



Study of Factors in the Index-based Weather Insurance for Wheat Farming in Ahar city

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Abstract

Agricultural insurance is one of the most important mechanisms for providing security for investment in agricultural sector and reduction of natural damage. One of the most supporting mechanisms in reducing instability and dealing with the unpredictable nature of climatic hazards is Weather Index-based Insurance for agricultural products. In this study, investigated factors are affecting index-based insurance. One of the most distinguished characteristics of the I.B.W Insurance plan is to resist against asymmetric information, moral hazard and financial abuse and administrative costs and assessment. Weather Index-based Insurance is based on these indicators, which have high correlation with yield. The compensation in this Insurance plan is based on these indicators not on the field yield. Therefore, necessity for controlling & overseeing from farmers in being reduced. The required data for achieving study aims was collected among 289 farmers in Ahar city in the 1399 year. The results indicate that for setting up an insurance program is required to integration and correctness data. For achieving that needs close stations to control data. Also, Results of estimated logit model showed that the satisfaction of performance of agricultural products insurance, being familiar with weather index insurance, high school education have direct and significant effects, and the number of occurred damage in recent 3 years have reverse and significant effects on probability of adoption of weather index insurance. In this context, the level of wheat cultivators knowing about weather index insurance has the most effect on probability of acceptance of weather index insurance.

Keywords:

Weather Index-based Insurance (W.I.B.I), Logit model, Ahar City, Wheat.

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