

Shifting the risk from small shoulders:

Foundation and partners launch weather insurance in India

India is currently witnessing a 'corn revolution'. By increasing their use of hybrid corn varieties, farmers are gaining higher yields and better incomes. However, many are still reluctant to sow hybrid corn seeds in the *kharif* season (June-October), as there is always a chance of monsoon failure. The Syngenta Foundation knows that the business risks lie entirely on farmers' shoulders – and aims to alleviate them.

The Foundation has considerable experience with smallholder insurance in East Africa. A popular insurance product available there thanks to the 'Kilimo Salama' initiative (www.syngentafoundation.org/index.cfm?pageID=562) is a Replanting Guarantee'. Syngenta Foundation India (SFI) is now piloting such a product in India.

In this pilot, Syngenta* is adding insurance cards to its bags of 'NK-30' corn seed. These are available to numerous smallholders farming about 6250 acres in a district of Rajasthan. The weather insurance uses rainfall as its measurable parameter. Farmers are eligible for payout if too little rain falls between June 15 and July 15.

Farmers register for the insurance by calling a toll-free number and giving the unique code on their insurance card. They receive immediate policy confirmation by SMS (phone text message). Each participant is mapped to one of the seven automatic weather stations in the pilot region. If the weather station reports insufficient rain, the insurance company initiates the claim process and transfers money to the farmer's bank account. He or she can therefore afford to replant – and because everything happens so soon after June 15, still has time to do so.

The project partners are ICICI Lombard (insurance), NCML (weather data), RMLISPL (call center), Amicus Brokers (insurance brokerage) and *Syngenta India Limited (seeds).