

ABSTRACT

This paper calculates the instability index for area, production and yield of banana plantations in Kerala and explores the scope for crop insurance as a mitigation activity. We calculate the instability index by looking at three different time periods: 1990-1999, 2000-2009 and 2010-2015. We make comparisons based on the district wise instability index over the three time periods. We move on to discuss the evolution of crop insurance schemes in India and looks into the crop insurance schemes of Kerala. Also the paper specifically looks into the insurance scheme for banana plantations in Kerala under the Kerala Horticulture Development Program (KHDP).

The results indicate that there is higher instability in yield and production in most of the districts in Kerala compared to 1990s in 2000s but it came down in 2010s. But given the significant risk banana cultivation faces, there is need for adopting mitigation activities like crop insurance. The study further argues that climate change could pose added risk.