

Estimation of Willingness to Pay for Dates Trees Insurance in Bam Region

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Abstract

Kerman province has high potential in production of dates. However, occurrence of natural hazards results in considerable damages to Dates trees and brings losses to the producers. In this regard, the necessity of Dates tree insurance is admissible. The objectives of this study are to investigate factors affecting willingness to adopt this insurance and to estimate the amount of willingness to pay for Dates tree insurance in the Bam region. To this end, contingent evaluation method and the double-bounded dichotomous choice were utilized. Data was collected by means of questionnaire from 161 farmers in 2010. The Results indicate that income from farming activities, being satisfied with other type of insurance, level of Dates tree risk, and variants in attitude towards new service of the insurance, have positive and significant effects on adoption of dates tree insurance. Also, willingness to pay for Dates tree insurance was estimated to be 9114 Rials(estimation currency of 2010).

Keywords:

Contingent Evaluation, Willingness to Adoption, Willingness to Pay, Agricultural Insurance, Date, Logit Model, Bam Region.

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