



crop insurance



# Agricultural Production and Market Outlook

The Rising Agriculture....

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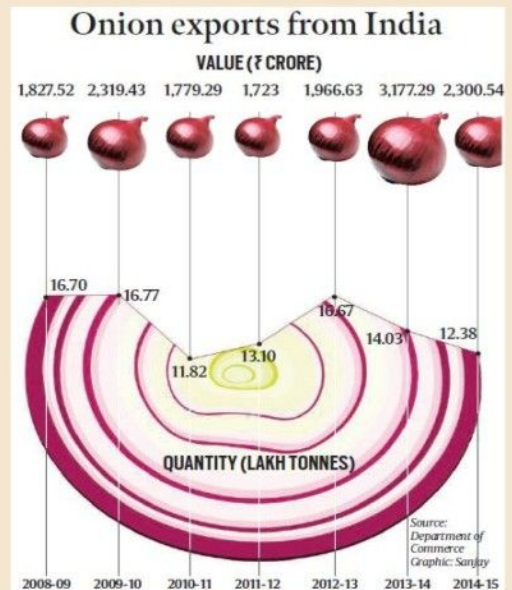
## Govt abolishes minimum export price for onion

The government has abolished the minimum export price (MEP) for onion, to encourage traders to ship some quantity outside India to prevent a price crash once kharif and late-kharif season crops overlap in next month.

The government first levied an MEP of \$250 a tonne in May 2015. This was raised to \$425 a tonne in June 2015, to restrict export and increase domestic supply. However, prices continued to move up and the government to raise MEP again to \$700 a tonne in August 2015 when onion price jumped to Rs 44-45 a kg in the wholesale market at the benchmark Lasalgaon mandi in Nashik. Not only did onion prices cool since then but its exports also came to a grinding halt, as prices in foreign markets were at \$400-450 a tonne.

Prices started easing in November in the wake of the government's raids on stockists and various other measures, including imports. On December 11-2015, MEP was reduced to \$400 a tonne.

The government had convened a meeting of stakeholders to seek the impact of a bumper production. Apprehensions are that kharif and late-kharif onion output



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would overlap in a month from now, which might create a situation of price crash. So, it was necessary for the government to open up exports by lowering the MEP," said R P Gupta, director, National Horticultural Research and Development Federation (NHRDF), Darna Sangvi, Nashik (MS)

According to trade sources, onion prices in foreign markets are now \$225-250 a tonne. India exports nearly 1.5 million tonnes of onion annually.

## Govt to launch new crop insurance scheme in 2016-17



The government will launch a new crop insurance scheme in new financial year 2016-17, which aims to keep the premium burden on farmers below 3%. "Govt. will announce a new crop insurance scheme in January as a new year gift to farmers. Currently, premium rates are as high as 40% in some states. Under the new scheme, premium will be brought down significantly.

Govt. coming out with a crop insurance system that is science-based as well as free from the patwari system and use new technologies like drone to assess the crop loss and settle claims at the earliest.

In a Cabinet note, the Agriculture Ministry has proposed a premium of 3 per cent required to be paid by farmers. And for the benefit of farmers in vulnerable and disaster-prone areas, the ministry has recommended premiums without any cap unlike the existing scheme MNAIS (Modified National Agricultural Insurance Scheme).

### Premium charges

Of the total premium fixed by the insurers under the existing crop insurance schemes, NAIS (National Agricultural Insurance Scheme) and MNAIS, farmers are paying a premium of up to 3.5 per cent and 8 per cent respectively, and the rest is being borne by the government. On an average, insurance firms are charging an overall premium in the range between 1 and 20 per cent for crops.

Under MNAIS, premiums are capped at 13 per cent in most vulnerable areas for kharif crops, while 11 per cent for rabi crops.

About 20 per cent (40.27 million hectares) of the total farm land is insured under the existing schemes, according to the government data.

At present, Govt. of India is offering three crop insurance schemes – NAIS, MNAIS and weather-based crop insurance scheme.

## Two Mobile Apps Launched for Farmers

Union Agriculture & Farmers Welfare Minister, Shri Radha Mohan Singh launched two mobile apps for the farmers. Mobile app **"Crop Insurance"** will help the farmers not only to find out complete details about insurance cover available in their area but also to calculate the insurance premium for notified crops, coverage amount and loan amount in case of a loaned farmer. Mobile apps **"AgriMarket Mobile"** can be used by the farmers to get the market prices of crops in the mandi within 50 km radius of the device and other mandis in the country.

Features of the mobile apps launched are:-

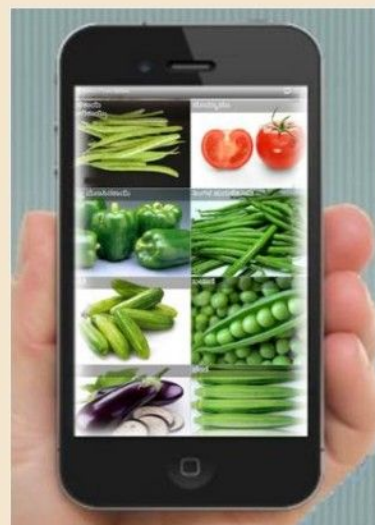
### **Crop Insurance Mobile app**

The Crop Insurance mobile app can be used to find out complete details about cover available but also to calculate the Insurance Premium for notified crops based on area, coverage amount and loan amount in case of a loanee farmer. It can also be used to get details of normal sum insured, extended sum insured, premium details and subsidy information of any notified crop in any notified area.

### **AgriMarket Mobile App**

Farmers sometimes have to suffer losses due to distress sales in absence of correct market information. They can

take an informed decision based on information about the ongoing prices in markets around them as to which market they should take their produce for selling. This App has been developed with an aim to keep them abreast with crop prices around them. AgriMarket Mobile



App can be used to get the market price of crops in the markets within 50 km of the device's location. This app automatically captures the location of person using mobile GPS and fetches the market prices of crops in those markets which fall within the range of 50 km. There is another option to get price of any market and any crop in case person does not want to use GPS location. The prevailing prices are fetched from the Agmarknet portal.

Both these apps have been developed in house by IT Division of the Department of Agriculture, Cooperation & Farmers Welfare and can be downloaded from Google Store or mKisan portal (<http://mkisan.gov.in/Default.aspx>).

## Wheat output may drop for 2nd year straight due to warm winter

Wheat production in India, the world's second largest producer, is likely to fall below 90 million tonnes (MT) for the second year in a row in 2015-16 due to an unusually dry and warm winter.

Wheat output had declined to 88.95 MT in 2014-15 due to poor monsoon and unseasonal rains in February-March, as against a record 95.85 MT achieved in the previous year.

Area sown under wheat was trailing by 2 million hectare at 27.14 million hectare till December of the ongoing rabi season, as against 29.31 million hectare in the year ago period, as per the ministry data.

The 2 million hectare lag in wheat area means the

production would be down by around 6 million tonnes considering average yield of 2.9 tonnes per hectare achieved in the drought year 2014-15.

High temperature leads to early maturing, thus reducing crop yields. Rain this month would bring down temperature and help in achieving good production.



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