



J. B. BODA



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# *Blossom*

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### **India - States allowed to set up crop insurance firms to execute PMFBY**

The Central Government is allowing states to set up their own insurance companies for implementing the Pradhan Mantri Fasal Bima Yojana (PMFBY).

The move comes after several requests from states as well as observations made by the Comptroller and Auditor General (CAG) in its 2017 report that old crop insurances schemes which have now been merged with PMFBY, were poorly implemented during 2011-2016.

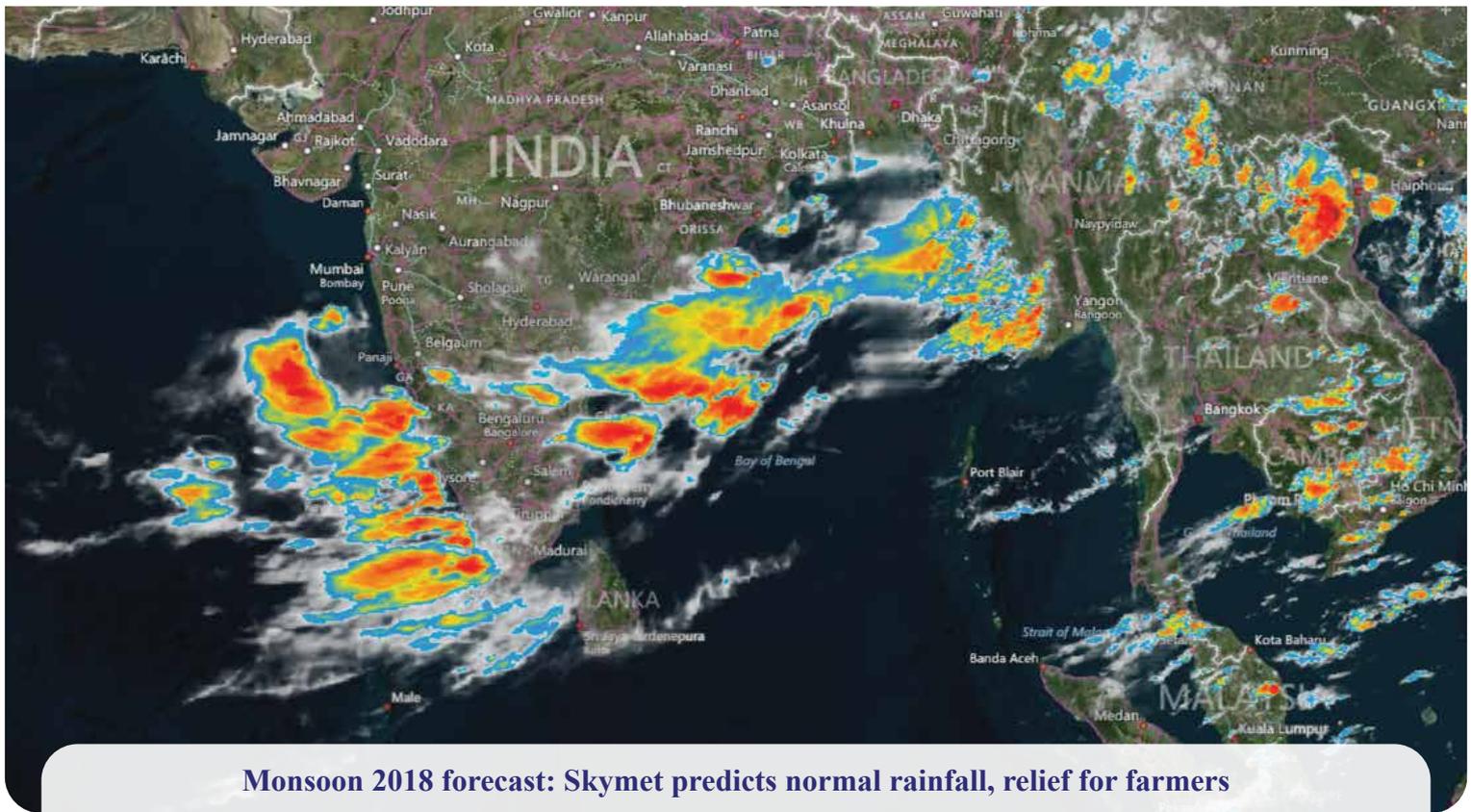
Presently, five public sector insurers and 13 private insurance companies are empanelled for implementation of the scheme.

The public insurers include Agriculture Insurance Company of India (AIC), United India Insurance Company (UICC), National Insurance Company (NIC), Oriental Insurance Company (OIC) and New India Assurance Company (NIAC).

Launched in April 2016, PMFBY provides comprehensive crop insurance from pre-sowing to post harvest against non-preventable natural risks at extremely low premium rate of 2% for kharif crops, 1.5% for rabi crops and 5% for horticulture and commercial crops.

The balance premium is paid equally by the centre and state. Claims are settled on the basis of yield loss assessed at the end of the season.

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



### Monsoon 2018 forecast: Skymet predicts normal rainfall, relief for farmers

Private weather forecasting agency Skymet has predicted the southwest monsoon would be normal this year.

The monsoon this year could be 100 per cent of the long period average (LPA) with a model error of plus and minus 5 per cent. A normal monsoon is in the range of 96-104 per cent of the LPA. The LPA for June-September rainfall is around 887 millimetres.

There is no possibility of a nationwide drought or deficient rainfall. Normal rain was likely, particularly in the eastern parts, while the southern peninsula and parts of northeast India could be at some risk of receiving below-normal precipitation. There is a 55 per cent chance of the southwest monsoon being normal this year.

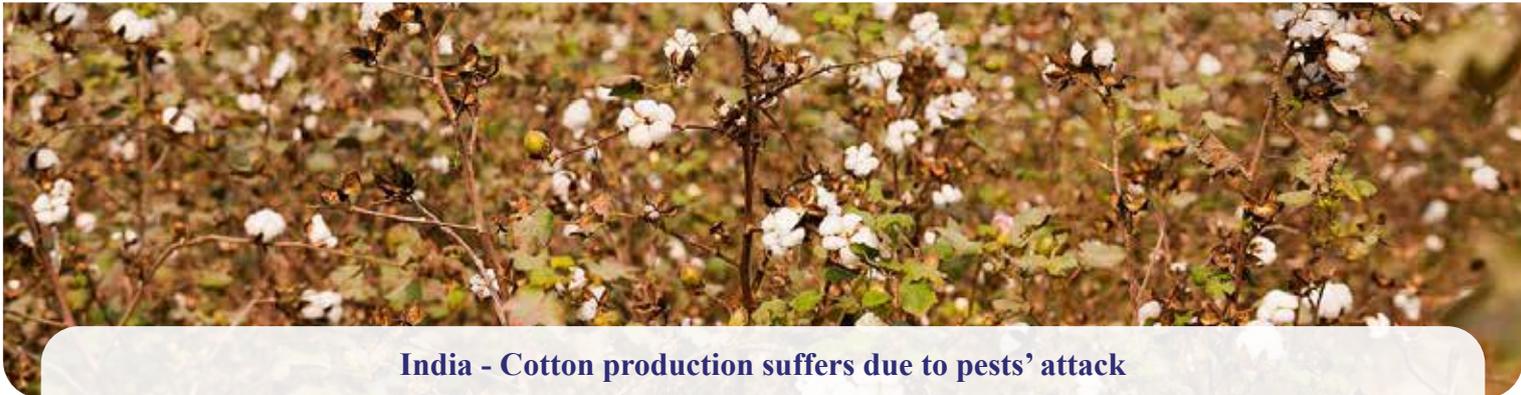
Monsoon rainfall in June would be 111 per cent of the LPA with 30 per cent chance of it being normal. India receives around 164 millimetres of rainfall in June.

July rains are expected to be 97 per cent of the LPA with 55 per cent chance of them being normal. The country receives around 289 millimetres of rainfall in July, which is also the highest in the four-month monsoon season. The month is also crucial for sowing of most kharif crops.

In August, the country might receive rainfall equivalent to 96 per cent of the LPA, with a 55 per cent chance of rainfall being normal. About 262 millimetres of rainfall is received in August. In September, rainfall of around 101 per cent of the LPA is expected with 60 per cent chance of it being normal. India receives around 173 millimetres of rainfall in the last month of the monsoon season.

The southwest monsoon is critical not only for agriculture growth, as less than half of the cultivable land is under irrigation, but also boosts the general economy. A good monsoon helps boost prospects of a kharif harvest and helps rejuvenate reservoirs and groundwater sources critical for rabi crops. Almost 70 per cent of India's annual precipitation comes in the months of June to September. The 2017 southwest monsoon season saw below-normal rainfall at 95 per cent of the LPA, against the India Meteorological Department (IMD) forecast of normal rainfall at 98 per cent of the LPA with a model error of plus and minus 4 per cent. Skymet had predicted a below-normal monsoon in 2017.

Source: <http://www.business-standard.com>



## India - Cotton production suffers due to pests' attack

Cotton planting in India, the world's top producer of the fibre could fall 12 percent in the 2018/19 crop year as infestation by the pink bollworm has slashed farmers' incomes and prompt them to choose other crops. The reduction in planting area could cut into export supply from India and further bolster global cotton prices, which in March this year has hit their highest since June 2014. Lower sowing is expected in Maharashtra and Telangana due to pink bollworm attacks. Many farmers in these states are likely to switch to other crops like soybeans. Infestations slashed crop yields and forced farmers to increase pesticide costs in the western state of Maharashtra and Telangana in the south, both key cotton producers. Pink bollworms consume the fibre and seeds inside a cotton plant's boll or fruit, and yields fall. The area under cotton could fall to 10.8 million hectares in the 2018/19 marketing season that starts at the beginning of October, down from 12.26 million hectares in 2017/18. Most Indian farmers start planting cotton, which requires lots of moisture, with the onset of monsoon rains in June, although those with irrigated fields can start as early as May. Indian farmers have adopted genetically-modified seeds known as Bt cotton that is resistant to bollworms, but it hasn't stopped the infestations. The technology transformed India into the world's second-largest exporter of cotton after the United States. Pink bollworms, however, have developed resistance to the technology

Source: <https://www.devdiscourse.com>



Swiss Re



VanderSat

## VanderSat and Swiss Re Partner to Bring Crop Insurance to Untapped Markets

In another sign of the growing link between agtech and insurance, Dutch remote sensing startup VanderSat has partnered with Swiss Re, the world's second-largest reinsurer, to create new insurance products fueled by the startup's unique dataset and capabilities.

VanderSat is taking a different approach to other remote sensing outfits working in agriculture, in its use of microwave sensors and data instead of imagery to glean insights about and for the industry. By collecting data from a range of different satellites operated by organizations across the globe, VanderSat measures soil moisture and soil temperature on a daily basis and has now built up a database going back 16 years.

Using these microwave data, VanderSat is able to alleviate one of the main pain points associated with satellite-derived imagery data, cloud cover, as well as facilitate the underwriting of hard-to-insure problems for farmers, such as drought. In many countries, agri insurance is an immature line of business, with little historical data on crop losses that can be used to correctly design and price insurance products.

Worldwide there are seven billion hectares of arable land and just one billion are insured, in part because to date it has been too difficult to determine a payout and to define an abnormal natural occurrence, especially in the areas where drought is common. In order to determine what kinds of conditions are abnormal and should be covered by insurance, insurers and reinsurers first need to know what is normal.

In developed markets where weather and farm data is readily available, this is an easier task. But in developing markets, data is scarce and there is no baseline on top of which to determine risk and write insurance policies. Through this partnership, Swiss Re seeks to change those dynamics, with the hope of increasing the insurability of farming regions currently untouched by crop insurance.

Swiss Re has a team of five specifically dedicated to seeking out new agricultural innovations and they have been working with VanderSat for over a year to validate its technology and efficacy in making insurance products more precise, and more profitable.

In an unconventional move for a global reinsurer (which brought in nearly €34 billion in revenue last year) and a very conventional move for a remote sensing startup, VanderSat is also partnering with Swiss Re on the reinsurer's newly launched farm management software platform, opti-crop.

opti-crop can be used by both insurers and farmers to track crop health and weather among other factors, fueled by publicly available satellite data, weather station data, universities and private companies like VanderSat.

This is not the first link between insurance and agtech and likely won't be the last. In February, farm management and agronomy software platform Farmers Edge announced a four-year deal with major global reinsurer PartnerRe, to bring customized insurance products to its users. An important distinction here is that in order to take advantage of the partnership, growers must be Farmers Edge users. The Swiss Re-VanderSat partnership requires no such commitment and offers yet another model in the growing and varied universe of agtech startups' relationships to the financial side of farming.

Source: <https://agfundernews.com>

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