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# *Blossom*



## India-Crop cover scheme to be Rs 18k-crore business

The government of India has created a new market of Rs 17,000-18,000 crore (approx. 2.5-2.7 billion USD) with its new crop insurance scheme. This segment will be almost twice the size of the fire insurance business of non-life companies, which includes premium from covering buildings, factories, houses and shops.

Until last year, crop insurance was a business that generated less than Rs 5,000 crore (approx. 750 million USD) of premium and most of it was booked by the Agricultural Insurance Corporation.

The reason for the change in fortunes is the new scheme — Pradhan Mantri Fasal Bima Yojana (PMFBY). In the earlier National Agriculture Insurance Scheme (NAIS), both premium and claims were capped for the insurer. The

government has freed the pricing. In exchange, insurers undertake to fully compensate the farmer for any loss. So while the government has an initial outgo in the form of a premium subsidy, it does not have to pay out anything even if there is widespread crop failure. Earlier, the exchequer would compensate for any losses above a certain limit. The combination of higher sum insured and more farmers joining the scheme has increased the risk for Indian companies.

All the companies will have to go for reinsurance, because it is too big for any company to retain on its own book as there could be catastrophic claims. Both GIC Re and international reinsurers have given support.

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



## India- Crop planting area rises by 3.7% in last planting phase

Kharif crop plantings this year has jumped 3.7% from a year ago, helped by adequate rains, as per the data released by Ministry of Agriculture. From the beginning of the kharif season in June till September 2, crop planting has covered 1,03 million hectares, close to the kharif season target of 106 million hectares.

The increase is largely in acreage of pulses followed by coarse cereals, rice and oilseeds. Sugarcane and cotton however, have seen a dip in planting. The areas growing pulses have seen the maximum increase in planting - up 33% from the previous year to 14.2 million hectares. Planting of arhar has increased more than 47% from last year, followed by moongbean and urdbean.

According to latest data released by the agriculture ministry, sugarcane planting has taken place in 4.6 million hectares, down 8% from a year ago, while the area under cotton is lower by 11% at 10.2 million hectares. Rice planting now covers 37.3 million hectares, up 2% from last year.

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



## India-10% more rains needed in September for normal monsoon

With a deficit rainfall in two of the three months, India needs 10% surplus rain - or more than 190 mm - in September for 2016-17 to be a normal monsoon year.

India Meteorological Department(IMD) though, maintained its forecast for an above-normal monsoon this year. It said there has been a decrease in rainfall over northwest and adjoining central India, indicating that the south west monsoon is withdrawing. Monthly rainfall in the country so far has been mixed, with a deficit of 11% in June, followed by a 7% excess in July and a 9% shortfall in August.

The country will require good rains in September to close the deficit. The season's total rainfall from June 1 to August 31 was 3% below average at 693.1 mm. India receives an average 890 mm of rainfall during the June-September monsoon, which is vital because more than half of the country's arable land depends entirely on rain for irrigation

The IMD reiterated that this year's monsoon would be above average, after two consecutive years of deficit rainfall.

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



## Kenya - Government launches Livestock Insurance Programme to cushion pastoralists from drought

The Government has launched a livestock insurance programme targeted at cushioning pastoralist communities against drought and livestock diseases in arid and semi arid counties. In an initiative dubbed Kenya Livestock Insurance Programme (KLIP) which was previously being piloted in Wajir and Turkana Counties, the Agriculture, Livestock and Fisheries ministry now plans to roll out the project to cover 14 other arid and semi-arid counties across the country. The 14 counties to be covered include Garissa, Wajir, Turkana, Mandera, Isiolo, Marsabit, Tana River, Samburu, West Pokot, Baringo, Lamu, Kajiado, Laikipia, and Narok. Agriculture CS Willy Bett said the insurance programme is designed to

support pastoralist households to protect their animals from dangers of drought and diseases instead of compensations after their livestock have died. The programme will be jointly implemented in conjunction with the national and County Governments, in a deal that is projected to stimulate increased fodder crop production and market demands as well as catalyzing more insurance providers to invest in the ASAL areas. During the launch of the programme, a massive payout of sh. 3,526,600 was issued to 275 pastoralists to help mitigate their livestock against drought effects.

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



## USA- Everest Re Closes Heartland Sale, Boosts Crop Insurance

Everest Re Group, Ltd. recently closed the sale of its U.S. crop insurance company, Heartland Crop Insurance, Inc., to CGB Diversified Services, Inc. The company received \$49 million as sale proceeds.

Concurrently, Everest Re entered into a long-term reinsurance relationship with CGB Diversified Services. Per the agreement, the property and casualty (P&C) insurer to provide quota share reinsurance capacity on the combined crop insurance portfolio of the Diversified/Heartland companies.

CGB Diversified Services is well known for being the fastest growing crop insurance companies in the U.S. Currently, farmers across 38 states receive the crop insurance products and services provided by the company. The acquisition of Heartland Crop Insurance will support the expansion of its product and services portfolio. Also, after the completion of

this deal, the company is likely to witness a significant increase in its market share in a number of key states.

Everest Re, on the other hand, will gain access to a wider, more diversified, crop insurance portfolio through its association with CGB Diversified Services, owing to the strong market penetration of the latter. We expect this strategic initiative to help Everest Re diversify and thrive in the crop insurance business much more quickly along with growing its economies of scale.

The completion of the transaction will result in the collective accomplishment of the common goals shared by Heartland Crop Insurance and CGB Diversified Services. In addition, the combined strength of the companies will be a force to reckon with in the industry in the near future.

Source - <https://www.zacks.com/>



## USA - Agriculture Robots and Drones may be \$10 billion market by 2022

Robots and drones have begun to quietly transform many aspects of agriculture. In fact, the IDTechEx Research report on Agricultural Robots and Drones 2016-2026: Technologies, Markets, and Players finds that this is already a \$3 billion market in 2016, growing to \$10 billion by as early as 2022.

The report analyzes how the robotic market and technology developments will change the business of agriculture, enabling ultra-precision farming and helping address the key global challenges. It develops a detailed roadmap of how robotic technology will enter into different aspects of agriculture, how it will change the way farming is done and transform its value chain, how it becomes the future of agrochemicals business, and how it will modify the way we design agricultural machinery.

The report provides segmented 10-year market forecasts for

several categories of agricultural robots and drones. Here are some of the highlights.

**Autonomous tractors:** Tractor guidance and autosteer technologies are also going mainstream thanks to improvements and cost reductions in RTK GPS technology. More than 300,000 tractors equipped with autosteer or tractor guidance will be sold in 2016, rising to more than 660,000 units per year by 2026. Unmanned autonomous tractors have also been technologically demonstrated with large-scale market introduction largely delayed not by technical issues but by regulation, high sensor costs, and the lack of farmers' trust

**Agricultural drones:** Unmanned remote-controlled helicopters have been spraying rice fields in Japan since the early 1990s.

Autonomous drones have also been providing detailed aerial maps of farms, enabling farmers to take data-driven site-specific action. This development will soon enter its boom years as regulatory barriers lower and the precision farming ecosystems finally comes together. In time, the drone hardware will become commoditized and value will shift largely to data acquisition and analytics providers. Agriculture will be a major market for drones, reaching \$485 million in 2026.

**Robotic weeding implements:** Vision-enabled robotic implements have been in commercial use for some years in organic farming. These implements follow the crop rows, identify the weeds, and aid with mechanical hoeing. The next generation of these advanced robotic implements is also in its early phase of commercial deployment. It will be using large troves of data to train its algorithms using deep learning techniques. This will become a \$380 million market by 2026.

**Unmanned autonomous robotic weeders and data scouts:** Vision-enabled and intelligence robots are increasingly reaching navigational autonomy. These small, slow, and light robots will be autonomously roaming farms, analyzing plants, and taking specific actions, such as eliminating a weed.

Already, numerous companies and groups have developed and deployed a variety of weeding robots. Most products are in prototype or semi-commercial trail phase. The first notable sales have also taken place aimed at small multi-crop vegetable farmers. This will become \$300 million market by 2026.

**Fresh fruit harvesting:** Despite non-fresh fruit harvesting being largely mechanized, fresh fruit picking has remained mostly out of the reach of machines or robots. This is, however, beginning to change, albeit slowly.

A limited number of fresh strawberry harvesters are already being commercially trialed while fresh apple and citrus harvesters (maybe link to some fruit or Florida Grower articles on this topic?) also have reached the level of late stage prototyping. Market adoption will start from 2021 onwards, reaching \$230 million by 2026.

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

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