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# *Blossom*

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### **India - Bihar dumps Centre's insurance scheme for farmers, launches its own scheme to tackle crop loss**

In an apparent snub to the Pradhan Mantri Fasal Bima Yojana (PMFBY), the Government of Bihar state has launched its own scheme to provide guaranteed assistance to the state's farmers in the event of crop damage. The new scheme unveiled by Bihar Chief Minister will replace PMFBY by coming into force from the current kharif (Summer) season. The measure is seen as a tactical move to keep Bihar's farmers happy with an eye on the Lok Sabha polls next year and the state Assembly polls in 2020. The new scheme, Bihar Rajya Fasal Sahayta Yojana (BRFSY), makes Bihar the first state to launch its own insurance scheme for its farmers by discarding PMFBY.

In PMFBY the farmers had to pay a premium for their crops to the insurance companies, they will not have to pay anything from their pocket under BRFSY. The state's farmers will be entitled to fixed monetary benefits in the event of crop loss due to natural calamities. BRFSY is not an insurance scheme. It is a scheme to ensure farmers get assistance to tackle crop loss and continue farming with courage and dedication. The scheme will ensure farmers have enough money for the next crop cycle if their current crop is hit by a natural calamity.

PMFBY was not really helping farmers in Bihar as per the figures of the 2016 Kharif season, wherein the Centre and the state governments spent INR 4.95 Bn (USD 73 Mn) each as premium under PMFBY, but Bihar's farmers got only INR 2.21 Bn (USD 33 Mn) as damages. Under PMFBY, the state and the Centre pay 49 per cent each as premium while the rest 2 per cent is paid by the farmers. But BRFSY does not require farmers to pay any premium and assures them support from the government. As per BRFSY, if a farmer's production is less than 20 per cent of the threshold limit, he will get INR 7,500 per hectare for up to two hectares. In case the loss in production is more than 20 per cent, the farmers will get INR 20,000 at the rate of INR 10,000 per hectare for up to two hectares. The threshold production limit will be calculated by multiplying the average production of last seven years with an indemnity level of 70 per cent. Significantly, BRFSY will cover not only farmers who have taken loans from nationalised and cooperative banks and financial institutions, but also those who have borrowed from other agencies.

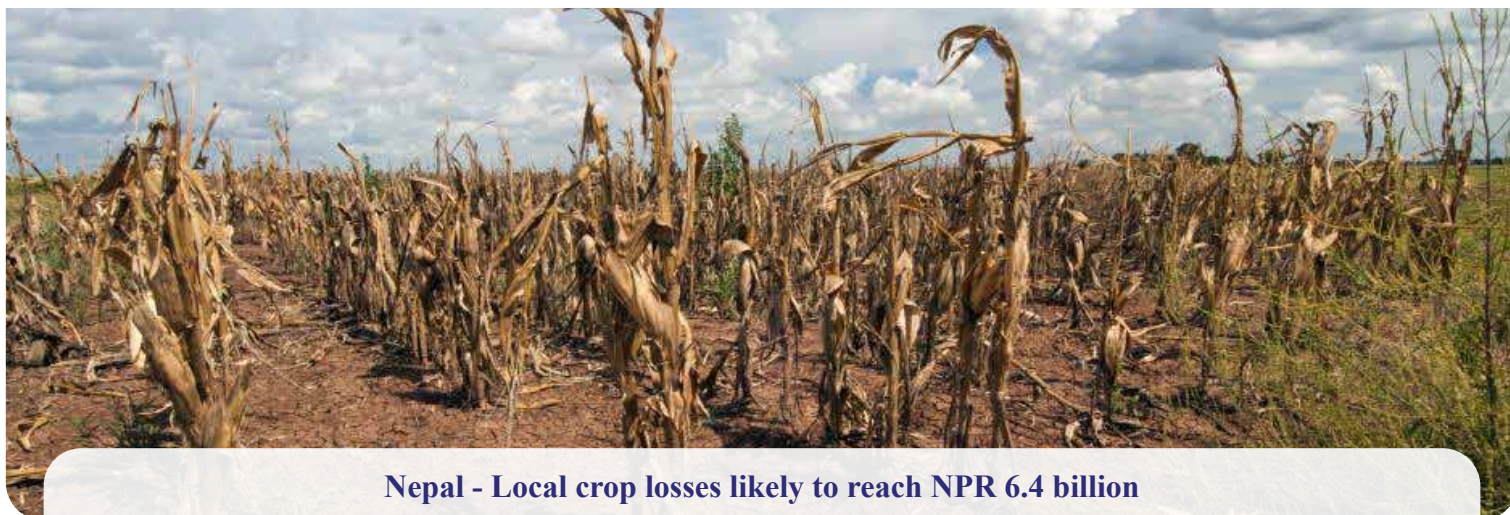
Source: <http://www.newindianexpress.com>



### **Pakistan - Crop insurance scheme launched**

Punjab Provincial government has started crop insurance scheme (Takaful) to protect income of farmers against unfavourable circumstances. In this regard, from Kharif 2018 first phase from Sheikupura, Sahiwal, Loadhran and Rahimyar Khan was launched. Under this scheme, 100 percent subsidy on Insurance Premium for land owners up to 5-acre while 50 percent subsidy on Insurance Premium for land owners from 5-acre to 25-acres will be given. This scheme will be applicable during its first phase on cotton and rice fields. In the second phase, Insurance (Takaful) will be applicable on more crops including sugarcane, maize, wheat, orchards and vegetables. Under this scheme, compensation will be given in case of natural calamity or low yield. To ensure transparency, the government has also introduced online system. Agricultural production and farm incomes in Pakistan are frequently affected by natural disasters such as droughts, floods, cyclones, storms, landslides and earthquakes. This scheme will give protection to farming community.

Source: <https://www.thenews.com.pk>



### **Nepal - Local crop losses likely to reach NPR 6.4 billion**

Crop losses for farmers in the eastern Tarai district of Siraha are likely to reach NPR 6.4 billion (USD 59 Mn) this year. According to the District Agriculture Office, the losses have been caused by strong winds and hailstorms from April to May. The district has been facing huge losses every year due to climatic stress like floods, storms and hailstorms. Also, farmers lack proper knowledge about the state-subsidized crop and livestock insurance schemes that have been running for the last five years. The government has been providing a 75 percent subsidy on the premium for agriculture related insurance policies to protect farmers from potential losses. The insurance plan is also aimed at reducing expenses for the state as the government has had to compensate farmers for losses on many occasions. However, a majority of farmers -including those from Siraha- are unaware about crop insurance and the subsidy offered by the government. The government has made crop and livestock insurance mandatory, but this policy has not been effectively implemented.

Source: <http://www.freshplaza.com>



### **Nigeria - Boosting rice production through mechanisation**

It is estimated that increasing the mechanisation rate in Nigeria from 0.3hp/ha to 0.8hp/ha in the next five years can double rice production to 7.2 million tonnes. To achieve this, Nigeria will need to triple its current stock of machinery over the same period. Rice, is the most consumed staple in Nigeria, with a consumption per capita of 32kg. In the past decade, consumption has increased 4.7 per cent, almost four times the global consumption growth, and reached 6.4 million tonnes in 2017 accounting for 20 per cent of Africa's consumption. As at 2011, rice accounted for 10 per cent of household food spending, and 6.6 per cent of total household spending. Given the importance of rice as a staple food in Nigeria, boosting its production has been accorded high priority by the government in the past seven years.

Significant progress has been recorded, rice production in Nigeria reached a peak of 3.7 million tonnes in 2017. Despite this improvement, comparatively, Nigeria's rice statistics suggest there is an enormous potential to raise productivity and increase production. Yields have remained at 2 tonnes per hectare, which is about half of the average achieved in Asia. In addition, as population increases, along with rural to urban migration, ensuring food security in key staples becomes critical. However, food security cannot be achieved by a system that depends almost entirely on human muscle power and other manual methods.

Globally, rice production has grown at an annual average of 1.0 per cent over the past decade, reaching 486.7 million tonnes in 2017. Most of this growth has come from Asia, accounting for 89 per cent of global output. China and India are the largest producers, each with a share of 29.6 per cent and 22.6 per cent of global production respectively. In the rest of the world (ex-Asia), rice production has risen steadily over the past decades, accounting for 15 per cent of total production by 2017, a marginal increase from 12 per cent in the last two decades.

Global rice consumption remains strong, driven by both population and economic growth in Asia and Africa. Over the past two decades, rice demand increased at an annual average of 1.2 per cent to reach 481.6 4 million tonnes in 2017.

Nigeria's mechanisation has remained low at 0.3hp/ha, relative to 2.6hp/ha in India and 8hp/ha in China. The number of agricultural tractors is estimated around 22,000, relative to 1 million and 2.5 million in China and India respectively. Low income, limited access to affordable financing and the lack of technical skills have limited the adoption of mechanisation across the rice value chain. Increasing the mechanisation rate in Nigeria from 0.3hp/ha to 0.8hp/ha in the next five years, can double rice production to 7.2 million tonnes. To achieve this, it is estimated that Nigeria will need to triple its current stock of machinery over the same period. In addition to raising production, adequately increasing mechanisation has the capacity to raise yields, increase labour productivity, reduce post-harvest losses, increase income generated by farmers and deepen import substitution. The opportunity Nigeria's mechanisation gap provides numerous opportunities for investment across the agricultural value chain. To attract the required investment, the government needs to create an enabling environment that ensures mechanisation is profitable. In terms of priorities, the government should concentrate on addressing challenges around land tenure and ownership, providing rural infrastructure and extension services, and ensuring incentives are transparent and accessible to all investors.

Source: <http://www.blackseagrain.net>

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