WHO WE ARE

WHAT IS AGRO CONSORTIUM?
The Agro Consortium is a coalition of ten insurance companies that was set up to provide agriculture insurance under the Uganda Agriculture Insurance Scheme (UAIS)

These insurance companies are: APA Insurance (Uganda) Ltd, CIC General Insurance Uganda Ltd, First Insurance Company, Goldstar Insurance Company Ltd, Jubilee insurance, Lion Assurance, NIC General Insurance company Ltd, PAX Insurance, Phoenix of Uganda Assurance Company Ltd and UAP Insurance Uganda Ltd.

WHAT IS THE UAIS?
The UAIS is a public-private partnership between the Government of Uganda and farmers.

It is aimed at mitigating financial losses suffered by farmers from damage and destruction of their crops due to Fire, Drought, Flooding, Landslides, Hailstorm damage, Windstorm damage, Malicious damage, Riots & strikes and uncontrollable pests and diseases.

WHAT IS COVERED UNDER THE UAIS?

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<td>Irish Potatoes</td>
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<td>Fruit Tree</td>
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<th>LIVESTOCK:</th>
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<td>Pigs</td>
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<td>Fish</td>
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WHO CAN PARTICIPATE IN THE SCHEME?

Both small and large scale farmers are eligible for this scheme and participation may be at individual level or in farmer groups.

* See Back Page for details

THE UGANDA AGRICULTURE INSURANCE SCHEME AIMS TO ENSURE THAT THE UGANDAN FARMER IS PROTECTED AGAINST AGRICULTURAL RISKS.
When you apply to join the scheme, the value of your crops to be insured will be mutually agreed.

The Government will help you pay part of your insurance premium.

Your area shall be monitored for drought using satellites.

You do not need to notify the consortium of the loss or fill out claim forms.

The drought in your area shall be detected immediately.

The level of crop loss on your farm shall be calculated according to the severity of the weather in your area.

You and all insured farmers in your subcounty shall be automatically paid a settlement according to the subcounty average loss.

The government has availed 5 billion Uganda shillings to be used to subsidize the insurance premiums payable by farmers.
DROUGHT INDEX INSURANCE

WHAT IS COVERED
Losses and damage to crops due to drought

WHAT IS NOT COVERED
Uncontrollable pests and diseases, fire, lightning, malicious damage, earthquake, riot, explosion and windstorms, floods and landslides.

HOW IT WORKS
In the past, drought insurance has been based on precipitation. Farmers would be compensated if the rain that fell during the growing season did not meet certain pre-defined levels.

However, there are few rainfall stations in Uganda, yet a very dense and costly network would be required to adequately monitor every part of the country (spatial variability).

Other methods like rain gauges would not provide the long term precipitation history that is required to properly assess drought. A considerable part of any rainfall may just be wasted as run-off into the subsoil.

Another limitation is that rainfall is not a good measure of actual crop water use. It is also possible that rainwater is stored in the soil for considerable time and used by the crop with months of delay.

During the various growth phases of a plant, the timing of the rainfall, not just the amount, is very important for satisfying the soil water balance and therefore the ultimate yield.

Dry spells or deficits over the main phases of crop growth, can therefore cause yield loss, even if cumulative season rainfall is adequate.

Drought Index Insurance monitors crop water availability to determine drought and has a linear correlation with crop yield. It is therefore a much more suitable indicator of agricultural drought than rainfall.

DROUGHT INDEX INSURANCE IS BASED ON INNOVATIVE SATELLITE TECHNOLOGY AND PROVIDES AN AFFORDABLE ALTERNATIVE TO EXPENSIVE TRADITIONAL LOSS-BASED CROP INSURANCE.

THE SUBSIDY LEVEL A FARMER QUALIFIES FOR IS BASED ON EITHER THE SIZE OF LAND UNDER CULTIVATION OR INCOME PER SEASON.
DROUGHT INDEX INSURANCE

HOW IT WORKS (CONT.)
Using 33 years of meteosat data and near real-time data reception we use drought insurance indices to determine drought payouts per season and continuously monitor drought across Uganda.

CLAIMS PAYMENTS WILL BE MADE BASED ON THE AVERAGE DROUGHT LOSSES FOR A SUB COUNTY AND NOT ON INDIVIDUAL FARM RESULTS.

When there is a drop in the expected average yield of a sub county due to drought, it immediately triggers a linear payout that matches the extent of the loss experienced by farmers in that region due to the drought.

PREMIUM RATES:
5.5% with Excess of 10%
Note that these rates are applicable except in Kasese, Arua, Isingiro and Ngora where Premium rates of 10% apply; subsidy in these areas is 80%.

SUBSIDY
The subsidy is the percentage of your insurance premium which the Government helps you to pay.

HOW THE VALUE OF THE CROP IS CALCULATED:
The value of your crop to be insured is based on the size of the land under cultivation, pre-agreed nominated value of the harvested crop and the Long Term Average Yield (LTAY)
Therefore Value of Crop = Planted Area (hectares) × Long Term Average Yield (tones/hectare) × Pre-Agreed Value (Ushs/ton)

LONG TERM AVERAGE YIELD (LTAY)
LTAY is the average harvest expected from each hectare, based on its output over a number of years.

PRE-AGREED VALUE
Pre-Agreed Value is the expected price of the crop upon harvest.

THE GOVERNMENT CONTRIBUTES 30% OF LARGE SCALE FARMERS’ PREMIUMS AND 50% OF SMALL SCALE FARMERS’ PREMIUMS.
FARMER CATEGORIES

One is considered a large scale farmer if they have a farm of 5 acres or larger, or a farm which generates income of 20 Million Uganda Shillings or more every season. If involved in livestock farming one is considered a large scale farmer if they have the following:

- Cattle: More than 30
- Pigs: More than 50
- Poultry: More than 2,000
- Fish Farming: Only Large Scale

One is considered a small scale farmer if their farm is on less than 5 acres of land or if their farm generates less than UGX 20 million every season. If involved in livestock farming one is a small scale farmer if they have the following:

- Cattle: Between 1 - 30
- Pigs: Between 1 - 50
- Poultry: Between 500 - 2,000