

## Nexus Between Agricultural Insurance Scheme and Performance of Agribusiness in Nigeria

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**Abstract :** Agriculture remains the dominant sector in the rural areas where over 70% of Nigerian reside and it's still the backbone of our economy. The observed poor performance of farmers in agricultural productivity is due to the nature of risks and uncertainties in agriculture. Agricultural insurance is one of the mechanisms by which farmers can stabilize farm income and investment. The study examined the relationship between agricultural insurance scheme (AIS) and performance of agribusiness in Nigeria. The study adopted exploratory research design which is an ex-ante research approach. One hundred copies of structured questionnaire were administered for the purpose of the study. Correlation analysis and regression analysis were employed for the study. The correlation analysis of the finding revealed that the independent variable; agricultural insurance scheme (AIS) is positively and significantly correlated with the set of dependent variables; where turnover (ABT)=0.582\*\*, profitability (ABP)=0.321\*\*, solvency (ABS)=0.418\*\*and cost of production (ABC)=0.23\*\* respectively. The regression analysis result also revealed the degree of relationship between the independent variable (AIS) and set of dependent variables where one(1%) percent increase in independent variable will lead to 33.9% (ABT), 9.7% (ABP), 17.5%(ABS) and 1.5%(ABC).The study recommended that the Federal Government in collaboration with the participating Agricultural insurers embark on awareness campaign through to the length and breadth of Nigeria on government support and insurance scheme for farmers. Government should also ensure that the loan and insurance scheme should extend beyond the mechanized farmers and include the intensive subsistence farmers in view of the fact that they are the dominants in most of the farm produce markets.

**Keywords :** agribusiness, agricultural insurance, performance, turnover, solvency, agricultural risks

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