



Crop insurance: a tool to stabilize Spanish agricultural income

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Agricultural insurance was born as a need for farmers, opposite to the erratic behavior of the climatology, natural disaster, which strangles the farmer during the cycle of his crops and harvest, reverberating negatively in the economy of the farmer. Before this situation, it became necessary to determine, inside the agricultural policies, a specific regulation of the agricultural insurance across a participation of the State by means of contributions to the agricultural insurance which result was, in Spain, the current Law 87/1978, of December 28 of Agricultural Insurance.

The benefits of the existence of a good system of agricultural insurance not only are to level of the farmer but also to regional level and top areas, since to the regional production turns diminished, it reverberates in the economic productivity and in the rest of economic sectors, with the consequent tensions and imbalances, and the probability of being translated in a decrease of the quality of life of the rural way.

But the analysis of the importance of his situation, not only must be carried out from a theoretical perspective, where already there exist numerous studies that treat the relation and importance of the agricultural insurance with regard to the traditional agriculture characterized by his limited capacity of innovation. For it, in this paper, we will proceed to realize an empirical analysis, inside our country, across the principal agrarian information statistics, as faithful reflection of the economic dimension of the sector, for across his evolution as well as that of the indemnifications paid for the agricultural insurance, to be able to show the importance of the same one in his contribution to the maintenance and improvement of the agriculture, avoiding the uncertainty of the farmer

By means of the utilization of mobile averages, which eliminate the erratic behavior in the annual series, first we will realize a national analysis for the set of the lines of agricultural insurance, and later we realize it in the regional area, concretely in an autonomous community where the agrarian sector has still a great social and economic importance, this is the case of Castilla-La Mancha, at the center of Spain.