

SEMINAR NOTICE

- Topic:** *Does Crop Insurance Affect Pesticide Use?*
- Speaker:** **Dr. Thiagu Ranganathan, Institute of Economic Growth, Dr. Imdadul Haldar and Dr. Sarthak Gaurav**
- Date & time:** Friday, October 14, 2016 at 3.30 p.m.
- Venue:** A.M. Khusro Room, Institute of Economic Growth,
University of Delhi Enclave, North Campus, Delhi - 110 007
- Chair:** Dr. C.S.C. Sekhar, Institute of Economic Growth

All are welcome.

(Sabyasachi Kar)
Seminar Convenor

Abstract:

This paper analyses the impact of purchasing a crop insurance on pesticide use. Since pesticide and insurance are considered as risk reducing inputs, a risk averse farmer would reduce the demand for pesticide in presence of insurance because of moral hazard problem. In an analytical model with two kind of production risks, bad weather and pest attack, we show that the demand for pesticide is lower for insured farmer compared to uninsured one. We also observed that if farmers are credit constrained and have no access to credit, the demand for pesticide increases with wealth. But with access to credit, credit constrained farmers may or may not increase their demand. Using unit-level data from 70th round of the situation assessment survey of farmers conducted by the National Sample Survey Organization (NSSO) we show that the probability of using pesticide is lower for insured farmer compare to uninsured.