	14	42
Disagree	2	8	16	2	4
Strongly Disagree	1	2	2	2	2
Total		279	1073	81	316
Final Score %		$1073 / 1395 \times 100$ = 76.92		$316 / 405 \times 100$ = 78.02	
Mean Score		3.85		3.90	

Table 5.13 reveals that majority of the farmers under both category expressed a favourable opinion towards the statement "covered by the National Agricultural Insurance Scheme", which is evident from the score value. It is above 75 per cent in both categories of farmers. It is also observed that strong agreement comes from the loanee farmers to the extent of 76.92 per cent and it is 78.02 per cent in the case of non-loanee category of farmers.

5.2.15 Farmers' Opinion about defining Crop Insurance Schemes :

In order to know the opinion of the farmers regarding whether the crop insurance schemes are well defined or not, an analysis was made by the researcher by providing a statement “crop insurance schemes are well defined” for predicting the degree of agreement. Their aggregate agreement is presented in Table 5.14.

TABLE – 5.14
Assessment of Farmers' Attitude towards the Statement
“Crop Insurance Schemes are well defined”

Attitude	Score Given	No. of Loanee Farmers	Total Score	No. of Non-Loanee Farmers	Total Score
Strongly Agree	5	12	60	2	10
Agree	4	39	156	6	24
No Opinion	3	62	186	9	27
Disagree	2	114	228	37	74
Strongly Disagree	1	52	52	27	27
Total		279	682	81	162
Final Score %		$682 / 1395 \times 100$ = 48.89		$162 / 405 \times 100$ = 40.00	
Mean Score		2.44		2.00	

It is clear from the Table 5.14 that the statement “crop insurance schemes are well defined” has been disagreed by both categories of farmers. The score obtained by this statement is 48.89 per cent under loanee category and 40 per cent under non-loanee category of farmers. The computed mean score is also very low. So, it is concluded that the crop insurance schemes are not well defined according to the opinion of the sample respondents.

5.2.16 Farmers' Opinion about Settlement of Claims :

The researcher has made an attempt to analyze the attitude of farmers towards the settlement of claims under crop insurance schemes. The opinion of the farmers are assessed and weighted score value is computed. The final result is exhibited in the following Table 5.15.

TABLE – 5.15
Assessment of Farmers' Attitude towards the Statement
“Quick Settlement of Claims”

Attitude	Score Given	No. of Loanee Farmers	Total Score	No. of Non-Loanee Farmers	Total Score
Strongly Agree	5	-	-	-	-
Agree	4	6	24	2	8
No Opinion	3	38	114	5	15
Disagree	2	176	352	31	62
Strongly Disagree	1	59	59	43	43
Total		279	549	81	128
Final Score %		549 / 1395 x 100 = 39.35		128 / 405 x 100 = 31.60	
Mean Score		1.97		1.58	

It is understood from the Table 5.15 that the sample farmers in both category have disagreed with the statement “quick settlement of claims” which is evident from the above table by giving a final score of 39.35 per cent and 31.60 per cent by the loanee and non-loanee farmers respectively. And it is also found that the computed mean score is too low, i.e. 1.97 for loanee category and 1.58 for non-loanee category. From the above analysis, it is concluded that the settlement of claims under crop insurance will take a long time as per the opinion of sample farmers.

5.2.17 Farmers' Opinion about Premium Sharing :

Normally, premiums are shared by the government under crop insurance for covering more number of farmers under the crop insurance scheme. Whether the farmers have a favourable knowledge about it or not has been attempted. The result of opinion is displayed below in Table 5.16.

TABLE – 5.16
Assessment of Farmers' Attitude towards the Statement
“Premiums are shared by Government”

Attitude	Score Given	No. of Loanee Farmers	Total Score	No. of Non-Loanee Farmers	Total Score
Strongly Agree	5	39	195	17	85
Agree	4	189	756	38	152
No Opinion	3	41	123	21	63
Disagree	2	10	20	5	10
Strongly Disagree	1	-	-	-	-
Total		279	1094	81	310
Final Score %		$1094 / 1395 \times 100$ = 78.42		$310 / 405 \times 100$ = 76.54	
Mean Score		3.92		3.83	

It is observed from the above Table 5.16 that a major portion of respondents have given a positive opinion towards the statement "premiums are shared by government" by awarding 78.42 per cent score by loanee farmers and 76.54 per cent score by non-loanee farmers. It is observed that strong agreement is seen for the given statement by obtaining more than 75 per cent score from both categories of farmers. The worked out mean score is 3.92 and 3.83 respectively for loanee and non-loanee category of farmers.

5.2.18 Farmers' Opinion about Structured Compensation :

To ascertain the opinion of the farmers of both categories about crop insurance compensation payouts, the researcher has given the statement “structured compensation payouts” to assess the degree of agreement of the farmers. The results are depicted in Table 5.17.

TABLE – 5.17
Assessment of Farmers' Attitude towards the Statement
“Structured Compensation Payouts”

Attitude	Score Given	No. of Loanee Farmers	Total Score	No. of Non-Loanee Farmers	Total Score
Strongly Agree	5	11	55	1	5
Agree	4	49	196	23	92
No Opinion	3	67	201	21	63
Disagree	2	109	218	19	38
Strongly Disagree	1	43	43	17	17
Total		279	713	81	215
Final Score %		$713 / 1395 \times 100$ = 51.11		$215 / 405 \times 100$ = 53.09	
Mean Score		2.56		2.65	

The above Table 5.17 indicates that majority of the farmers in both category have a favourable opinion towards the statement “structured compensation payouts” by giving a score of 51.11 per cent by loanee category farmers and 53.09 per cent by non-loanee category of farmers. Since the final score is more than 50 per cent, it is understood that there is an agreement among the sample farmers to the given statement.

5.2.19 Farmers' Opinion about Compulsory Coverage :

According to the guidelines of National Agricultural Insurance Scheme of the Agricultural Insurance Company, the loanee farmers are covered under this scheme on compulsory basis. To ascertain the opinion of the farmers regarding this, the researcher has given a statement “compulsory coverage for loanee farmers” to measure the attitude of sample farmers. The result is depicted below in Table 5.18.

TABLE – 5.18
Assessment of Farmers' Attitude towards the Statement
“Compulsory Coverage for Loanee Farmers”

Attitude	Score Given	No. of Loanee Farmers	Total Score	No. of Non-Loanee Farmers	Total Score
Strongly Agree	5	93	465	7	35
Agree	4	181	724	65	260
No Opinion	3	3	9	8	24
Disagree	2	2	4	1	2
Strongly Disagree	1	-	-	-	-
Total		279	1202	81	321
Final Score %		$1202 / 1395 \times 100$ = 86.16		$321 / 405 \times 100$ = 79.26	
Mean Score		4.31		3.96	

From the Table 5.18, it can be seen that the loanee as well as non-loanee category of farmers have a favourable opinion towards the given crop insurance statement i.e. “compulsory coverage for loanee farmers”. The final score in respect of the loanee farmer is 86.16 per cent and mean score is 4.31. But, it is 79.26 per cent and 3.96 respectively in the case of non-loanee farmers. It is concluded that as the farmers' agreement is more than 75 per cent in both the cases, it is presumed that the given statement is strongly agreed by the sample respondents.

5.2.20 Farmers' Opinion about Voluntary Coverage :

Even though the loanee farmers are covered on compulsory basis under National Agricultural Insurance Scheme, the non-loanee farmers can be covered on voluntary basis also. To assess the opinion of the farmers regarding the statement, i.e. “voluntary coverage for non-loanee farmers”, an attempt is made by the researcher. The computed weighted score and the result are shown in Table 5.19.

TABLE – 5.19
Assessment of Farmers' Attitude towards the Statement
“Voluntary Coverage for Non-Loanee Farmers”

Attitude	Score Given	No. of Loanee Farmers	Total Score	No. of Non-Loanee Farmers	Total Score
Strongly Agree	5	77	385	18	90
Agree	4	164	656	39	156
No Opinion	3	13	39	14	42
Disagree	2	18	36	8	16
Strongly Disagree	1	7	7	2	2
Total		279	1123	81	306
Final Score %		$1123 / 1395 \times 100$ = 80.50		$306 / 405 \times 100$ = 75.56	
Mean Score		4.03		3.78	

It is understood from the Table 5.19 that the statement “voluntary coverage for non-loanee farmers” has been agreed by both the loanee as well as non-loanee farmers. The calculated final score comes to 80.5 per cent and 75.56 per cent respectively and the mean score is also high (i.e. 4.03 for loanee and 3.78 for non-loanee farmers). As the final score is more than 75 per cent, it is concluded that there is strong agreement among the sample respondents for the given statement.

5.2.21 Farmers' Opinion about Crop Yields :

The researcher has made an attempt to know about the opinion of farmers about variations in rainfall which reduces crop yields. For this purpose, a statement has been included in the schedule for analyzing the attitude of sample farmers. The opinion of farmers is given in the following Table 5.20.

TABLE – 5.20
Assessment of Farmers' Attitude towards the Statement
“Rainfall Variations Reduce Crop Yields”

Attitude	Score Given	No. of Loanee Farmers	Total Score	No. of Non-Loanee Farmers	Total Score
Strongly Agree	5	54	270	26	130
Agree	4	159	636	33	132
No Opinion	3	41	123	10	30
Disagree	2	11	22	8	16
Strongly Disagree	1	14	14	4	4
Total		279	1065	81	312
Final Score %		$1065 / 1395 \times 100$ = 76.34		$312 / 405 \times 100$ = 77.04	
Mean Score		3.82		3.85	

It is evident from the Table 5.30 that abundant of light is thrown on the fact that majority of respondents have a favourable attitude towards the statement “rainfall variations reduce crop yields”. The sample loanee as well as non-loanee respondents have given 76.34 per cent and 77.04 per cent score respectively for the said statement. From the analysis, it is concluded that the sample respondents have positive opinion (i.e. strong agreement) towards the variations in rainfall which will affect the yield of crops.

5.2.22 Overall Attitude of Farmers towards Crop Insurance :

Attempt is made to consolidate the overall opinion of farmers towards crop insurance. Table 5.21 exhibits the overall attitude of farmers.

TABLE – 5.21
Overall Opinion of Farmers towards Crop Insurance

S. No.	Statements	Opinion of Farmers	
		Loanee	Non-Loanee
1	Protects against loss or damage of crops	SA	SA
2	Gives financial security	A	A
3	Provides guarantee for the banker	SA	SA
4	It helps in reducing the risks	DA	DA
5	Premium rate is reasonable	DA	DA
6	Served by the Agricultural Insurance Company	SA	SA
7	Schemes are modified by the Central Government	SA	SA
8	Follows simple formalities	A	A
9	Easily accessible through bank	SA	SA
10	Motivation from banks/financial institutions	DA	DA
11	Adequate publicity	DA	DA
12	Covers wide range of crops	A	A
13	Covered by the National Agricultural Insurance Scheme	SA	SA
14	Crop insurance schemes are well defined	DA	DA
15	Quick settlement of claims	DA	DA
16	Premiums are shared by Government	SA	SA
17	Structured compensation payouts	A	A
18	Compulsory coverage for loanee farmers	SA	SA
19	Voluntary coverage for non-loanee farmers	SA	SA
20	Rainfall variations reduce crop yields	SA	SA

SA=Strong Agreement; A=Agreement; DA=Disagreement

From the above Table 5.21 it is understood that of the 20 statements given, ‘strong agreement’ is seen for 10 statements, ‘agreement’ is shown for four statements and the remaining six statements are ‘disagreement’ by the sample loanee as well as non-loanee farmers.

5.3 SATISFACTION OF FARMERS TOWARDS CROP INSURANCE

This is the second section of this chapter. In this section the researcher makes an assessment regarding the satisfaction of farmers towards crop insurance provided by the Agricultural Insurance Company of India Limited. The satisfaction in respect of sample farmers (both loanee as well as non-loanee) has been measured under 11 important parameters and at various levels of satisfaction such as low, moderate and high levels. In addition, an attempt has also been made to find out the reasons for dissatisfaction towards crop insurance by the loanee and non-loanee farmers. Appropriate statistical tools such as opinion score, preference score and Garrett's ranking technique have been applied for analyzing the primary data.

5.3.1 Parameters Influencing the Level of Satisfaction:

The satisfaction of farmers largely depends upon a large number of parameters or factors. However, the researcher has resorted to analyzing only those salient parameters pertaining to crop insurance only. Through pilot study the researcher has ascertained 11 parameters such as sum assured, premium rate, documentation, area approach, indemnity level, coverage of crops, response from bank, publicity of schemes, loss assessment, claim procedure and premium subsidy which are important in determining satisfaction of crop insurance provided by the Agricultural Insurance Company of India. The present study attempts to analyze the extent to which these 11 parameters influence the level of satisfaction of farmers towards crop insurance. For this purpose a comprehensive study has been made by the researcher using a carefully structured interview schedule.

5.3.2 Framework of Analysis:

Crop insurance has been covered for two categories of farmers, viz. loanee category and non-loanee category. Hence, for determining satisfaction of crop insurance, category-wise analysis has been made. The researcher interviewed a total of 360 sample farmers comprising of 279 from loanee category and 81 from non-loanee category. Of these, 131 respondents in loanee category and 37 in non-loanee category were satisfied towards crop insurance scheme and the remaining respondents were dissatisfied. The satisfaction levels of the sample farmers have been computed and the results are shown in the following pages.

Respondents (i.e. farmers) were interviewed for ascertaining their opinions on the 11 important parameters leading to satisfaction of crop insurance in Madurai District. The opinions of the respondents were recorded in a five point scale as a) Highly Satisfied, b) Satisfied, c) No Opinion, d) Dissatisfied and e) Highly Dissatisfied and weights were assigned as 5, 4, 3, 2 and 1 respectively. For each parameter the number of respondents in the scale has been multiplied by the respective weight and the sum total is arrived. It is called as 'Obtained Opinion Score'. Then, it is compared with the maximum opinion score of 655 for loanee category (i.e. 131×5) and 185 (i.e. 37×5) for non-loanee category to assess the percentage of satisfaction of the individual parameters towards crop insurance. Ranking is done for all the 11 parameters based on this opinion score.

5.3.3 Satisfaction of Loanee Category Farmers:

Table 5.22 reveals satisfaction of loanee category farmers towards crop insurance scheme in Madurai District.

TABLE – 5.22

Satisfaction of Loanee Category Farmers towards Crop Insurance Scheme – Weighted Score Method

Parameters	No. of Loanee Farmers						Total	Obtained Opinion Score	Mean Score	Rank
	Highly Satisfied	Satisfied	No Opinion	Dissatisfied	Highly Dissatisfied	Total				
Sum Assured	15	32	48	23	13	131	406	3.10	III	
Premium Rate	6	18	34	41	32	131	318	2.43	VIII	
Documentation	8	12	33	42	36	131	307	2.34	X	
Area Approach	12	26	37	40	16	131	371	2.83	IV	
Indemnity Level	5	21	46	37	22	131	343	2.62	VI	
Coverage of Crops	29	54	31	11	6	131	482	3.68	I	
Response from Bank	10	18	32	44	27	131	333	2.54	VII	
Publicity of Scheme	9	19	44	47	12	131	359	2.74	V	
Loss Assessment	1	8	15	51	56	131	240	1.83	XI	
Claim Procedure	5	13	36	46	31	131	308	2.35	IX	
Premium Subsidy	21	27	43	25	15	131	407	3.11	II	

The analysis given in Table 5.22 shows that of the 11 parameters identified by the researcher contributing to satisfaction of crop insurance, 'coverage of crops' occupies the first rank by obtaining the highest mean score of 3.68 followed by the remaining 10 parameters among the loanee category farmers. It is evident from the analysis that 'coverage of crops' makes loanee category farmers satisfied towards the crop insurance, as the 'mean score' for coverage of crops is more than that of the other parameters. Next to this, the parameter 'premium subsidy' and 'sum assured' influenced the loanee farmers more by obtaining a mean score of 3.11 and 3.10 respectively. Hence, these parameters have been placed in second and third positions respectively.

The study also reveals that the loanee category farmers are not fully satisfied with the parameters viz. premium rate, claim procedure, documentation and loss assessment. Because the satisfaction score in respect of these parameters is less than 50 per cent.

From the above analysis, it is concluded that a majority of loanee farmers satisfied the crop insurance scheme because of most important parameters like 'coverage of crops', 'premium subsidy', and 'sum assured'.

5.3.3.1 Satisfaction Level Analysis of Loanee Farmers:

The researcher has attempted to compute satisfaction score of the individual parameters. For computing the satisfaction score (in per cent) the obtained opinion score of each parameter is divided by the maximum score and multiplied by one hundred. A satisfaction score of above 75 per cent is considered as 'high' level

of satisfaction, 50 to 75 per cent as ‘moderate’ level of satisfaction and less than 50 per cent contributing to ‘low’ level of satisfaction.

Table 5.23 highlights the level of satisfaction of the individual parameters influencing satisfaction of loanee category farmers towards crop insurance scheme.

TABLE – 5.23

Satisfaction Level Analysis for Crop Insurance – Loanee Farmers

Parameters	Max. Score	Obtained Opinion Score	Satisfaction Score (%)	Level of Satisfaction
Sum Assured	655	406	61.98	Moderate
Premium Rate	655	318	48.55	Low
Documentation	655	307	46.87	Low
Area Approach	655	371	56.64	Moderate
Indemnity Level	655	343	52.37	Moderate
Coverage of Crops	655	482	73.59	Moderate
Response from Bank	655	333	50.84	Moderate
Publicity of Scheme	655	359	54.81	Moderate
Loss Assessment	655	240	36.64	Low
Claim Procedure	655	308	47.02	Low
Premium Subsidy	655	407	62.14	Moderate

It is evident from Table 5.23 that as the satisfaction score for the parameter ‘coverage of crop’ is more than that of the other parameters it may be concluded that this parameter, i.e. coverage of crop, is the most important parameter influencing satisfaction of crop insurance scheme in respect of the loanee category farmers. Since the satisfaction score for this parameter is 73.59 per cent and it falls in

the range between 50 and 75, it is concluded that it is moderately satisfied by the sample loanee farmers towards the crop insurance scheme. Similarly, the satisfaction score for parameters like sum assured, area approach, indemnity level, response from bank, publicity of scheme, and premium subsidy fall between 50 and 75 per cent, which also contributes to moderate level of satisfaction by the sample farmers towards crop insurance scheme.

Since the satisfaction scores for parameters viz. premium rate, documentation, loss assessment and claim procedure are below 50 per cent, it is concluded that they provide low level of satisfaction to the loanee category farmers requiring immediate attention of the government towards improving these parameters in order to satisfy the loanee category farmers.

It is also understood from the study that none of the parameters gets a score of more than 75. So, it is presumed that the sample farmers do not have high level satisfaction towards crop insurance. It indicates that modification in crop insurance scheme has been required by the farmers.

5.3.4 Satisfaction of Non-Loanee Category Farmers:

The satisfaction of non-loanee category farmers towards crop insurance scheme has been presented in Table 5.24.

TABLE – 5.24

Satisfaction of Non-Loanee Category Farmers towards Crop Insurance Scheme – Weighted Score Method

Parameters	No. of Non-Loanee Farmers						Total	Obtained Opinion Score	Mean Score	Rank
	Highly Satisfied	Satisfied	No Opinion	Dissatisfied	Highly Dissatisfied	Total				
Sum Assured	3	9	15	6	4	37	112	3.03	III	
Premium Rate	1	4	6	20	6	37	85	2.30	X	
Documentation	1	4	10	15	7	37	88	2.38	VIII	
Area Approach	5	10	12	8	2	37	119	3.22	II	
Indemnity Level	3	5	9	14	6	37	96	2.59	V	
Coverage of Crops	8	12	10	4	3	37	129	3.49	I	
Response from Bank	2	6	7	13	9	37	90	2.43	VII	
Publicity of Scheme	3	4	8	17	5	37	94	2.54	VI	
Loss Assessment	1	3	8	16	9	37	82	2.22	XI	
Claim Procedure	2	5	10	7	13	37	87	2.35	IX	
Premium Subsidy	2	7	8	16	4	37	98	2.65	IV	

It can be seen from Table 5.24 that of the 11 parameters identified towards satisfaction of crop insurance for the non-loanee category farmers, the first rank also goes to the parameter viz. 'coverage of crops' which has scored the highest mean score of 3.49. Following this, 'area approach' (mean score = 3.22) and 'sum assured' (mean score = 3.03) placed in second and third position respectively. The non-loanee category farmers consider these three parameters as the most influencing one for them.

Further, the study also points out the parameters such as response from bank, documentation, claim procedure, premium rate, and loss assessment have obtained less than 50 per cent score in satisfaction. It means that the non-loanee farmers are not fully satisfied with these parameters.

Based on the above analysis the researcher comes to a conclusion that majority of non-loanee farmers are satisfied with the crop insurance scheme due to coverage of crops.

5.3.4.1 Satisfaction Level Analysis of Non-Loanee Farmers:

An attempt has been made to compute satisfaction score of the individual parameters. For computing the satisfaction score (in per cent) the obtained opinion score of each parameter is divided by the maximum score and multiplied by one hundred. A satisfaction score of above 75 per cent is considered as 'high' level of satisfaction, 50 to 75 per cent as 'moderate' level of satisfaction and less than 50 per cent contributing to 'low' level of satisfaction.

The satisfaction level analysis for crop insurance for the 11 individual parameters based on the non-loanee category of farmers has been depicted in the following Table 5.25.

TABLE – 5.25

Satisfaction Level Analysis for Crop Insurance – Non-Loanee Farmers

Parameters	Max. Score	Obtained Opinion Score	Satisfaction Score (%)	Level of Satisfaction
Sum Assured	185	112	60.54	Moderate
Premium Rate	185	85	45.95	Low
Documentation	185	88	47.57	Low
Area Approach	185	119	64.32	Moderate
Indemnity Level	185	96	51.89	Moderate
Coverage of Crops	185	129	69.73	Moderate
Response from Bank	185	90	48.65	Low
Publicity of Scheme	185	94	50.81	Moderate
Loss Assessment	185	82	44.32	Low
Claim Procedure	185	87	47.03	Low
Premium Subsidy	185	98	52.97	Moderate

While analyzing the Table 5.25 it is found that of the 11 parameters identified, none of the parameter has scored high level satisfaction from the non-loanee category farmers. Further, the Table 5.25 shows that the satisfaction score for the parameter ‘coverage of crop’ is the highest (i.e. 69.83%) of all the other parameters. It falls in the ranges between 50 and 75. So, it is concluded that the ‘coverage of crop’ is the main important parameter for the non-loanee category factors in influencing satisfaction towards crop insurance scheme and the satisfaction level is ‘moderate’.

It is also observed that of the 11 identified parameters, six parameters give moderate level of satisfaction towards crop insurance scheme. These parameters are – coverage of crops, area approach, sum assured, premium subsidy, indemnity level, and publicity of scheme and these have been placed in the descending order of satisfaction score. The computed satisfaction score ranges between 50 and 70. The remaining five parameters obtained low level satisfaction towards crop insurance scheme by getting less than 50 per cent score from the sample farmers. The low level parameters, viz. premium rate, documentation, response from bank, loss assessment, and claim procedure which require more attention of the government in order to cover a large number of farmers under crop insurance scheme.

From the above analysis, the researcher comes to conclusion that the sample non-loanee farmers are not fully satisfied with the present crop insurance scheme available in the study area.

5.3.5 Comparative Analysis on Satisfaction Level – Loanee and Non-Loanee Category Farmers:

An attempt is also made to compare the satisfaction level of both loanee and non-loanee category farmers towards crop insurance scheme. The result of analysis is displayed in Table 5.26.

TABLE – 5.26

Comparative Analysis on Satisfaction Level towards Crop Insurance

Parameters	Loanee Farmers		Non-Loanee Farmers	
	Satisfaction Score (%)	Level of Satisfaction	Satisfaction Score (%)	Level of Satisfaction
Sum Assured	61.98	Moderate	60.54	Moderate
Premium Rate	48.55	Low	45.95	Low
Documentation	46.87	Low	47.57	Low
Area Approach	56.64	Moderate	64.32	Moderate
Indemnity Level	52.37	Moderate	51.89	Moderate
Coverage of Crops	73.59	Moderate	69.73	Moderate
Response from Bank	50.84	Moderate	48.65	Low
Publicity of Scheme	54.81	Moderate	50.81	Moderate
Loss Assessment	36.64	Low	44.32	Low
Claim Procedure	47.02	Low	47.03	Low
Premium Subsidy	62.14	Moderate	52.97	Moderate

Table 5.26 reveals that both loanee and non-loanee category farmers are consistent in their opinions on 10 parameters excluding the parameter ‘response from bank’. This parameter has a moderate level of satisfaction among the loanee category farmers and the non-loanee category farmers perceived it as ‘low’.

‘Coverage of crop’ is the predominant parameter contributing to moderate level satisfaction towards crop insurance to loanee as well as non-loanee farmers. However, the satisfaction score for coverage of crop is more in loanee category than in non-loanee category. Regarding other parameters, there is not much difference in the satisfaction score except the parameters like area approach and premium subsidy which fall in moderate level and loss assessment which comes under low level.

5.4 REASONS FOR DISSATISFACTION TOWARDS CROP INSURANCE

The reasons for dissatisfaction towards crop insurance have also been attempted by the researcher. As a general rule the reason may vary from one farmer to another. Of the 279 loanee category farmers, 148 respondents have shown their dissatisfaction due to various reasons. Likewise, among the 81 non-loanee category sample respondents, 44 respondents have shown their dissatisfaction towards the crop insurance. The reasons for dissatisfaction have been ranked by applying the Garrett's ranking technique and it is exhibited in Tables 5.27 and 5.28.

5.4.1 Reasons for Dissatisfaction by Loanee Farmers:

The loanee farmers stated their reasons for dissatisfaction towards crop insurance by mentioning their ranks in the order of priority. The reasons have been taken into account for computing the mean score and total score by the application of Garrett's ranking method. Then ranks are assigned based on the descending order of merit. It is illustrated in Table 5.27.

TABLE – 5.27

Garrett's Rank Score for Reasons for Dissatisfaction by Loanee Farmers

Reasons	Total Score	Mean Score	Rank	No. of Farmers Responded
Lengthy Procedure	7534	54.20	IV	139 (93.9%)
High Premium	8050	57.09	II	141 (95.3%)
Limited Coverage of Crops	4174	48.53	VI	86 (58.1%)
Compulsion from Bank	5451	48.67	V	112 (75.7%)
Poor Response	6509	54.70	III	119 (80.4%)
Delay in Settlement of Claims	5497	64.67	I	85 (57.4%)
Other Reasons	3269	37.57	VII	87 (58.8%)
Total Samples				148

The results of Garrett's ranking presented in Table 5.27 points out that the first and the foremost reason for the dissatisfaction of crop insurance is to 'delay in settlement of claims' which was highlighted by the loanee category farmers. A sample of 85 farmers constituting 57.4 per cent responded to this reason. The computed mean score is 664.47. Next to this, the reason 'high premium' secured the second place, following this, 'poor response' placed in third position. These two reasons have been responded by 95.3 per cent and 80.4 per cent respectively. Other reasons are ranked in the descending order of merit from fourth to seventh ranks. From this it is clearly understood that the dissatisfaction of crop insurance is mainly because of delay in settlement of claims which was pointed out by the loanee farmers.

5.4.2 Reasons for Dissatisfaction by Non-Loanee Farmers:

The reasons for dissatisfaction of crop insurance in respect of non-loanee category farmers have been gathered and the results are exhibited in Table 5.28.

TABLE – 5.28

Garrett's Rank Score for Reasons for Dissatisfaction by Non-Loanee Farmers

Reasons	Total Score	Mean Score	Rank	No. of Farmers Responded
Lengthy Procedure	1749	56.42	II	31 (70.5%)
High Premium	1877	55.21	III	34 (77.3%)
Limited Coverage of Crops	1262	52.58	IV	24 (54.5%)
Compulsion from Bank	271	45.17	VI	6 (13.6%)
Poor Response	1487	59.48	I	25 (56.8%)
Delay in Settlement of Claims	1323	49.00	V	27 (61.4%)
Other Reasons	774	38.70	VII	20 (45.5%)
Total Samples				148

Table 5.28 depicts the results of the Garrett's ranking technique towards the reasons for dissatisfaction of crop insurance by the sample loanee category farmers. It indicates that the reason 'poor response' has scored the highest mean score of 59.48 among various reasons. Hence, this reason has been ranked as the first. This reason was responded by 56.8 per cent of farmers. Next to this, the second rank is assigned to the reason 'lengthy procedure' (mean score of 56.42) and the third to 'high premium' (mean score 55.21). These two reasons have been responded by 70.5 per cent and 77.3 per cent of farmers respectively. The remaining reasons come in order and ranked accordingly. It is concluded that due to poor response by the implementing agency, most of the non-loanee farmers are not satisfied with the crop insurance scheme.

Further, while comparison of reasons for dissatisfaction towards crop insurance based on the opinions of loanee as well as non-loanee category farmers, the researcher comes to a conclusion that the reasons ranked by the loanee farmers and the non-loanee farmers are entirely differing. Hence, the general rule is proved here from the analysis.

5.5 SUMMARY

This chapter clearly depicts the attitude of sample farmers based on 20 given statements and disagreement shows for six statements. It also measured the level of satisfaction of farmers. In addition, the reasons for dissatisfaction towards crop insurance has also been gathered and ranked.

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