Determination of the Factors Influencing on Accaptance of Farming and Gardening Crops' Insurance in Alamout Region

Approach of the Multinomial Logit Model

A. Parhizkari[*], M. Parhizkari[**] & Dr. M. Sabouhi[***]

Abstract

The Natural risks had created a fragile situation for the producers of agricultural sector . Nowadays, the government develops schemes and policies to support the producers in this section, and insurance is one of those policies . This policy supports the agricultural crops against the loss that has damaged the farmer. The Consideration of the importance role of insurance in agricultural sector, this study tried to determine factors influencing on acceptance of farming and gardening crops insurance in Alamout region of Qazvin province .

In this regard, utilization of Multinomial Legit Model as an econometric method was set fort. All data required that are from 2012-2013 years, were collected by questionnaires from 127 farmers awardees in region . The estimation of the model by the SHAZAM software was performed . The results showed that the variables of age and education having the positive effects, and variables of family size, work experience, and kind of ownership and facilities having negative and significant effects on acceptance of farming and gardening crops' Insurance in Alamout region. Also, the results showed that Multinomial Logit Model had a positive and close relation with statistics of probability ratio test such as 21/75, 18/33 and 20/68 in sector of demand for, farming -gardening corps' insurance. The maximum probability values equal to 0/087 and demand of gardening products' insurance were obtained.

Keywords:

Agricultural Crops Insurance, Econometery, Multinomial Logit Model, Natural Risks, Alamout Region.

* Msc. Student of Agricultural Economics, University of Zabol
  Email: Abozar.parhizkari@yahoo.com
** Bachelor of Accounting, University of Allameh Qazvini
*** Associate Professor of Agricultural Economics, University of Zabol