Adoption of Risk and Insurance among Aquaculture Producers in Khuzestan Province, Iran

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Abstract : Aquaculture production is inherently a risky business, and farmers face a variety of weather, pest, disease, inptut supply, and market related risks. There are many factors out farmers control and unpredictable. Insurance has an important role in aquaculture production and is a tool to support farmers against threats. Investigation of factors affecting aquaculture farmers' adoption of aquaculture insurance strategy was the objective of this study. The purpose of this study was determining the related factors to adoption of insurance by aquaculture farmers in Khuzestan province, Iran. The research design was a descriptive and correlation surveying method. Aquaculture farmers in Khuzestan province were the target population for this study. A random sample of aquaculture selected (N=1830, n =139). The main result of the study reveled that exist correlation between the level of education, knowledge about purpose of insurance, participation in extension course, visit with insurance organization, and contact with extension agents to the adoption of insurance by aquaculture farmers were significantly positive. By using Bartlett's test and KMO test, determine whether research variables are appropriate for factor analysis (Sig = 0.000, Bartlett test = 0.9724, KMO = 0.74). The number of factors was determined using a split plot, eigenvalue, and percent of variance. An examination of the items and their factors loadings was used to understand the nature of the nine factors. To reduce subjectivity, items with factor loading equal to or greater than 0.5 were considered most important when factors were labeled. The nine factors were labeled (1) Extension and education activities, (2) Economical characteristics, (3) Governmental support, (4) communicational channel, (5) local leaders, (6) Facilitate in given damage (7) Motivation establishing, (8) Given damage in appropriate methods and (9) Appropriate activities by insurance organization. The results obtained from the factors analysis reveal that the nine factors explain percentage75 of the variation of the adoption of insurance of the adoption of insurance by aquaculture farmers in Khuzestan province.