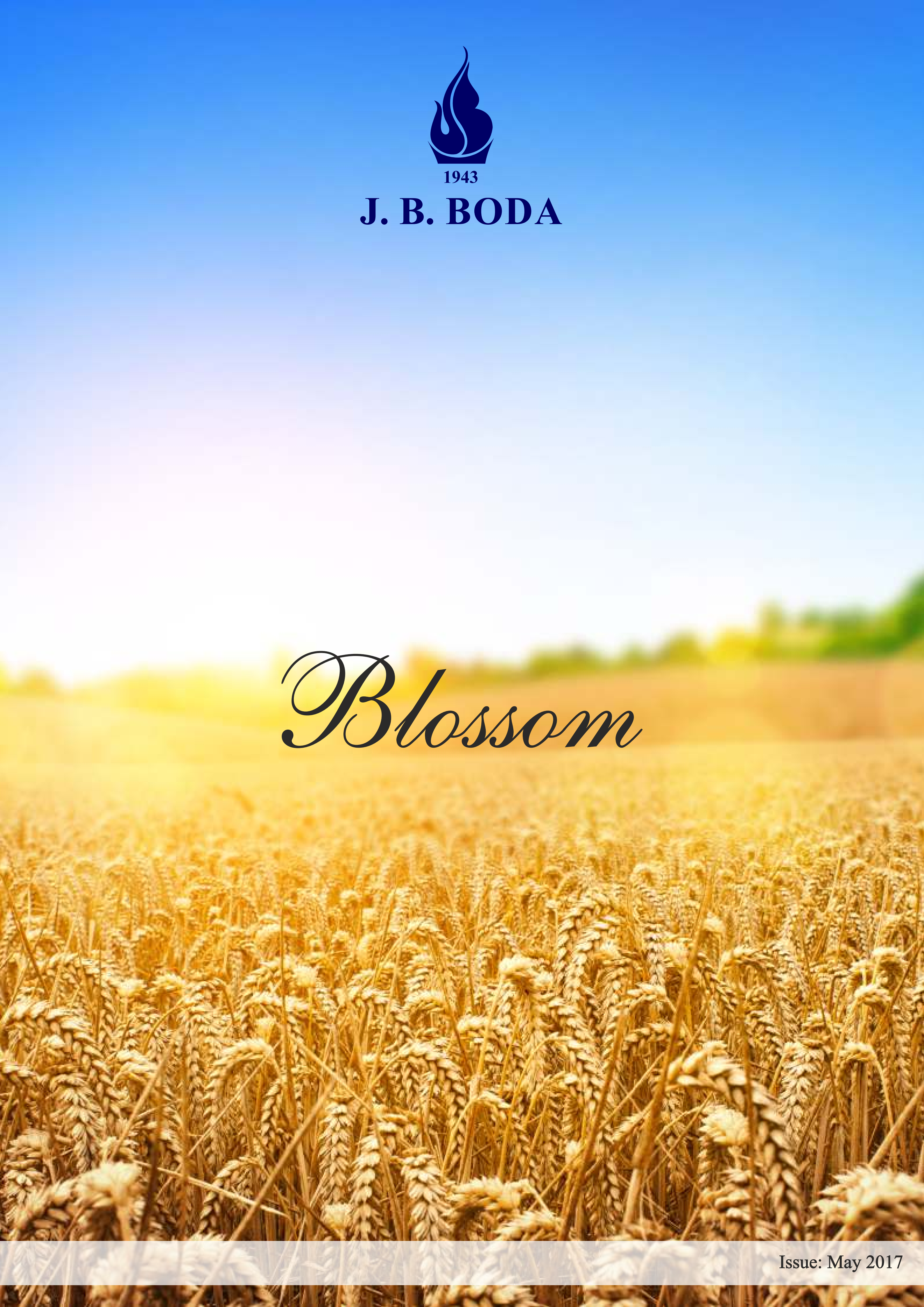

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J. B. BODA

Blossom

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INDIA: Normal Monsoon to boost farmers Income

A normal monsoon in 2017, as predicted by India Meteorological Department (IMD), will definitely boost the farm sector. Normal monsoon will certainly help achieve the production goals however, better price for the produce and marketing opportunities are equally important.

Farmers try to manage even during bad monsoon if they get good price for their produce. More efforts need to be put to ensure farmers get good price during a normal monsoon. Farmers have reduced basmati rice acreage this year due to falling prices. So, farmers' faith is determined by both monsoon and marketing. Government hopes for "a successive good food grain production" in 2017-18. A lot of efforts are being put into implementing certain agri-schemes like crop insurance and e-marketing, among others.

The schemes will show better results with good monsoon forecast. The government is hoping a record food grain output of over 272 million tonnes this year. The volume, timing and dispersion of monsoon rainfall in 2017 would be quite crucial. Higher rainfall in the early part of the monsoon may support sowing. However, adequate rainfall in the second half would be important for yields.

Although reservoir storage exceeds the level in 2016, it may not prove to be adequate to shield the crop sector, if monsoon rainfall turns out to be appreciably weaker than the India Meteorological Department's (IMD) initial forecast. Reservoir storage is currently at around 31 per cent of full capacity, in line with the level in 2015.

Industry body Assocham state that the IMD forecast of monsoon this year is a relief as doubts were cast on whether the country would get normal rains for the second year in succession or not. "In case the IMD forecast turns out to be correct, which it should, India would witness a robust agriculture growth continuously for two years, reaping a record 272 million tonnes of food grains (second advance estimates) during 2016-17. This would have several positives for the economy, including modest inflation and vibrancy in the GDP.

Source - http://www.millenniumpost.in

INDIA: Govt aims 40% sown area under insurance cover in 2017-18

The government is aiming to bring 40 per cent of gross sown area of 194.4 million hectare under crop insurance schemes in 2017-18 season beginning July. In 2016-17 crop years, about 26.28 per cent or 51.1 million hectare of gross area under crops was insured.

At present, crops are being insured under two schemes: Restructured Weather Based Crop Insurance Scheme (RWBCIS) and Pradhan Manthri Fasal Bima Yojana (PMFBY).

In first year of the implementation of the PMFBY, a substantial progress has been achieved. In 2017-18, the target for insured area is set at 40 per cent gross cropped area, which translates to 77.6 million hectare.

The state governments, banks and insurance companies will be asked to adopt appropriate strategies to achieve the targets including notification of more number of crops and greater focus on non-loanees, including utilisation of Common Service Centre (CSC) for this purpose.

Banks will be told to ensure compulsory coverage of all eligible loanees and electronic transmission of premium on time. For timely settlement of claims, the official said the government is making efforts to incorporate innovative technology like use of smartphone application to record the details of crop cutting experiments (CCE) digitally.

Some states like Tamil Nadu, Chhattisgarh and Odisha have taken the lead in this direction. Unless this mode is adopted completely & successfully by all implementing States/UTs, issues of area discrepancy with sown area will remain & continue to compromise transparency and genuine relief to the farmers.The central government has put in place a mechanism to facilitate adoption of this new technology and is providing 50 per cent share of the cost involved in the purchase of smart phones

Source -http://www.india.com

INDIA: HDFC ERGO net surges over 83% on spike in crop insurance sales

Driven by a surge in the crop insurance segment, non-life insurer HDFC ERGO today reported an 83.2 per cent jump in net profit at Rs 277.2 crore (USD 42 Million) for the full year 2016-17.

The third largest private sector general insurer's gross direct premium surged 72.8 per cent to Rs 5,840 crore (USD 884.85 Million). The company has seen growth across all their products, though it has been the strongest in crop insurance, followed by motor and health.

The crop insurance segment alone grew by five-fold and now comprises 34 per cent of the company's total premium. While the non-crop insurance segment grew 24 per cent, retail premium clipped at a higher 27 per cent. Over the past five years, HDFC Ergo has grown at a CAGR of 26 per cent compared with the industry's 17 per cent.

The underwriting loss came down to Rs 60 crore (USD 9.09 Million) from Rs 150 crore (USD 22.73 Million) a year ago. Investment income also grew to Rs 460 crore (USD 69.7 Million) from Rs 362 crore (USD 54.85 Million) while its combined ratio came down to 100.67 per cent from 105.26 per cent. However, the claim ratio was slightly up to 76 per cent from 73 per cent a year ago.

Source - *http://www.business-standard.com*

CHINA: Pilot zones to test disaster insurance in agriculture

The Chinese Cabinet, the State Council, has decided to push forward the launch of pilot zones to improve the overall disaster insurance in agriculture. The decision was made at the State Council's executive meeting on 26 April.

The goal is to expand insurance in the agricultural sector to boost supply-side reform in agriculture and increase farmers' incomes. Disaster insurance will be provided in 13 major grain-producing provinces, with insurance covering material costs and land rental impacted by disaster. Meanwhile, the government will also increase the subsidy for insurance premium payments in the pilot counties.

Major grain producing areas, such as Anhui and Hubei provinces, have been vulnerable to flooding, storms, drought and other extreme weather events. Heavy rains triggered floods in central and southern China in 2016, washing away homes, causing landslides and flooding farmland, and caused losses estimated to be USD 20 billion.

Source - *http://www.businessinsurance.com*

MYANMAR: Weather index-based insurance project to cover crop damage

Weather index-based crop insurance is going to be introduced as pilot projects in Pyay township, Bago Region and Shwebo township, Sagaing Region, starting from May 8. According to the Ministry of Agriculture, Livestock and Irrigation department the insurance scheme is to protect farmers against crop damage.

Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI) submitted a proposal for the scheme. The program will be implemented in cooperation with a Japanese insurance firm, Sompo Japan Nipponkoa Insurance Inc.

The introduction of a crop insurance system will reduce the burden of the government. The crop insurance scheme will be sold only to the farmers who have a farm ownership certificate. Under this insurance policy, the farmers will have to buy at 2 percent Burmese Kyat 3000 of the insured amount of Burmese Kyat 150, 000 (USD 110.11) per acre.

The weather index-based insurance will begin for paddy farmers first. If the rain fall is below 112 millimetres, the farmers will be entitled to an indemnity. The plan is submitted to the Insurance Industry Scrutiny and Supervisory Committee. After getting the approval, pilot projects will start in Pyay and Shwebo.

After those two pilot projects, plans are afoot to continue in other regions and states. Future plans include flood insurance and insurance for culling animals as a result of disease control.

Farmers suffer crop damage every year in Myanmar as floods hit the country due to climate change. The government can only provide Burmese Kyat 10, 000 (USD 7.34) for an acre of spoiled land but it cannot cover crop damage.

As a consequence of crop damage, the farmers have to struggle to pay back agricultural subsidies and experts often advise to look for solutions. The state budget is very limited and depends on the economic conditions of the economy.

Source: *http://www.mmtimes.com*

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