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Investigation of the Production Risks and Risk Mitigation Behaviour by Farmers in Northeastern Area of Central Trinidad

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Abstract

Caribbean farmers are frequently bombarded by numerous production risks that not only negatively impact agricultural production, but agricultural development. Since these risks reduce agricultural production (IICA, 2006a) it is imperative that risk mitigation measures be employed to lessen the impact of risk on agricultural production. Production risks are considered by farmers to be some of the most important risks that significantly impact their livelihoods. There appears to be limited research done on the subject areas of production risks and risk behavior of farmers in Trinidad and by extension, the Caribbean. Therefore, this study seeks to identify and better understand the production risks and the risk behaviors of farmers in Trinidad.

The study was conducted in seven districts of County Caroni and two districts of St. George West County, which span the northeastern area of central Trinidad. Data was collected from 227 farmers via the use of a questionnaire and field visits. Data analysis used frequency distributions, chi-square, logistic and sample selection regression models. The binary logistic regression technique was used to test the hypothesis that there is a relationship between the socioeconomic characteristics of farmers and the risk mitigation behavior of farmers. The sample selection technique was used to investigate the effects of various socioeconomic characteristics of farmers on the effectiveness of the risk mitigation measures practiced by the farmers.

The results identified the following significant socioeconomic characteristics that affect risk mitigation; the time spent on the farm, age of farmer, farm size, tenure of the land, whether the farmers was the head of the household , whether the farmer cultivated crops , whether the farmer reared livestock and whether the farmer that was exposed to drought. The study has also revealed the following significant socioeconomic characteristics of farmers that determine the effectiveness of the risk mitigation measures implemented by these farmers; farm size, whether the farmer reared livestock, whether the farmer was exposed to floods and heavy rains, praedial larceny and drought.

Keywords: Risk mitigation behaviour; Socioeconomic characteristics of farmers; logistic regression and sample selection analysis