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India-Bumper Kharif grain output likely this year

India is all set to harvest a record 135 million tonnes (mt) of food grains during the current Kharif season, aided by a bumper pulses harvest, which is expected to touch new highs.

This would also be first ever record grain production during Prime Minister Narendra Modi's tenure, which has been hit by back-to-back droughts.

Oilseeds production is expected to be 23.36 mt, a whopping 40.8 per cent more than last year. The data furnished by the Department of Agriculture showed food grains production in 2016-17 Kharif season to be 135 mt, almost 8.88 million tonnes more than last year. The previous highest food grains production during the Kharif season was in 2011-12, when India harvested 131.27 mt of grains. The bumper output has come on back of a record pulses production this Kharif season at 8.7 mt – a whopping 57 per cent more than that in 2015-16.

The last time India produced similar bumper crop was in 2010-11, when pulses production touched 7.12 mt. Pulses has been a big problem for the government with prices rising up to Rs 200 a kg for some variety such as arhar (tur). Arhar production in 2016-17 is expected to be 4.29 mt – 1.83 mt more than last year's.

Rice, which is the biggest food grains grown during the kharif season, is expected to be 93.88 mt, which is 2.81 per cent more than the production in 2015-16 and also a new record for the country.

Oilseeds, another problem area for India, is expected to clock a production figure of 23.36 mt – a 40.8 per cent increase compared to last year. Soybean production this year is

expected to be 14.22 mt, which is 5.63 mt more than last year's.

P K Joshi, South-Asia Director for International Food Policy Research Institute, expects food inflation to come down and vegetable prices to stabilise in the months. "Between October and December, overall food inflation would remain down and it should again rise from February-March."

Such a big harvest has been possible this Kharif season on the back of timely and well distributed rainfall. Cotton production in 2016-17 is expected to be 32.12 million bales (1 bale is 170 kg), which is 6.56 per cent more than last year's figure

The only black spots in the overall superlative performance have been on sugarcane, jute and mesta. Sugarcane production in the 2016-17 crop season is expected to be 305.24 mt, down 13.32 per cent compared to last year, while jute output is pegged at 10.40 million bales – 0.57 per cent less than last year.

The southwest monsoon, the lifeline for millions of farmers across the country, was good for most parts of the country in July and August –two crucial months for sowing and growth of Kharif crops. Overall, the rains might end at 97-98 per cent of the Long Period Average (LPA), which is lower than the earlier estimate but not bad enough to make any tangible impact on Kharif harvest. LPA is the average rainfall in India in the past 50 years.

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



India- Heavy fine for crop insurance fraud

Many farmers have found an ingenious but improper way to maximise their cash flow by taking loans and insurance cover for a much bigger area and a more capital intensive crop than they cultivate, while banks don't bother to crosscheck as they are under pressure to show higher lending to the priority sector. The government is now considering strict measures including heavy penalty for mis-declaration of the crop and the area insured to end this menace, which includes scaling down of subsidies given on premium payments. Government officials flagged the issue in agriculture ministry's meeting with states for the forthcoming rabi crop season. The Centre is determined to rectify during the implementation of the Pradhan Mantri Fasal Bima Yojana PMFBY), the biggest-ever crop insurance scheme, for which Rs 5,500 crores (USD 834 million approx.) have been allocated in this year's budget. Besides imposing heavy penalty on rogue farmers, officials proposed that such farmers be debarred from the low-premium scheme for the season. The most glaring case highlighted in the meeting was from Churu in Rajasthan, during the rabi 2012-13 season, where 5.2 lakh hectares with gram plantation were insured, but revenue department estimated the sown area to be 1.27 lakh hectares while satellite imagery showed 2.34 lakh hectares. Under PMFBY, the premium rate for all crops of a season is same, hence the probability of over insurance for risky crops for which historical claims are high may see a further increase in such areas.

There is tendency among farmers to show higher value crops in terms of scale of finance though they avail loans for low value crops with intention to fetch higher claims in case of yield losses. Lending banks do not object to it (reporting area discrepancies) due to their interest to fulfil target of the priority sector. Banks are interested to insure their loan with subsidised crop insurance.

Gopal Naik, professor at Indian Institute of Management (IIM) Bangalore, said the problem persists as integrity of data cannot be verified. "As far as data is concerned, there is always a question because we don't have proper data from the government sources like crop area and so on. So, we have to go by farmer's declarations and this is what the government system accepts," said Naik who is on the board of directors of Agricultural Insurance Company (AIC) of India. Most issues relating to crop insurance have been linked to inadequate data collection. "Declaration is made at the time of taking loan which is provided by the bank or any other agency and insurance is based on that application. This particular process has been sort of a self-declaration and there is always some checks done, but I don't think it is foolproof," Naik said.

Source - <http://economictimes.indiatimes.com>



Turkey - Government's Agriculture Insurance Pool to cover banana frost damage

Banana growers in Alanya, Gazipaşa and Anamur can finally breathe a sigh of relief as the Government's Agricultural Insurance Pool confirms it will cover crops against frost. Ahmet Şeref Gümüş, chairman of the Chamber of Agriculture in Anamur, states that frost regularly causes heavy losses in the region. with some growers suffering up to 50% loss last year "we have been working with the Chambers of Agriculture in Alanya and Gazipaşa in our discussions with the Ministry of Agriculture to ensure banana growers are compensated for frost damage".

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



India-Expect a better crop this Rabi season

The upcoming Rabi season is likely to be better than the previous one, said agriculture experts, as the country is expected to get good winter rains that will aid soil moisture levels and encourage farmers to increase the acreage of crops like wheat and mustard.

Meteorologists said there was a possibility of La Nina conditions to develop by November. La Nina is associated with more rainfall and colder conditions in India. Another positive factor is the water levels in dams, which are higher than last year.

This is good news for farmers ahead of planting starts in October, especially after a Rabi season that saw higher than normal temperatures due to the effect of El Nino.

"This rabi season, we can expect more production," said Trilochan Mohapatra, secretary at the Department of Agricultural Research and Education (DARE) and director-general of the Indian Council of Agricultural Research (ICAR).

The moisture level in soil is good and reservoirs have 17% more water than the previous year. This will ensure that farmer will go for sowing at the right time and more area will be brought under cultivation. A few good spells of rains in winter are beneficial for the grain and oilseed crops.

To aid policymakers and farmers, the India Meteorological Department for the first time will issue forecast for winters. The forecast will be issued by November for the December, January and February.

The La Nina condition has been delayed as of now. It is expected the La Nina conditions will develop by November. If it happens, it will have an impact on the northeast monsoon and the winter temperature.

Source - <https://economictimes.indiatimes.com>



China - Flood damage to crops reduces by 70% over 20 years

Although in 2016 China experienced the worst flooding since the 1-in-100 flood event of 1998, the impact of the flood has decreased significantly.

Flood damage to crops in 2016 was 70 percent lower than the earlier event. 68 percent fewer crops were damaged in this summer's event despite the fact that the Yangtze River experienced 20 percent higher-than-average precipitation in both events.

A major reason behind the reduced flood losses is the Chinese government, which has increased investment and capabilities in flood forecast and control, boosting defence systems since 1998.

Since this summer's Yangtze River and the north-eastern China floods, at least 130,000 claims related to storm and floods have been reported.

Based on government statistics, economic losses will exceed CNY255.8 billion (\$38.1 billion) while total insurance loss to reach over CNY4 billion. The total insurance loss is estimated to be approximately 1.5 percent of total economic loss, reflecting a low level of insurance penetration.

Source - <http://www.intelligentinsurer.com>



Tanzania-4 Firms ink deal on Seeds Insurance

Mwanza — Airtel Tanzania, Agriculture and Climate Risk Enterprise Ltd (Acre) Africa, Seed Co Tanzania and UAP Insurance Tanzania signed a deal.

Under the pact the four institutions will partner in the provision of the first mobile crop insurance in Tanzania. Known as Linda Mbegu (Protect you seeds), the move will enable farmers across the country to insure their seeds, a vital step towards lifting agriculture that employs a large part of the workforce.

Data shows that the majority of farmers rarely invest in quality seeds because of different reasons such as awareness and prospects of their yields.

For smallholder farmers in Tanzania one bad season sets off a string of negative consequences, being it inadequate and poorly distributed rainfall that leads to fall in crop production. These uncertainties impact the farmers' willingness to invest in improved inputs. The Linda Mbegu product will ensure that in the event of rainfall failure, the farmer would get the equivalent of the number of bags of seed they purchased replaced at the local agro dealer.

Source -<http://allafrica.com>

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