

A Study of Knowledge and Adoption Behavior of Dairy Farmers in Cattle and Buffalo Insurance

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The livestock farmers face the different type of the risks in dairy farming such as animal mortality and morbidity due to infectious livestock diseases and changing output prices. Livestock owners are the most direct and primary victims who face the consequences of livestock risks. In order to cope with different risks, livestock farmers have adopted a number of risk management strategies. Livestock insurance is one of the most common risk management tool for dairy farmers. Despite various schemes launched from time-to-time in India, livestock insurance has served very limited purposes. The attempts for promoting cattle and buffalo insurance both by governments and insurance agencies did not meet with good success. The purpose of this research was to analyze the dairy farmers' perception on various issues of cattle and buffalo insurance. The data was collected with a sample survey of 240 dairy farmers in the state of Uttar Pradesh, India. A Likert-type scales (a continuum of 1 to 5), a contingent valuation scenario and a logit discrete binary regression model was used to know the dairy farmers' knowledge and adoption of cattle and buffalo insurance. The result showed that cattle and buffalo insurance was one of the most relevant risk management strategies for the dairy farmers. The low level of education of many dairy farmers has negatively influenced the decision to adopt cattle and buffalo insurance. The personal perceptions of risk, socio-economic status of that farmer, farm type and institutional arrangements were the main factors which determine the adoption of livestock insurance. The reasons for poor penetration of livestock insurance include lack of awareness, literacy problem, affordability, lack of delivery channels that provide access at the doorsteps, problem in claims settlements etc. The government should intensify the awareness programs to increase the knowledge of the livestock farmers about the livestock insurance.

Key Words: Adoption, Cattle and buffalo, Dairy farmers, Insurance