

# A Study on Agriculture Insurance in India

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## ABSTRACT

Ours is an agrarian country with two third of its one billion population depends on agriculture for their livelihood. Agriculture also contributes approximately 18% of GDP. The Indian business cycle is influenced by the crop pattern that mainly depends on the vagaries of nature; every flood or drought has its own impact on the Indian economy. Agri-business encompasses whole lot of activities of agriculture sector under one umbrella, like integration of production, processing and marketing. So in this paper we would like to trace the problems related with agriculture insurance agencies, farmers and entrepreneurs, to identify risk in agribusiness, to know performance of agriculture insurance schemes in India, role of agriculture insurance schemes in protecting farmers from agricultural variability, what's the major problems in crop insurance and national agriculture insurance and how to cope up with those problems. The demand for crop insurance stems from two risky situations that often erode farmers income and make them vulnerable to economic distress. These include unpredictable weather and volatile prices. Indian agriculture dependent on monsoon which is always flexible. It leads to operating risk in cultivation of different crops. Natural calamities may affect on the yield from agriculture sector. To cover the risk which may occur in future, there is need to some provision and crop insurance is only mechanism available to safeguard against production risk in agriculture. For fulfilling this need Government of India has made experiments & efforts by introducing various schemes of crop insurance.

**Keywords:** Agriculture, crop insurance, National Agriculture Insurance Scheme, Farmers.