

AIC

The Scheme

Presenter Munya

UIA - Agro Consortium



Introduction

Challenges that contributed to the costly development process;

The available agriculture data not being adequate

The existing infrastructure on Weather databases not being appropriate enough for timely weather data capture

The few existing agriculture distribution avenues for the agriculture insurance products at the grass roots (extension systems) not being adequate and streamlined enough to allow for quick distribution & education on the products and;

The sector being highly prone to systemic risks that are difficult for insurers to diversify, therefore generating some major losses in their portfolios;

UAIS

It is against this background that the insurance fraternity sought support from Government

Extending to support in terms of data, support since Agriculture insurance is dependent on timely and accurate, production and weather data for underwriting purposes.

Government committed to supporting the Agriculture Insurance Market through the Uganda Agriculture Insurance Scheme (UAIS) by providing a premium subsidy.

Small holder and large scale farmers access the agriculture insurance directly through the insurers or indirectly as they seek to guard against unforeseen losses and/ or to access agriculture credit.

It also committed to support farmer education on agriculture insurance through the UAIS.

Scheme Objectives

To reduce on the food insecurity prevailing in Uganda

To stabilize and eventually increase on the household incomes.

Increase exporting earnings for the country

To note: The project indirectly also ensures comprehensive participation of women farmers since they are increasingly becoming the bread winners through their farming activities.

Participating Regions and enterprises

- The scheme was implemented across the five (5) regions of the country
Western, Eastern, Central, West Nile and Northern region.
- Participation of farmers is limited to those engaged in the crops and Livestock derived from the Agricultural Sector Strategic Plan 2015/16-2019/20 & Uganda National Development plan II ;II;

Coffee, Tea, Maize, Rice, Cassava, Beans, Bananas, Fish, Meat, Milk, Fruits and Vegetables;

And in 4 strategic commodities,

Cotton, Oil Palm, Oil Seed and Cocoa.

For livestock: Cattle; Pigs; Poultry and Fish.

Production Risk

Crops

- ▶ Natural Disasters
- ▶ Weather
- ▶ Insect damage and weed competition
- ▶ Diseases
- ▶ Interaction with new technology
- ▶ Wild animals

Sources of Livestock Production Risk

- ▶ Weather effects
- ▶ Disease effects
- ▶ Predators

Products

Multi Peril Crop Insurance

Index Based Insurance

Livestock Mortality

NDVI

SUBSIDY

- ▶ A 5BN subsidy allocation to the Scheme under the NBFP each year till 2021;

SUBSIDIES

CROP FARMERS				
S/N	Farmer Category	Either by Number of Acreage	Either by Seasonal Income	Subsidy
1	Small scale	Less than 5 acres	Less than 20M seasonal income	50%
2	Large scale	5 acres and more	More than 20M seasonal Income	30%
LIVESTOCK FARMERS				
S/N	Farmer Category	Item	Number/Quantity	Subsidy
1	Small scale	Poultry	500 – 2000	50%
	Large scale		2000 and above	30%
2	Small scale	Cattle	1 - 30	50%
	Large Scale		30 and above	30%
3	Small scale	Pigs	1 - 50	50%
	Large Scale		50 and above	30%
4	Large Scale	Fish	Mostly participants are large scale	30%
FARM'S GEOGRAPHICAL LOCATION				
S/N	Farmer Category	Location		Subsidy
1	Small scale	West-Nile region, Mount Elgon region, most parts of		80%
2	Large Scale	the Eastern region, Kasese, Isingiro		



How do I value my crops for insurance?

There are 3 ways through which this value can be obtained. Basing on;

1. Pre-agreed nominated value of the harvested crop based on the Long-Term Average Yield (LTAY) calculated by:
 $\text{Planted Area (Acres)} \times \text{Long Term Average Yield (tones/Acre)} \times \text{Pre-Agreed Value (Ushs/ton)} \times \text{Guaranteed Yield (75\%)}$
2. Production Costs i.e. input costs or costs incurred in running that enterprise e.g. Seed, fertilizer, ploughing, weeding, agrochemicals etc.
3. Loan Amount





Crop	Premium rate	Yield Guarantee
Maize	5.0%	75%
Beans	5.0%	75%
Coffee	5.0%	75%
Bananas	5.0%	75%
Tea	4(western region) 6% (central region)	75%
Cotton	6%	75%
Sunflower & oils seeds	5%	75%

Crop premium rates

How do I value my animals?

NB: Livestock policies are annual.



There are three ways through which animals are valued. These are:



Basing on the value of the animal at the end of the insurance period i.e. Value of Animal at the end of the year x No. of Animals



Basing on the cost of acquiring the animal or how much is spent on raising them i.e. Input Cost x No. of Animals



Loan Amount

Successes of Scheme



Functional PPP



Collaboration of local Insurance sector



Emerging local solutions to local problems

TOTAL	
No. of farmers Insured	259,224
Sum Insured	1259.2Bn
Premium	42.9Bn
Claims	9.87Bn

AIC performance

A stylized graphic of two hands shaking, rendered in a vibrant green color with dark green outlines. The hands are positioned in the center of the frame, with the fingers interlocked. The background is a dark blue-grey color, and the right side of the image features a series of overlapping, semi-transparent green geometric shapes that create a sense of depth and movement.

Q&A

Thank You