

INTRODUCTION

Agricultural production in general is faced with quite a lot of risk, one of these risks is associated with bad weather such as erratic rainfall pattern, insufficient rainfall or the worst case of drought. Insurance uptake could just be the solution, however, it is not very popular among farmers in Nigeria.



Fig.1 Dimensions of risk facing agriculture

MATERIALS AND METHOD

The study was carried out in Ondo State. A multistage sampling procedure was employed in selecting 200 cocoa farmers. A structured questionnaire was used to obtain data. Data collected were analyzed using descriptive statistical tools, FGT and Probit regression.

CONCLUSION

Major determining factor that influences the decision of farmers and farming household to take crop insurance but attention needs to be paid to those that influences insurance uptake such as access to credit, and awareness of crop insurance.

RESULTS

•Insurance

larger percentage of the farmers are not aware of insurance neither do they have either crop or other forms of insurance as 31% have one form of insurance or the other such as car and motorcycle insurance and crop insurance. Hence, the awareness level of insurance of the cocoa farmers is low.

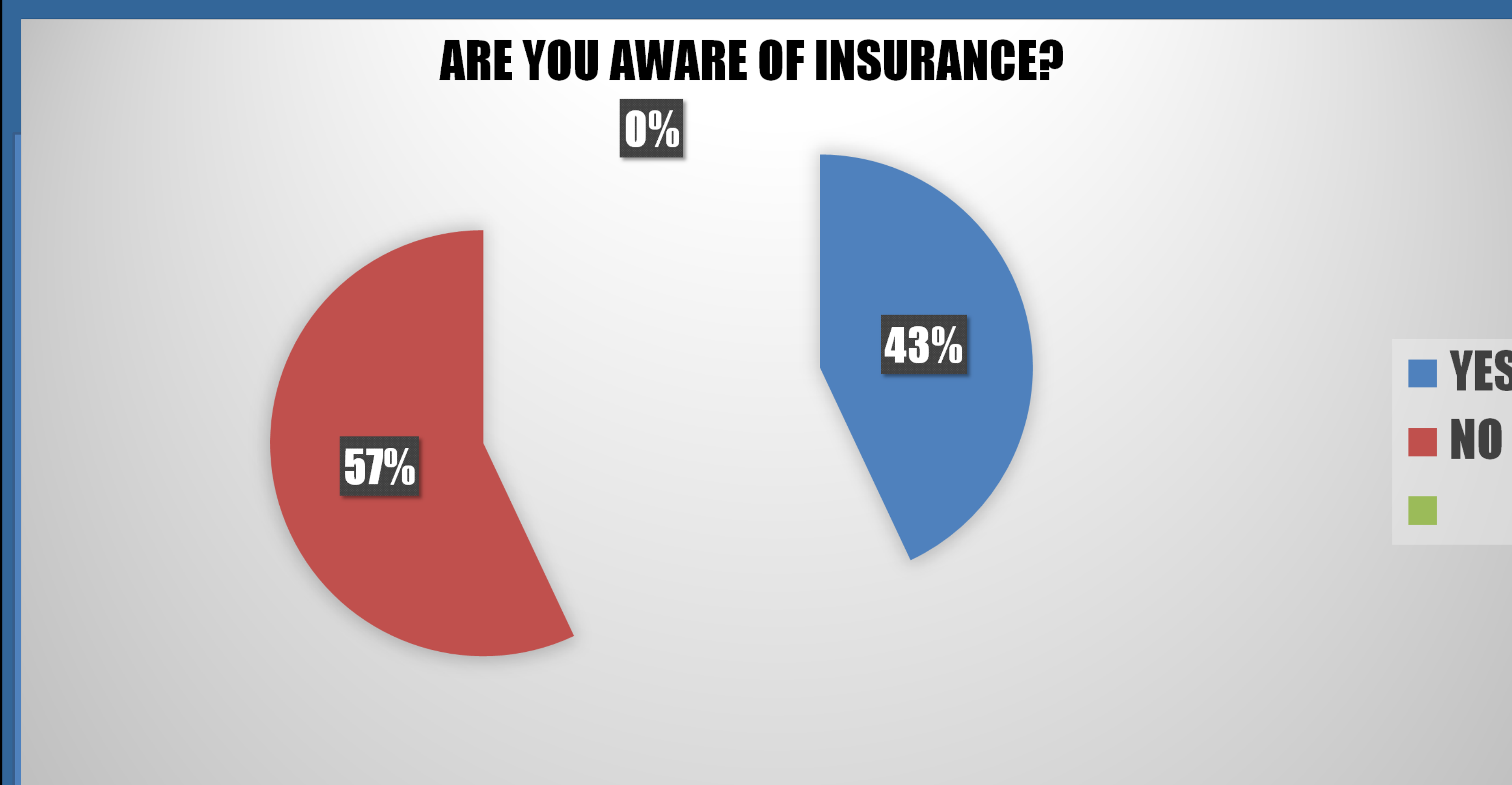


Fig 1: chart of the percentage of the farmers that are aware of insurance

DO YOU INSURE?

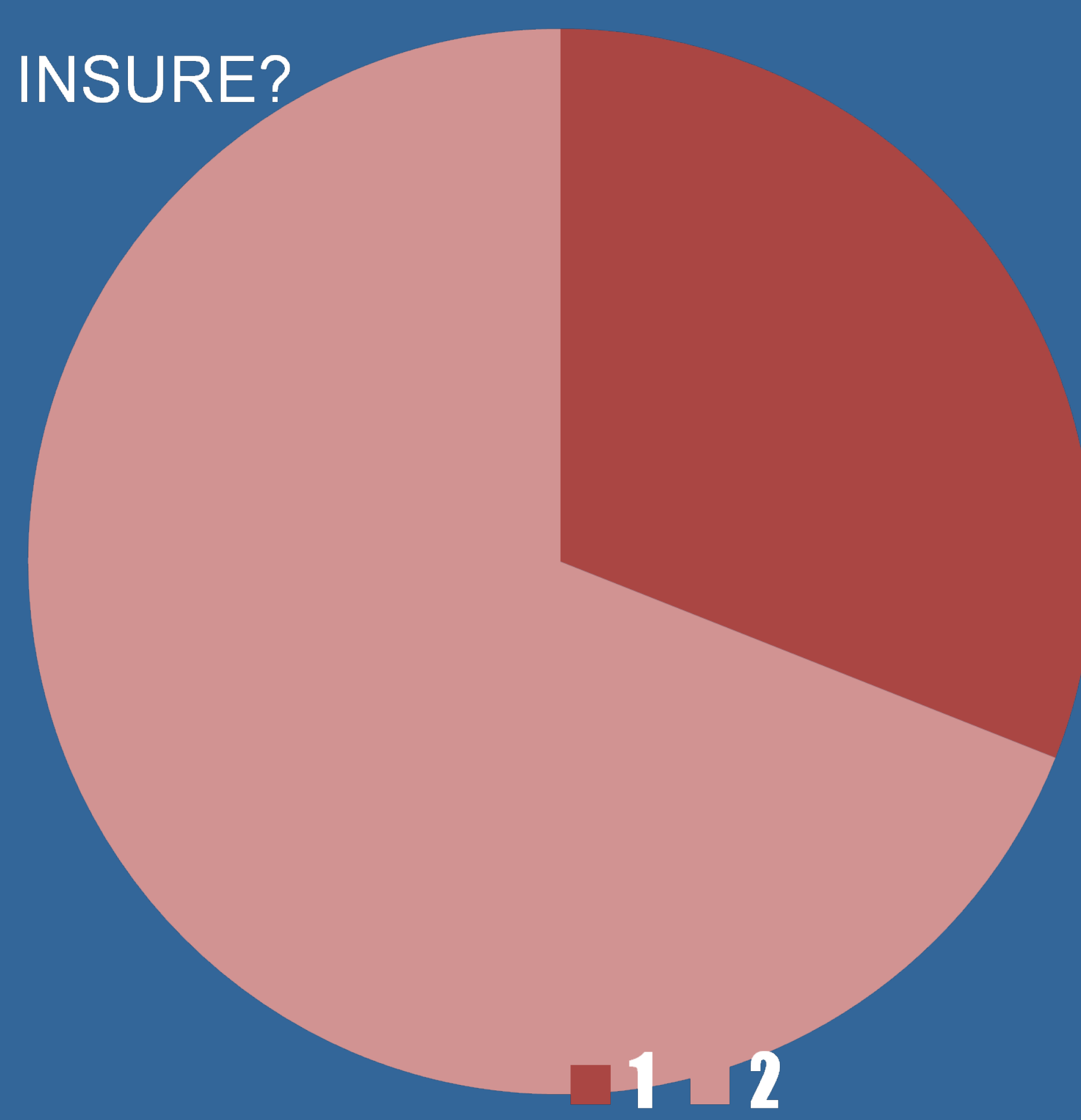


Fig 2: Chart showing the frequency of people that insures

FORMAL CROP INSURANCE?

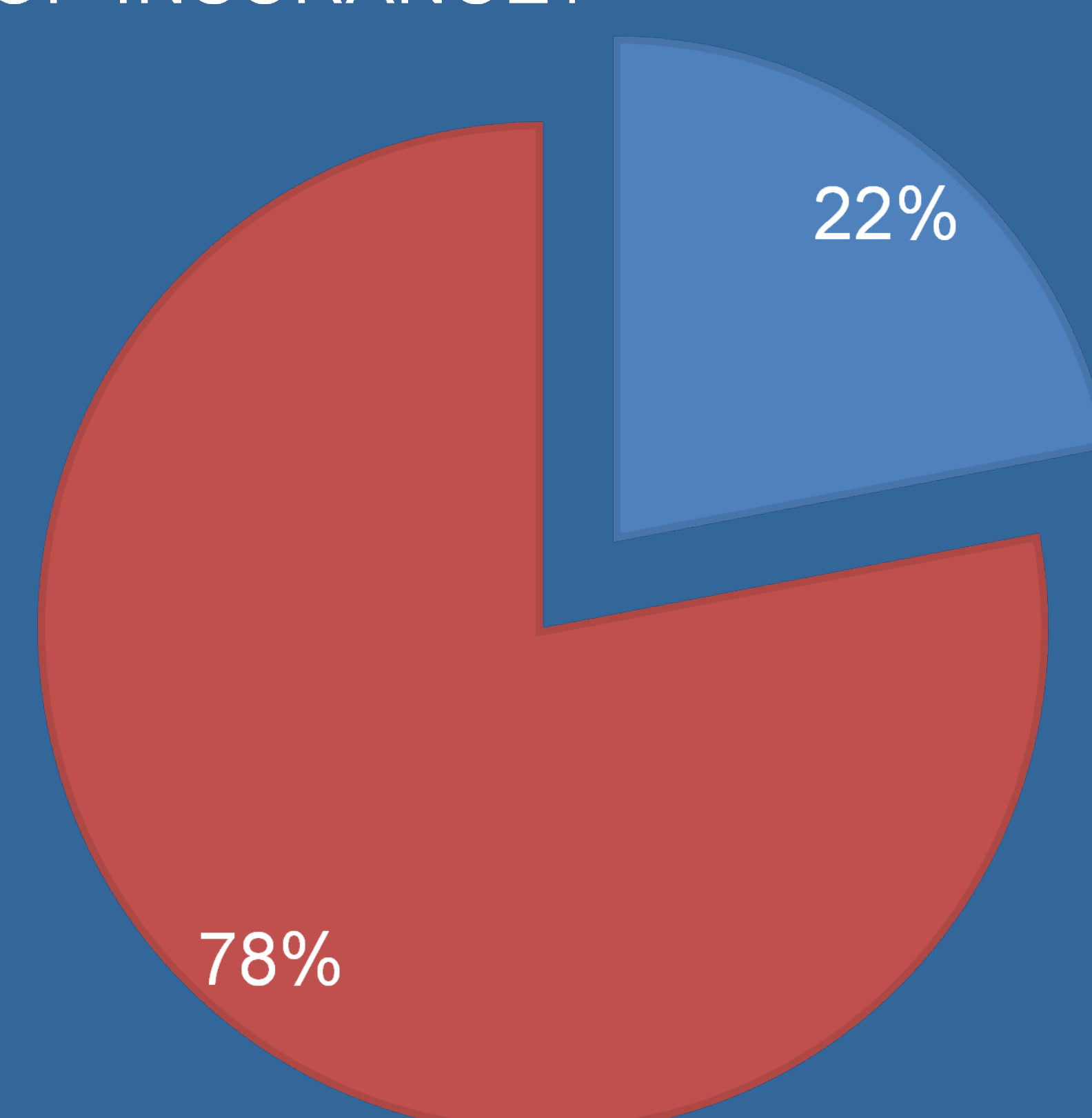


Fig 3: chart showing the percentage of farmers that have formal crop insurance

•Crop Insurance Intake

- 27.4%, 17.7% and 54.8% of the respondents that take up insurance were discovered to be core poor, moderately poor and none poor respectively.
- 37.7%, 18.1% and 44% of the respondents that take up insurance were discovered to be core poor, moderately poor and none poor respectively

crop insurance uptake.

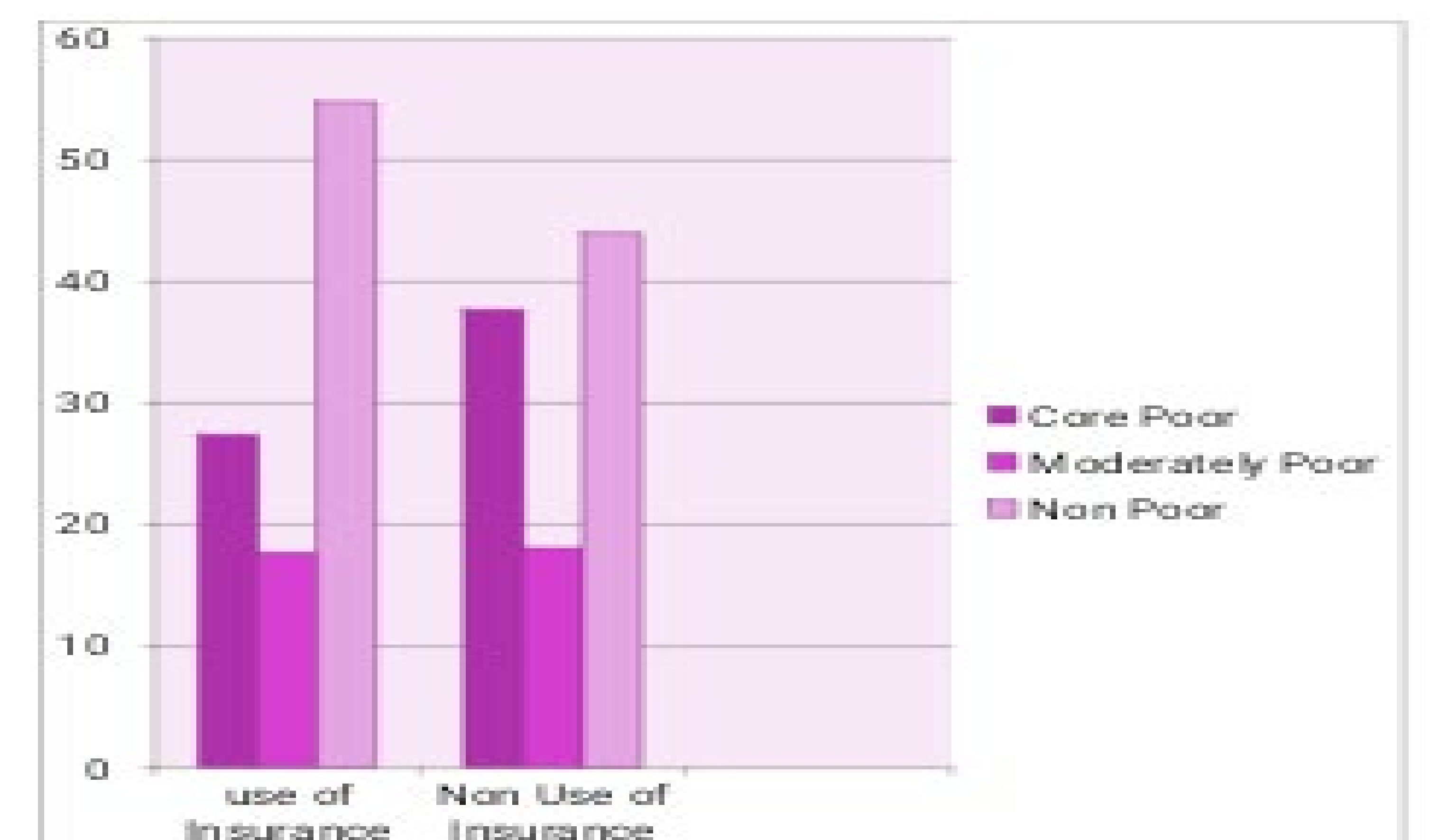


Fig 4: Chart showing the frequency of crop insurance intake

Effect of cocoa Farmer's Welfare on formal crop insurance

Access to credit, family size, increase in insurance awareness factors has positive effects on crop insurance uptake. increase in awareness can increase the chances of cocoa farmers taking formal crop insurance by 103% as shown in figure 5

Formal crop insurance	Coef.	Std. Err.	P> z
Sex	0.264	0.807	0.744
Years in school	0.0162	0.032	0.615
Monthly income	-2.40E-06	2.75e-06	0.384
Access to credit	0.793	0.336	0.018***
Family size	0.140	0.088	0.111
Membership of group Association	-0.602	0.345	0.082*
Insurance awareness	1.238	0.365	0.001***
Transport to company	0.000519	0.000424	0.221
Total land cultivated	0.0532	0.0352	0.131
Previous incidence	-0.558	0.493	0.257
Theft	0.130	0.488	0.79
Welfare status			
Low	Base outcome		
Medium	1.185	0.462	0.01***
High	-0.121	0.424	0.775
Age square	0.0000263	0.000119	0.825
Distance to company	0.230	0.418	0.582
_cons	-3.020	1.119	0.007

Fig 5 : Factors that influences cocoa farmer to or not to take formal crop insurance

• ACKNOWLEDGEMENT

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