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## India

### Agricultural Situation

### Weekly Highlights & Hot Bites, No. 45

**2003**

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**Report Highlights:**

\*Freeze in wheat support price suggested\*, \*Farm income insurance program beginning next year\*, \*Scare in Corbett National Park as nearby villages get Foot and Mouth Disease (FMD)\*, \*Spinners seek six-month ban on cotton exports\*.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
New Delhi [IN1]  
[IN]

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U.S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included in this report. Significant issues will be expanded upon in subsequent reports from this office.

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### **FREEZE IN WHEAT SUPPORT PRICE SUGGESTED**

The Agriculture Ministry has accepted the Commission on Agricultural Costs and Prices' (CACP's) recommendation to freeze the minimum support price of the 2004 wheat crop at the current year's rs. 6,300 (\$138) per ton (which included a special drought relief of rs. 100 per ton). A final decision is to be taken by the Cabinet Committee on Economic Affairs. The CACP also recommended a hike in the support price of next year's spring-harvested pulses and oilseeds by rs. 1,800 - 2,000 (\$39-44) per metric ton. (Source: Economic Times, 11/1/03)

### **FARM INCOME INSURANCE PROGRAM BEGINNING NEXT YEAR**

The Farm Income Insurance Program (FIIP) will be launched on a pilot basis beginning with next year's *rabi* crop (spring harvested), and will cover 23 districts in 18 states for wheat and rice. Subsequently, it will be formally launched from the *kharif* (fall harvested) season in other areas. The scheme will be implemented by the Agricultural Insurance Company of India (AIC). There will be no subsidy from the government for the claim settlement by AIC. However, the farmer will get a subsidy on their premium, amounting to 75 percent for small and marginal farmers and 50 percent for others. The FIIP will essentially insure the farmers a guaranteed minimum income, rather than a minimum guaranteed support price. If the actual income of a farmer falls short of the guaranteed income (derived by multiplying the yield with prevailing market price), he will be eligible for compensation to the extent of indemnity from the AIC. (Source: Business Standard, 11/06/03)

### **SCARE IN CORBETT NATIONAL PARK AS NEARBY VILLAGES GET FOOT AND MOUTH DISEASE (FMD)**

An FMD outbreak is reported to have struck villages in the periphery of the Corbett reserve forest, and is threatening to infect wild animals. Official sources have estimated that about 25 villages have been affected with about 100 sick animals. Non-vaccination of the cattle last summer is reported to have resulted in this FMD outbreak. Since cattle in the peripheral areas share the same forest, and come in close contact with the wild animals, it is feared that this contagious disease could spread quickly. The World Wildlife Fund is reported to be currently assessing the magnitude of the FMD outbreak. (Source: Indian Express - 10/31 & 11/04/03)

### **SPINNERS SEEK SIX-MONTH BAN ON COTTON EXPORTS**

The cotton spinning industry urged the Union textile minister to reconsider his decision to reject their demand to ban cotton exports. The minister mentioned that such a ban is possible only when the farmers' interests are addressed. The industry responded that they were only asking for measures to arrest the outflow of good quality cotton from the country, which is detrimental to them. (Source: Economic Times 11/05/03)

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IN3109	Grain & Feed Update - November	11/04/03

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