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# *Agricultural Production and* **Market Outlook**

*The Rising Agriculture....*

## **Center eases insurance claims rules for farmers:**



The union government has introduced several norms tightening the Pradhan Mantri Bima Yojana (PMFBY), its flagship farm insurance scheme. One of the new rules taking effect on November 30 says that claims of farmers not cleared by insurance firms within two months of harvest will be "automatically approved". As with any insurance policy, claims need to be approved by insurance firms for policy holders to get compensation. The new rule means insurance firms will not be verify claims or carry out further checks to ascertain the validity of claims of farmers if they don't do it within two months. "Beyond the two month deadline, all claims will be auto approved by the PMFBY portal (website)," an official said requesting anonymity. With this new "auto approval" guideline, the government hopes to deal with what a major reason of farmer angst concerning the scheme: delayed payments. If farmers don't get insurance payouts for one season in time, it affects their ability to invest in crops for the next season. A centralized website governing the farm- insurance programme has been up dated with an in-built feature to make this " auto approval feature " operational, among key changes to the politically important scheme, participating insurance

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companies will now have to spend 0.5% of the gross premium collected on raising "awareness about the scheme among farmers". State will now have to spend 0.5 % of the gross premium collected on raising "awareness about the scheme among farmers". State governments will have to devote 2% of their annual budget to a slew of measures tied to the farm insurance programme. These include administrative expenses to speed up processing of claims. This 2% share will also go towards meeting expenses for yield and loss assessment, crucial for timely payouts. The 2% share from the budget will also be used for purchase of smart phones through which yield losses need to be estimated via an android app developed for the purpose. Other expenses include setting up of state technical support teams.

**Govt extends duty sops for non-basmati rice export:**



The Government has extended duty benefits to non basmati rice exporters under a scheme to boost the shipment of the agri-commodity. The duty benefit is provided under the commerce ministry's merchandise exports from India scheme (MEIS). "Non – basmati rice items have been made eligible for MEIS benefits at the rate of 5 percent for exports made with effect from November 26 and up to March 25, 2010," the directorate general of foreign trade (DGFT) has said in a public notice, DGFT, under the commerce ministry deals with export and import related policies, under MEIS, government provides duty credit scrip or certificate depending on product and country. Those scrips can be transferred or used for payment of a number of duties including the basic customs duty. In India is one of the largest exporters of non-basmati rice and in 2017-18, the country exported 8.63 million tones of the rice, which was more than double the quantity of basmati rice exports of 4.05 million tones. Non-basmati rice exports during April-February 2018

stood at \$3.26 billion as against \$2.53 billion in 2016-17, RICE is the country's main kharif crop. As per the first advance estimates of foodgrains production for kharif(summer-sown) season for 2018-19 crop year, rice output is estimated at record 99.24 million tones as against 97.5 million tones of production in last year's kharif season. The sowing operations of kharif crops begins with onset of monsoon and harvesting starts from mid-September, paddy, maize and soya bin are major kharif crops.

**New food processing policy to raise farmers' income:**

**Adding value** With the CM unveiling the food processing policy, a lowdown on where the State stands

- The State generates 120 lakh tonnes of foodgrains, 140 lakh tonnes of vegetables & fruits, 77.43 lakh tonnes of milk, 4.45 lakh tonnes of beilers, 1.81 crore eggs and 732 lakh tonnes of fish annually
- It has nearly 34,000 food processing firms registered as small & micro enterprises & 1,200 firms as medium and large units
- T.N. accounts for around 7% of India's food processing output
- The present level of processing of agricultural commodities is barely 2%
- State government's target is 10%
- Food processing parks have been proposed in Villapuram, Tirunelveli, Than, Dindigul, Kollamangli, Villupuram, Tiruvannamalai, Salem, Erode and Coimbatore districts, dealing with fruits & vegetables, fish-ies, poultry, dairy and meat

The Tamilnadu government unveiled an ambitious food processing policy, 2018 which aims at increasing the income of the farmers and value addition of farm products while reducing the wastage of food products besides creating employment opportunities.

**Bumper crop in North & South cause onion glut in Maharashtra:**



Maharashtra's lasalgaon-, one of the largest onion growing regions in Maharashtra is facing a peculiar demand- supply problem from the North and the south. Bumper onion production in Madhya Pradesh has impacted the supply in the North whereas good production in Karnataka has

*Acknowledged the information used/taken from the public domain*

impacted Lasalgaon's supply to markets down South. This had led to an onion price crash in lasalgaon as well as the entire Maharashtra. According to the minister for state (marketing and federations), Sadhabhau Khot, this year Karnataka and Madhya Pradesh received a bumper onion crop." So the traders from South and North rather than picking onion from Maharashtra, started buying it from Karnataka and MP instead. The proximate reduces their transport cost resulting in to cheaper rates of onion to consumers and more profit for local traders. Therefore, we have announced the for subsidy for the cooperative federations of the farmers in Maharashtra. Our recent measures will bring in positive change and slowly but surely the market will improve, said Khot.

### **Rabi crop acreage down across states:**

Rabi acreage so far still trail last year's levels, even



though the pace of planting has been progressing steadily, reducing the gap. According to the Agriculture Ministry the total acreage, so far, stood at 476.12 lakh hectares, down 5.2 percent from last year. In the first week of December, the gap in acreage stood at over eight percent. The acreage under key winter crops, such as wheat and rapeseed-mustard, are marginally higher than the corresponding last year's levels, while sowing of gram, a key pulses crop for the season have been lower by around 13 percent. Poor soil moisture levels, due to below normal south west monsoon and lower water levels in key reservoirs, are seen having an impact on the progress of Rabi crop sowing. The central water commission said the water level in 91 key reservoirs across the country stood at 92.387 billion cubic meters. About 57 percent of the storage capacity at full reservoir levels. Wheat has been planted in more than two thirds of the normal area, with major producing states such as UP, Punjab and MP reporting an increase in acreage over corresponding last year. UP has seen an increase of four lakh ha, standing at

76.70 lakh ha over last year while in MP the acreage is up by eight lakh ha to 44.57lakh ha. however states such as Bihar, Gujarat and Maharashtra, which are facing water stress, have reported a decline in wheat acreage. Total area under rapeseed-mustard has registered an increase of around four percent mainly on account of increase in sowing in the key producing states of Rajasthan, MP,UP and WB. In Haryana, the mustard acreage have witnessed a marginal decline over last year's levels. The acreage under gram has been lower than last year's levels in the major producing States of MP, Maharashtra, Rajasthan and Karnataka. However, in UP and Chhattisgarh, the gram acreage have registered a marginal increase.

### **Non-basmati rice exports get 5% MEIS benefit for 4 months:**



The government has allowed 5% MEIS benefit on export of non-basmati rice during the next four months after shipments of the commodity declined 13% during first half of the current fiscal. The move may help exporters boost shipment. Non-basmati rice has been made eligible for MEIS benefits at the rate of 5% for exports made between November 26 and March 25, 2019, the Directorate General Foreign Trade said in a notification, the merchandise exports from India Scheme (MEIS) was started in 2015 under which exporters get 2-5% (of FOB value) of their exports as duty credit scrip. The value on the scrip can be adjusted against payment of the import duty and the GST." This has come at an opportune time. Hopefully, the decline in export of non-basmati rice may be recovered in the next four months," said BV Krishna Rao, president of Kakinada-based Rice Exporters Association. However, the decline in shipment to Bangladesh may not see an immediate jump due to the MEIS, he said. India exported 37.23 lakh tone of non-basmati rice (worth Rs 10,426 crore) during April-September this year, compared with 42.87 lakh tone in the corresponding period last year, according to

the official data. Total non-basmati exports in 2017-18 were 86.5 lakh tone valued at Rs 22, 968 crore, of which 20.28 lakh tone was shipped to Bangladesh. The nonbasmati rice export to the neighbouring country stood at only 3.40 lakh tone in the first half of FY19.

**Government import 1 million tonnes of maize to check local price**



The government is “positively” considering an industry demand to allow import of 1 million tonnes of non-genetically modified maize at zero duty to overcome a shortage in domestic output and check rising prices at home. Since the government has imposed a 60% import duty on maize, the industry wants to import it under the tariff rate quota (TRQ). The industry is hopeful that the government will allow the import in about two weeks. India is traditionally a maize or corn exporter and has not imported the crop in the past two years. India had imported 2,25,000 tonnes of maize under TRQ in 2016. Maize accounts for 55-65% of animal feed

followed by soya meal at 25-30%. India had turned a net importer of maize in 2015-16, importing 3,00,000 tonnes of non-GMO maize under the TRQ scheme. As per government data, production of kharif season maize is higher than the previous year, while there is no drop in the ongoing sowing of rabi maize. As per the first advance estimates of kharif production released by the government in September, production of maize is expected to be

21.47 million tonnes in 2018-19, as against the previous year’s production of 20.24 million tonnes. This is more than 4.40 million tonnes than the average production of maize during the past five years. The industry estimates that the production to be lower than previous year.

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*Wish You Happy New Year*

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