B/172 The Honourable Third member for la Caverne and Phoenix (Mrs Dookun-Luchoomun)

To ask Dr the Honourable Minister of Agro industry and Fisheries: -

Whether he will state if it is proposed to grant some form of compensation to small planters for the losses incurred as a result of bad weather conditions associated with cyclone Gamede?

REPLY

Mr Speaker Sir,

Following the passage of cyclone Gamede from 23 to 25 February 2007, officers of Agricultural Research and Extension Unit (AREU), Farmers Service Corporation (FSC) and MSIRI conducted a preliminary loss assessment through field visits on Sunday 26 February 2007. Based on findings of survey conducted on extent of damage, and after consultations made with representatives of planters associations, my Ministry together with the Ministry of Finance and Economic Development has agreed for a DBM special concessionary Rehabilitation Loan Scheme to provide immediate financial relief. It is to be noted that the loan is being offered at 3% interest rate per annum while the market rate is 14%.

- 2. This Scheme was already in place as from 03 March 2007 that is within one week after the passage of Gamede. The loan ceiling is as follows:
- (i) sugar cane Rs8000/arpent repayable in 5 years including 1 year moratorium.
- (ii) vegetables, fruits Rs30,000/arpent repayable in 4 years flowers and tobacco including 6 months moratorium.

- 3. The House may wish to note that similar assistance is being extended to livestock breeders, small fishermen and hydroponic projects as follows.
- (i) Pig and other livestock breeders Rs40,000 per borrower
- (ii) Small fishermen Rs40,000 per borrower
- (iii) Hydroponic projects Rs75,000 per borrower

repayable in 4 years including 6 months moratorium.

- 4. As at 11 April 2007, 3,800 applications for a total amount of Rs169M have been received. The number of loans processed and approved stands at 2,203 for a total amount of Rs 96.4M. In addition, accounts of planters, which are in arrears, are being rescheduled on a case to case basis and substantial repayment period is being granted to them.
- 5. Furthermore, my Ministry has undertaken free seed distribution. The affected planters were invited to apply for these seeds if they were interested. As at date, an amount of 2610.6 kg of seeds has been distributed to 2046 planters.
- 6. Additionally, the Small Planters Welfare Fund (SPWF) has recently implemented a Crop Insurance Scheme (CIS) for vegetables. Prior to cyclone Gamede, 577 had adhered to the scheme. Following the loss assessment exercise, 503 insured planters were found to be eligible for an indemnity. The amount of indemnity payable ranges from Rs4,500 to Rs27,000 per arpent. Payment has started since 04 April 2007 and is expected to be completed by next week. After cyclone Gamede, a further 58 planters have adhered to the CIS and the objective of the SPWF is to reach at least 1000 insured planters by 30 June 2007.
- 7. As regards sugar cane, any indemnity payable will be effected by the SIFB in December after the harvest when information on yield will be available.

8. The rehabilitation measures implemented coupled with technical advice from AREU, FSC and MSIRI have allowed a quick recovery. A 78% recovery for all vegetable crops as regards new plantations have been observed. Crops like cabbage, carrots, chillies and courgette have achieved complete recovery as far as new plantations are concerned.

SUPPLEMENTARY

- 1. Details of the Gamede Rehabilitation Loan Scheme is at annex.
- 2. Emergency assistance was sought from the FAO and the EU. In a letter dated 02 April 2007, FAO has informed that it is unable to retain our request, as repetitive assistance to address recurrent types of emergencies under the TCP should be avoided.
- 3. It is expected that carrot production will return to normal by end of Mayearly June this year whereas cabbage production will return to normal by mid-June.
- 4. A total amount of 3,720 kg of seeds from Barkly Experiment Station is available for free distribution.