



# Analysis of the Effective Factors on Adoption of the Insurance from Olive Growers in Zanjan Province

Case Study: Tarom Oliya City

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## Abstract

Agricultural production is inherently a risky activity and farmers incomes are subject to high fluctuations & Risks. These fluctuations that comes from some random and somenon-controllable factors decrease investment in Agricultural sector in long-term. Agricultural crops insurance as a substitute or sometimes a complementary technology for traditional methods of risk reduction is an effective tools in agricultural risk management. This research aimed to specify and analyze factors affecting adoption of Olive insurance in Zanjan Province and submit some suggestion for policy makers & Planners in order to secure production in this sector. In this relation, this research was carried out at Tarom Oliya city in Zanjan province using cross sectional data collected from Olive Growers in year 2010. Data gathered by interviews with the farmers and filling in pre-structured questionnaires. Logit Model and Excel 207, Spss win 17 packages were utilized for analyzing collected data. The results showed that farmers degree of risk aversion coefficient and revenue insurance and premium rates and total land and also level of education are the most important factors affecting farmers willingness towards insurance adoption. While factor such as having a second job was not statistically significant because did not influenced demand for insurance by the farmers. Therefore, it is recommended to policy makers and planners to utilize from factors insurance rate and the expected severity of the actual loss and also the extent to which a risk management strategy provides protection against losses when they occur of producers in order to increase their participation in crop insurance.

## Keywords:

Olive, Agricultural Crop Insurance, Risk , Risk mangment, Income Insurance & Tarom Oliya City.

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