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The World Food Problem: Consensus and Conflict

TICKELL, C.
Climatic Change and World Affairs
DEDICATION

Dedicated to the memory of those who were pioneers in this field, especially Professor Louis Tardy of France, Professor W. Rohrbeck of the Federal Republic of Germany, Dr. Curt Rommel of Switzerland, and William Rowe of U.S.A., whom the author had the privilege of knowing personally.
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List of Abbreviations

BAE: Bureau of Agricultural Economics, a former division of the United States Department of Agriculture.

CHIAA: Crop-Hail Insurance Actuarial Association, Chicago, U.S.A.

FAO: Food and Agriculture Organization of the United Nations, Rome.


IIA: International Institute of Agriculture, Rome.

FCIC: Federal Crop Insurance Corporation, United States.

NFU: National Farmers Union, Great Britain.


USDA: United States Department of Agriculture, Washington, D.C.

WFP: World Food Programme, Rome.
Samples of Select Forms
(Appendix 3)

(b) CHIAA: Crop-Hail Policy (1980 CHIAA 5), with:
    General Provisions (5/1/80 CHIAA 3) and
(c) Hail Loss Adjustment in U.S.A. – CHIAA Corn Survey Sheet – NCIA 6101 Rev. '75.
(d) U.S. FCIC County Actuarial Table for Wheat, Geary County, Kansas State – 1975 and succeeding crop
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(e) U.S. FCIC County Actuarial Table for Grain Sorghum, Geary County, Kansas State – 1978 and
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(g) U.S. FCIC County Summary of Coverages, Premium Rates and Prices, Hughes County, South
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(i) U.S. FCIC Notice of Loss or Damage – Form FCI-8 (Rev. 9/76).
(l) U.S. FCIC Wheat Crop Insurance Policy and Appendix – Form 80-1.
(m) U.S. FCIC Adjuster’s Worksheet for Grain – Form FCI-63-A-Grain.
(n) (i) National Farmers Union Mutual Insurance Society Ltd., U.K. Fire Policy (Buildings) –
    F31/M 10/79 R.
    (ii) N.F.U. Mutual Insurance Society Ltd., U.K. Fire Policy (Farming Stock) –
    F30/M (E & W) 9/79 R.
(o) Texas Standard Policy – Fire and Lightning and Extended Cover, and also Farm and Ranch and Farm
    Crop Forms (The State Board of Texas, U.S.A.).
(p) Fireman’s Fund/American Insurance Companies, San Francisco, California, U.S.A.: Farmers &
    Ranchers Multiguard Policy, Section II – Farmers Comprehensive Personal Liability.
(q) Sri Lanka: Crop Insurance Policy.
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Preface to Second Edition

The first edition of this book was published in 1967 but its manuscript was completed two years earlier. Therefore, the earlier edition, the first comprehensive book on the subject, dealt with the developments in various branches comprising broadly the field of Agricultural Insurance up to the mid-sixties. However, copies of that edition are now out of stock.

But non-availability of the earlier edition is not by itself enough justification for bringing out a second edition. What makes it more relevant and important are: first, still there are demands for the book, and, second, important developments have taken place in this field since the mid-sixties in a large number of countries around the world, both agriculturally developed and developing, as well as in the international field. These developments, described below, are of considerable importance especially in respect of the comparatively new branch of insurance—that of crop production against multiple natural hazards.

To meet the expanding needs of an ever increasing population in most countries, and also to improve the per capita availability of food and other agricultural products for vast masses of people, especially in the developing countries, there have been particularly since World War II extensive and intensive attempts in almost all countries to promote greater agricultural production. For this purpose the farmers everywhere have been and are being encouraged to make greater investments in agriculture and thus to undertake greater risks.

This has created, inter alia, the need for some form of "blanket" insurance to protect the farmers' investment and income against the risk of crop failure due to fortuitous impact of weather and other natural elements, which constitute by far the most serious hazard of agricultural production. Therefore, important attempts in this regard, through schemes of "all-risk" crop insurance, already initiated by two widely separated countries—Japan and U.S.A.—in the late thirties, primarily on experimental basis, were given considerable support by their respective governments after the War. As these initial attempts scored some success, not only the two countries gradually expanded the scope of such insurance, but also the idea of comprehensive crop insurance increasingly attracted the attention of many other countries, both developed and developing. It also aroused a close interest in such an international organization as FAO, which, among the members of the UN family of organizations, is primarily concerned with the promotion of food and agricultural production in member-countries. The progress made in respect of such crop insurance in different countries, along with other principal forms of agricultural insurance, till the mid-sixties, the limitations and also the problems of its application in developing countries were discussed in the First Edition.

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But during the decade and half, since the publication of the First Edition, a number of additional factors have occurred which score the further importance of the subject. First, following the last forty years of experimentation of all—or multi-risk crop insurance in U.S.A. and Japan, its general viability (apart from its use), within certain conditions, is established. Therefore, both these countries have accepted it as an integral part of certain package programmes to promote greater agricultural production for the future. The Government of Japan has from the beginning been involved in a large way in the operation of “all-risk” crop insurance. The U.S. Government which has been so long operating such insurance scheme on a limited experimental scale, has recently (1980) decided to extend it to all counties and all commodities over the entire country, making it much more comprehensive and effective. Second, as a result of trial and error over the last four decades in the two countries, workable techniques for operating such insurance have been evolved. Third, based on the above two considerations and encouraged by the success of such insurance in the two countries, comprehensive crop insurance programmes have also been introduced in a number of other developed countries, such as Canada, Israel, Sweden and South Africa. Several countries in Western Europe have set up separate “National Disaster Funds” to protect farmers in case of agricultural calamities, presumably as a step towards the adoption of more comprehensive crop insurance. For most centrally planned economies in Europe such insurance is compulsory for the “social sector” of farming. Similarly, either it has been adopted or is being considered for adoption by a number of semi-developed or developing countries including Cyprus, Greece, Portugal and Spain in Europe, India, Pakistan, Philippines, and Sri Lanka in Asia, Kenya in Africa, and Brazil, Chile, Costa Rica, Panama and Mexico in South America. Fourth, a series of regional conferences have been held to study the progress of “all-risk” crop insurance in the existing countries as well as to explore the possibilities of its application in others, e.g., two regional seminars for Central America and Latin America held respectively in October 1966 in Mexico City and in Santiago (Chile) in September 1969, one regional conference for Europe held in Tel Aviv (Israel) in October 1972, and a seminar for Afro-Asian countries held in Egypt in January 1974. These seminars and conferences were organized under the joint sponsorship of FAO and the Governments of the regions concerned. More such regional or international conferences are currently (1979) under consideration. Fifth, other UN bodies besides FAO, such as United Nations Conference on Trade and Development (UNCTAD) and the World Bank have lately shown some interest in the study and promotion of crop and livestock insurances in the developing countries. Sixth, certain national agencies dealing with foreign aid like the Agency for International Development (AID) of U.S.A. and, the Swedish International Development Agency (SIDA) have also taken an interest in promoting such insurances in some of the developing countries.

While crop, and to somewhat lesser extent, also livestock insurances have thus received a wide attention in many countries from farmers and their organizations, economists and social scientists and governments, and also from international organizations, there has been a simultaneous need for other types of insurance by farmers as the increasing capitalization and mechanization of agriculture in different countries obviously increase the chances of various kinds of accidental losses to persons living and working on the farm and to farm property, as well as to third parties.

Against such background the need for a comprehensive literature dealing with the various types of agricultural insurance, their experiences and working techniques and
their applicability to many other countries which have not yet adopted such insurance but are interested, appears to have further increased.

The second edition of this book is aimed at fulfilling this continuing need. While its basic frame remains much the same as that of the first edition two important changes are made. First, the general and more theoretical aspects are brought together earlier in the volume under Book I; the principles and practices of operation are considered in Book II, and the applicability in developing countries is considered in Book III. Second, the sections on Crop Insurance, especially in Books I and II, are thoroughly revised and enlarged to include most of the recent developments in this field. Other sections are also updated in so far as more recent data could be collected. In some sections older data are retained as latest data are not available, but this in no way affects the description or explanation of the techniques of their operations.

Most of the additional and updated materials used in this edition were collected direct by the author during personal visits to some of the key countries having various types of agricultural insurance programmes, either while still (up to the end of 1974) serving as an FAO expert or subsequently. Since 1967 the author thus visited U.S.S.R. in 1970, Cyprus, France, Iran, Israel, Sweden and Denmark in 1972, Egypt and U.K. in 1974, Japan in 1976, India, Sri Lanka, Canada and U.S.A. in 1978. During visits to these countries the author had the benefit of holding extensive discussions with the officials in the Government departments and their field staff as well as officers of several private insurance organizations, all responsible for operating various schemes of agricultural insurance. It is not possible to mention here the names of hundreds of persons whom the author had thus met in different countries and all of whom were kind enough to help the author with all the details of the operations of their respective schemes. Just to mention a few names, Knut Medin and E. Sandqvist of the National Central Bureau of Statistics, Sweden; R. Michaelides and C. Parisons of the Ministry of Agriculture and Natural Resources, Cyprus; Roger Millot, France; David Gilboa of the Insurance Fund for Natural Risks in Agriculture, Israel; Charles A. Thomas of the National Farmers Union Mutual Insurance Society and Avon Insurance Company, Eric D. Browning and R. F. Askew of the NFU Mutual Insurance Society, U.K.; Ichiji Shimoyama and Takeshi Togawa of the National Agricultural Insurance Association and Tadanori Hirai, Ministry of Agriculture, Forestry and Fisheries, Japan; Dale Hathaway, Assistant Secretary in charge of International Affairs and Commodity Sales Programme, USDA, and Otto Johnson, Peter F. Cole, Everett Sharp and Forrest Boerner of Federal Crop Insurance Corporation, U.S.A.; Glenn M. Gorrell of Crop Insurance Division, Ontario and J. E. B. Campbell and N. Johnson of the Crop Insurance Corporation, Saskatchewan, and K. E. Hanson of the Municipal Hail Insurance Association, Saskatchewan, Canada; S. P. Gupta and P. P. Rao of the General Insurance Corporation of India, Bombay, India.

Furthermore, certain supplementary information was obtained through correspondence with the officers of important agricultural insurance organizations. Among these, particular mention may be made of Brend Hildebrandt of Deutsche Hagel-Versicherungs-Gesellschaft a G., Wiesbaden, and Brunner of Bayerische Landeshagel Versicherungsanstalt, Bayerische Versicherungs Kammer, Munich, Federal Republic of Germany; E. Ray Fosse of the Crop-Hail Insurance Association, Chicago, D. F. Alverson of Fireman’s Fund Insurance Companies, San Francisco, California, W. F.
Preface to Second Edition

Shanner of the National Association of Mutual Insurance Companies, Indianapolis, Indiana, E. J. Voorhis and G. J. Jones of the State Board of Insurance, Austin, Texas, U.S.A.; and E. A. Patching of the Alberta Hail and Crop Insurance Corporation, Lacombe, Alberta, Canada.

The author wishes to convey to all those mentioned above his grateful thanks, and, through them, also to their colleagues who have assisted the author in various ways in obtaining materials presented in this edition, including the illustrations and the samples of insurance proposal, policy and other forms.

The author also wishes to express his thanks once again to Pergamon Press Limited and especially to Mr. Robert Maxwell for undertaking the publication of the second edition for the benefit of all those who are at present, or will in future be, interested in the subjects covered. At the same time the author wishes to place on record his appreciation of the services rendered especially by Mrs. P. Ducker, Editorial Director, Mr. David Dickinson, Production Manager, and Mr. Alan Radford, Assistant Publishing Manager of the Press in the production of this edition.

Finally, the author remembers with due solemnity his late wife S. S. Ray who had been constantly with him in various countries abroad since 1948 until she passed away in 1975, and had all along offered great assistance and inspiration to him in preparing this volume from the beginning.

ROME, ITALY

1980

P. K. RAY