

**AWARENESS AND ADOPTION OF CROP INSURANCE  
AMONG PADDY FARMERS IN TRINCOMALEE  
DISTRICT- A STUDY OF KINNIYA DS DIVISION**

**BY**

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## ABSTRACT

Paddy is a major crop cultivated in Kinniya DS division. Paddy crop insurance is done to reduce the problems faced by crop losses. The objective of the study was to analyze the farmers' awareness in paddy crop insurance, existing problems in adopting crop insurance and factors affecting adoption of crop insurance in Kinniya DS division, Trincomalee District. The study was conducted among 150 paddy farmers in nine major Farmer Organizations in Kinniya DS division. Simple random sampling method was used to select the sample farmers from a list of names in the Farmer Organizations. Data were collected through pretested questionnaires and other secondary sources. Data were analyzed by using statistical software SPSS for frequencies, percentage, cross tabulation, chi-square test and regression analysis. Majority of the farmers had insured the paddy land cultivated during Maha season. Most of the farmers adopted crop insurance. Even though only few of them had received compensation. Most of the farmers had insured their land as due to the bank loans obtained. The major problems faced in implementing crop insurance are high premium rates and far distance of the crop insurance office. The compensation rates could help to improve the adoption of paddy crop insurance. The Farmer Organizations help the farmers in insuring the crops. Factors affecting total extent of land insured were analyzed by using a linear regression model. Results indicated that crop insurance was related to loan obtained, type of farmers, educational level, crop insurance awareness, age of respondent, extent of own land cultivated, extent of paddy cultivated and premium rate had a significant effect on total extent of land insured against damage due to flood, drought and animals.

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