

# Perception and Demand of Thai Dairy Farmers for "Cow Insurance" Products

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**Abstract:** A study on perception and demand for products "Dairy insurance" of dairy farmers in Thailand. The objective is to study the perception and demand for the product "Dairy insurance" of dairy farmers in Thailand and to study factors related to perception and demand for products "Dairy insurance" of farmers raising dairy cows in Thailand. The researcher used a questionnaire as a tool to collect data from a sample of 219 people. The statistics used were percentage, mean, standard deviation, and t-test to test the difference between the mean two groups. and analysis One-way variance The F-test (One-way ANOVA) at the 95% confidence level was used to test for the mean differences of samples with more than two groups. Then test the difference in pairs by Scheffe's method. Chi-square statistics were used to test differences and correlations of frequency data. In the case of a single sample and in the case of two or more sample groups that are independent from each other Pearson's Product Moment Correlation Coefficient analysis was used to find the correlation.

The results of the study, personal factors, found that most of them were 116 females, 103 males, mostly aged between 50-59 years, 73 had primary education, 88 had incomes mostly in Between 10,001 - 20,000 baht, 81 people, most of them were married. Farm factors affecting the demand for dairy farmers' insurance products, Dairy Farmers in Thailand found that the dairy cow breed that dairy farmers raise the most is Holstein breed, amounting to 191 cases. There were 62 cases of dairy cows in the farm ranged from 1 to 30. 73 farmers had experiences in raising dairy cows ranging from 16 to 30 years. There were 137 cases of closed farming style and the cause of death of dairy cows was found the most. Due to illness, number 135 cases. Motivation factor on the demand for the product. "Dairy insurance" of dairy farmers in Thailand found that the respondents had opinions about the importance of the motivation factor for the demand for the product. "Dairy insurance" at a high level, for example, the insurance premium affects the decision to buy dairy cow insurance. The average value of dairy cow insurance. Getting dairy cow insurance made you feel at ease. People around you influenced you to decide to buy dairy cow insurance and doing Dairy insurance makes people look at you as a prudent person product perception "Dairy insurance" of dairy farmers in Thailand found that respondents had opinions about the level of product awareness "Dairy insurance" at a high level, employees can give advice help when in trouble , a convenient channel for contacting/inquiring about claims information, speed in providing claims service, and product awareness level.

The average level of "dairy insurance" was the feeling that insurance for dairy cows was useful, demand for products. "Dairy insurance" of dairy farmers in Thailand found that respondents who raise Dairy cows need insurance for 1-30 cows in 131 farms, yearly premium payment form, 54 cases, policy coverage period: 1 year, 68 cases, and 2-5 years, 68 cases. 68 cases require a type of coverage death coverage and able to reimburse treatment expenses for 153 cases. There was a moderate level of demand for dairy cow insurance with an average of 2.93.

**Keywords:** Perception and demand for products Dairy insurance<sup>1</sup> , Dairy farmers<sup>2</sup>, Dairy insurance<sup>3</sup>

## INTRODUCTION

Farmers in 2564 faced a variety of dangers, including those posed by destructive natural disasters and the COVID-19 pandemic's difficulties, which prompted the government to enact stringent lockdown

regulations. This resulted in delays or interruptions in economic activities related to production, trade, and transportation, as well as changes in exchange rates, a rise in oil prices, and erratic weather patterns. However, because it is a major source of raw materials for consumer goods, the farming sector was less affected than other economic sectors. Due to higher prices and increased demand for agricultural goods, this primarily led to an increase in revenue for the agricultural industry of more than 8.75 trillion baht. Major crops like rice, rubber, sugarcane, cassava, and oil palm, as well as goods from fishing and poultry husbandry, contributed the majority of this income.

Animal husbandry plays a significant role in producing protein for the population's consumption as well as generating revenue through exportable goods, making it a significant part of the agricultural industry. The National Economic and Social Development Plans 1-2 placed a strong focus on enhancing the agricultural infrastructure, connecting markets, developing credit systems, encouraging research in plant and animal production, converting traditional subsistence farming into commercial farming, establishing land transportation systems, establishing agricultural experiment stations, establishing animal breed development facilities, and controlling the spread of diseases. The animal husbandry industry in Thailand is a major economic engine, generating income and fostering exports. Thai animal farming has evolved over a considerable period of time, beginning with domestic animal breeding and eventually evolving into a commercial enterprise currently managed by the Department of Livestock Development. For the prevention and treatment of animal diseases, production and procurement of biological and medical supplies, production and procurement of semen for artificial insemination, improvement and breeding of animal health, treatment of animal diseases, and processing of animal meat into various products are all responsibilities of the Department. Additionally, it encourages farmers to grow crucial livestock for the nation's economy, such as 1. Beef animals 2. cows that milk 3. Buffalo 4. Pigs 5. Chickens for meat 6. Egg laying hens 7. Indigenous hens 8. Grass-fed geese 9. Goats. Sheep. To ensure that animal meat, products, and byproducts meet international standards for consumption both locally and abroad, the Department of Livestock Development is in charge of quality control.

Farmers who produce dairy cows make up the dairy farming industry, with small-scale farmers making up the majority of them. There were 24,153 dairy farming families in Thailand as of 2021. The most dairy farmers are located in the districts of Lopburi, Ratchaburi, and Khon Kaen. Bueng Kan, which has an average of 89 dairy cows per household, is the province with the greatest average, followed by Loei, Songkhla, Lampang, and Lamphun. There are 810,605 dairy calves in total, 47,485 of which are male, or 5.86%. 763,120 or 94.14% of the total are female cows, including 149,766 heifers, 176,084 pregnant cows, 358,271 lactating cows, and 78,999 dry cows. (Department of Livestock Development, data accessed on January 15, 2022, about dairy producers in each province)

The National Institute of Animal Health's Department of Livestock Development was established in 1996. Accessed on January 15, 2022) has encouraged the breeding of several dairy cow varieties, including the Thai-Friesian, TM-Z, Holstein, Sahiwal, and Thai-Friesian. At various phases of their lives, dairy cows are frequently susceptible to diseases, which can cause farmers to lose money. In order to protect farmers who have experienced losses or damages, Aegon Insurance Company Limited and the Bank for Agriculture and Agricultural Cooperatives (BAAC) have teamed up.

Akenya Insurance Company Limited (Public) is one of the Thai Hol-Dings Limited's primary companies. (Public). In order to safeguard and lessen the financial burden of dairy farmers, who raise dairy cows as a key economic animal in the nation, they have introduced the first-ever insurance policy for dairy cows in Thailand. The insurance for dairy cows provides up to 30,000 Baht in compensation for mortality, illness, and injury resulting from accidents, fire, lightning, and storms, with an annual premium of 810 Baht per individual. Currently, only 10 dairy producers have insurance for their cows, which amounts to just 0.05 percent of all dairy cow raisers. In order to create strategies to encourage more dairy farmers to

cover their cows, researchers have conducted a study to ascertain the level of awareness and demand for the "Dairy Cow Insurance" product among dairy farmers in Thailand. The study's dual goals include determining the variables that influence dairy farmers in Thailand's awareness and demand for the "Dairy Cow Insurance" product as well as the product's awareness and demand.

## **REVIEW OF THE LITERATURE**

### **PERCEPTION**

The term "perception" describes how people decide how they will interpret information they receive through their five senses and previous encounters. A basic component of human communication is perception, which is also a key element in improving communication abilities. According to Mowen and Minor (1998), perception is the process by which people acquire, pay attention to, and comprehend information. Perception is the method by which people choose, arrange, and analyze information they receive in order to give it meaning, according to Kotler and Keller (2012). In addition to the item being perceived, perception also depends on how a person interacts with their surroundings. For the purpose of understanding what we see, touch, smell, and taste, perception is the process of filtering and interpreting sensory experiences and information. In general, people's perception will differ based on their past experiences, future hopes, and underlying motives. As a result, our understanding or perception of things is a matter of selective perception, affected by our personal experiences and interests.

According to Kitiipa Thanachai's (2019) study on the factors that affect perception, certain factors can affect how different people interpret the same information. Multiple factors influence how different stimuli are perceived by humans, and the variables' strength of influence determines how much is perceived. Experience, society, education, and other elements are among these. As a result, how someone interprets something relies on the prevailing circumstances at the time. There are two categories of influencing factors: those that originate internally, such as motive, expectancy, interest, feelings, ideas, and imagination, and those that originate externally, such as intensity and size, repetition, contrast, and movement.

### **MOTIVATION AND NEEDS**

Metha Rimthepthip talked about the plan. (2017). A crucial framework was identified as Maslow's theory of the hierarchy of needs (demands), which contends that people have needs that are ranked from most fundamental to most important. The theory's premise, which also contains the following, is that: Since humans are living creatures, they have ongoing, unending requirements that are constantly expanding. People's needs vary depending on what they have gotten or have already access to. There is always a new need after the first one is satisfied. Taking the requirement for life-sustaining essentials as an illustration. Human behavior is driven by needs; once a need is satisfied, it no longer influences behavior. However, needs that are still unmet continue to influence behavior. People prioritize their requirements differently depending on how urgently they must be met in order to survive. The pursuit of the more essential needs before the less important ones will be reflected in behavior.

Herbert J. Hicks (1972) stated that the idea and theory of motivation is the distinction between needs, inspirations, desires, and aspirations and the achievement or outcome. In other terms, Aspiration - Achievement = Motivation.

### **RESEARCH METHOD**

Thai dairy farmers make up the study's sample group and community. The W.G. method was used to calculate the sample size. Cochran (1953), mentioned in Boonchom Srisa-at (2004), with a 219-person

sample size and a 95% confidence level with a maximum error of 0.05. The complete sample of 219 was used in order to simplify data analysis and evaluation.

A mixed method sampling with stratified sampling was used for this research. According to the organizational zones of the Livestock Development Department, the study region was divided into 9 zones. (Department of Livestock Development, 2021). Each zone underwent cluster random sampling, with roughly 20% of the zones in each province being chosen as the final 15 provinces. Using a lottery system from provinces that practice dairy farming, a proportional number of zones were chosen in each location. Each zone had a sample size of 26 dairy cooperative member farmers who were chosen to take part in the research. The study's emphasis was on the views and demand of dairy farmers who are Thai dairy cooperative members regarding "dairy insurance" products.

## STUDY FINDINGS

According to the data analysis, the majority of the sample group was female (52.97%), mostly between the ages of 50 and 59 (33.33%), had only completed elementary school (40.18%), and made an average annual salary between 10,000 and 20,000 baht (36.99%). The majority of them (53.42%) were married. The Holstein breed of dairy cows is the one that farmers most frequently rear (87.21%), according to an analysis of farm-related variables. Farms can have anywhere from one to thirty dairy animals (28.32%). 33.33% of farmers have 16 to 30 years of expertise raising dairy cows. 65.56% of the farming infrastructure is closed. Illness is the most frequent reason for mortality in dairy cows (61.64%).

The sample group had strong views about the significance of motivating factors for the desire to purchase "milk insurance" products, according to an analysis of motivating factors for buying "milk insurance" products among dairy farmers in Thailand. These considerations included the insurance premium, which had an average score of 4.17 and affected consumers' choices regarding "milk insurance" goods. The average score for the payment method for insurance premiums was 3.53, and it had an impact on the choice to buy. The value of milk insurance, with an average score of 3.14, and the peace of mind that comes from having milk insurance, with an average score of 3.32, were moderately motivating factors for the wish to buy "milk insurance" products. The impact of others on the decision to buy "milk insurance" products, with an average score of 2.96, and the belief held by others that the insured is a responsible person, with an average score of 2.87, were two additional moderately motivating factors.

The sample set of dairy farmers in Thailand had a high level of perception of the product, according to an analysis of the level of perception of "milk insurance" among them. This includes the average score of 2.96 for the opinion that the product has benefits. The sample group also had a high opinion of the degree of product perception in terms of the ability of employees to offer advice and assistance when issues arise, with an average value of 3.63. With an average value of 3.41, there were also practical alternative channels accessible for getting in touch with or learning more about the products. Finally, with an average value of 3.47, the degree of service in offering alternative insurance was perceived as quick.

It was discovered that dairy producers in Thailand had a moderate demand for "cattle insurance." A survey of farmers revealed that 59.82% of them desired insurance for their herds of between one and thirty cows. The chosen payment schedule was annually (24.66%), and either 1 or 2–5 years of coverage were preferred (31.05%). Death and medical expense reimbursement was the preferred form of insurance (69.86%). With a score of 2.93, the typical demand for cattle insurance was considered to be moderate.

## DISCUSSION

The desire for "cow insurance" products among dairy farmers in Thailand is influenced by gender. Farmers who are women typically favor annual premium payments. The desire for "cow insurance" products among dairy farmers in Thailand is also correlated with educational level. Dairy farmers'

purchasing decisions are also influenced by the number of cows to be insured, the policy's duration, and the amount of demand for "cow insurance" products. There is a need for insurance for cattle on farms varying from 1 to 30 according to a sample group of 88 farms with elementary education levels. The minimum policy coverage period is one year, and there is moderate demand for milk insurance. The number of cattle that dairy producers want to cover is correlated with the demand for the product "milk insurance" in Thailand. The sample group with an annual salary between 5,000 and 10,000 baht pays their insurance premiums annually. The breed of cattle and the quantity of cattle that dairy farmers in Thailand want to guarantee are linked in terms of the demand for the product "milk insurance."

The number of milk cows is linked to the desire among dairy farmers in Thailand to purchase the good "milk insurance," which is the quantity of cattle that farmers want to cover. The length of the policy's coverage term and previous experience with cattle-raising are also factors in the Thai dairy farmers' desire to purchase the "milk insurance" product, which is a means of paying the insurance premium. The level of demand for the product "dairy cow insurance" among Thai dairy farmers is correlated with the level of demand for buying dairy cow insurance. The amount of demand for dairy cow insurance is influenced by the number of cows that farmers want to cover as well as the methods used to pay for insurance premiums. The need for dairy cow insurance is correlated with the cause of cow fatalities. The overall motivating factors, such as the sense of security and protection that comes with insurance, and the impact of others on the decision to buy dairy cow insurance are linked to the level of demand for the product.

## RECOMMENDATION

In order to better serve customers who require dairy cow insurance, Ackney Insurance Company Limited (public company) has recently transferred its insurance policy to Tipa Insurance Company Limited (public company). By taking into account the breed of cows that farmers raise, their experience with raising them, the method of raising them, and the causes of cow death, the business should improve its product to better satisfy the needs of farmers. In addition, based on a study of how dairy cow farmers in Thailand perceive and need to purchase the "Dairy Cow Insurance" product, the company should assess the purchasing requirements of farmers in order to use the information to adjust the product to better meet their needs and be most advantageous to them.

The sample size for the following study might be expanded in order to collect more varied and complete data. To improve the research findings, it is critical to investigate dairy farmers' perspectives on insurance. This includes, among other things, researching their level of trust in insurance companies

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