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**FOR IMMEDIATE RELEASE**

**Automated Weather Stations Drive Groundbreaking Low-cost Micro-insurance Plan for Rwanda's Farmers**

*New Crop Insurance Plan Offers Thousands of Rwandan Farmers Protection from Extreme Weather*

**KIGALI, RWANDA (11 October 2012)**—As Rwandan farmers face increasingly erratic rainfall, an innovative program launched today will use automated weather stations to offer 20,000 farmers in the Southern and Western provinces of Rwanda low-cost insurance to protect their loans for high-yielding seeds, fertilizers, and other farm inputs.

"When it comes to the weather, most farmers have no choice but to simply pray for rain. And if the rains don't come, the crops don't grow. At a time of global change, we are trying to give farmers more options so they can meet these challenges and prosper," said Agnes Kalibata, Rwanda's Minister for Agriculture and Animal Resources.

The program, called "Kilimo Salama," which in Kiswahili means "safe farming," is a partnership between the Syngenta Foundation for Sustainable Agriculture, the Ministry of Agriculture and Animal Resources, One Acre Fund, SORAS Insurance in Rwanda, and Swiss Re Corporate Solutions. The project will offer farmers who plant maize and beans, even on as little as a tenth of a hectare, insurance to shield them from significant financial losses when the weather damages their crops.

"Extreme or erratic rains and drought trap many Rwandan farmers in poverty. Repeated bad weather can rob them of the means to recover in the following growing seasons," said Marco Ferroni, Executive Director of the Syngenta Foundation. "Following the launch of Kilimo Salama crop insurance in Kenya in 2010, we now are offering the products in Rwanda. We have in Kilimo Salama a proven micro-insurance strategy that will work. To date, we have insured 73,000 farmers in Kenya and Rwanda, and have made insurance payouts to over 10,000 farmers in Kenya."

The program will offer farmers in the Southern and Western provinces insurance bundled with loans provided by One Acre Fund for fertilizer and other inputs. Currently very few farmers in Rwanda use improved seed and nutrition for their crops. A key reason for the low investment in the sector is the fear among both farmers and lenders to the agricultural sector that poor weather conditions will leave farmers without a harvest and wipe out their savings. There is no incentive to invest in farming if the worry of being hungry and indebted looms over a farmer's head. Likewise, lenders will not extend credit with the risk of farmers defaulting being so high.

Through the new program Rwandan farmers will pay an insurance premium as part of their loan repayments for fertilizer and other improved inputs offered by the Ministry of Agriculture and Animal Resources and its partner One Acre Fund. "Our farmers invest in better harvests through the use of better inputs. With this insurance, our farmers can now protect their families against the risk of losing their investment due to erratic weather," said Cor Oudes of One Acre Fund.

## Automated Weather Stations Installed in Southern Rwanda

Eight fully automated weather stations have initially been installed in the Southern and Western provinces. These stations, which are the first of their kind in Rwanda, are fitted with transmission systems capable of broadcasting regular updates on weather conditions and rainfall recorded. When data from a particular station indicate that extreme weather conditions (including excessive rains and drought) are likely to cripple crops, it will trigger a payout to One Acre Fund, which will subsequently compensate individual farmers or forgive their loans.

"The use of data from automated weather stations to approximate actual farm losses is an innovative and cost effective alternative in situations where the losses cannot be assessed through traditional means of assessing claims for each smallholder" adds Christina Ularic Head of Market Development Africa with the project's international risk taker Swiss Re Corporate Solutions. "Moreover, a model where insurance is bundled with other farm services, such as credit and distributed through an intermediary who directly deals with the customers has proven to be more successful than stand-alone insurance offerings."

"By using the weather stations to verify local weather conditions, we are avoiding expensive and lengthy claims procedures that have created mistrust and led people to avoid insurance," said Benjamin Mbundi, Managing Director of SORAS Insurance. "This product has the potential to make agricultural micro-insurance affordable and attractive for smallholder farmers and economically viable for insurance companies in developing countries that had previously ignored most of the agricultural sector."

Crop insurance is considered essential to agriculture in developed countries but has been largely unavailable to farmers in low-income countries, in part because of the costs of administering "micro" policies. Conventional crop insurance requires field inspections at the time the policy is issued, and follow-up visits to confirm damage. Such procedures can be cost-effective for large farms, but are far too expensive to be practical for most farms in Rwanda, where the vast majority of farming is done on very small plots.

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**The Syngenta Foundation for Sustainable Agriculture** is a non-profit organization based in Basel, Switzerland whose mission is to create value for resource-poor small farmers in developing countries through innovation in sustainable agriculture and the activation of value chains. SFSA's two-pronged approach aims to improve livelihoods by raising agricultural productivity and linking farmers to markets. The Syngenta Foundation's Kilimo Salama project is an insurance initiative that was first launched in 2010 in Kenya. Kilimo Salama is funded by SFSA and receives financial support from the IFC-led Global Index Insurance Facility (GIIF). For more information, please visit: <http://www.syngentafoundation.org/>.

**Swiss Re Corporate Solutions** offers innovative, high-quality insurance capacity to mid-sized and large multinational corporations across the globe. Swiss Re's offerings range from standard risk transfer covers and multi-line programs, to highly customized solutions tailored to the needs of clients. Swiss Re Corporate Solutions serves customers from over 40 offices worldwide and is backed by the financial strength of the Swiss Re Group. For more information about Swiss Re Corporate Solutions, please visit [www.swissre.com/corporatesolutions](http://www.swissre.com/corporatesolutions) or follow Swiss Re on Twitter [@SwissRe\\_CS](https://twitter.com/SwissRe_CS).

**SORAS Insurance Company** is one of the leading insurance and financial services companies in East Africa, with headquarters in Kigali.

**MINAGRI** is the Rwandan Ministry of Agriculture and Animal Resources. MINAGRI is Kilimo Salama's partner in implementing agricultural insurance for smallholder farmers in Rwanda. The ministry also supplies distributing partner One Acre Fund with improved inputs.

**One Acre Fund | Tubura** is a social enterprise working to increase the productivity of smallholder farmers by linking them to a bundle of credit, inputs, and extensions services. One Acre Fund is Kilimo Salama's distribution partner for the insurance.