Status and Problems on Promoting Vegetable Price Insurance in China

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Agenda

- Background
- Method
- Results and Conclusion
  - Characteristics of the pilots
  - Problems in promoting
- Policy Suggestion
Background

- Large fluctuation of vegetable price in recent years
- Low price hurt producers **VS** High price hurt consumers
- Does insurance work in vegetable price moderation?
Method

- Semi-structured interviews
  - Two kinds of interview regions
    - 4 Pilot Cities
    - 12 Intended pilot Cities
  - Four kinds of interview objects
Price Insurance Pilots

- **Shanghai**
  - 2011-2014
  - Comprehensive cost price insurance for greens in off season

- **Jiangsu**
  - 2013-2014
  - Cost price insurance for greens in off season of summer

- **Beijing**
  - 2013-2014
  - Cost price insurance for Chinese cabbage

- **Sichuan**
  - 2013-2014
  - Price index insurance for vegetables
Interview objects

- Small Farmer
- Larger Farmer
- Professional Cooperative
- Enterprise
- Vegetable Grower
- Market of Agricultural Products
- Insurance Company
- Government
- Price Bureau
- Statistical Bureau
- Agricultural Bureau
Interview goals

- FOR Pilot cities
  - What are the insurance product rules?
  - What is the implementation way?
  - Does the pilot prove effective?
  - The difficulties in promoting it
Interview goals

- FOR Intended pilot cities
  - The willingness to promote or participate in it
  - The demand for price insurance
  - The existing infrastructure and conditions
  - Possible obstacles and challenges
Results and Conclusion

- Characteristics of the pilots
  - Low-level security
  - Policy-oriented
  - Multisectoral coordination required
  - Insurance coverage adjusted to local conditions
Results and Conclusion

- Problems in further promoting
  - Doubt on the insurability of price risk
  - Dislocation of supply and demand of insurance
  - Lag or lack of quality data for insurance product pricing
  - High demand for government financial support
Policy Suggestions

- Promotion and support from government
- Information collection and release system
- Agricultural insurance catastrophe risk prevention system
- Further research on insurance theory and technology
Thank You!

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