



# MAIZE WEATHER INDEX PILOT

## 31 August 2018

Think **purple**...

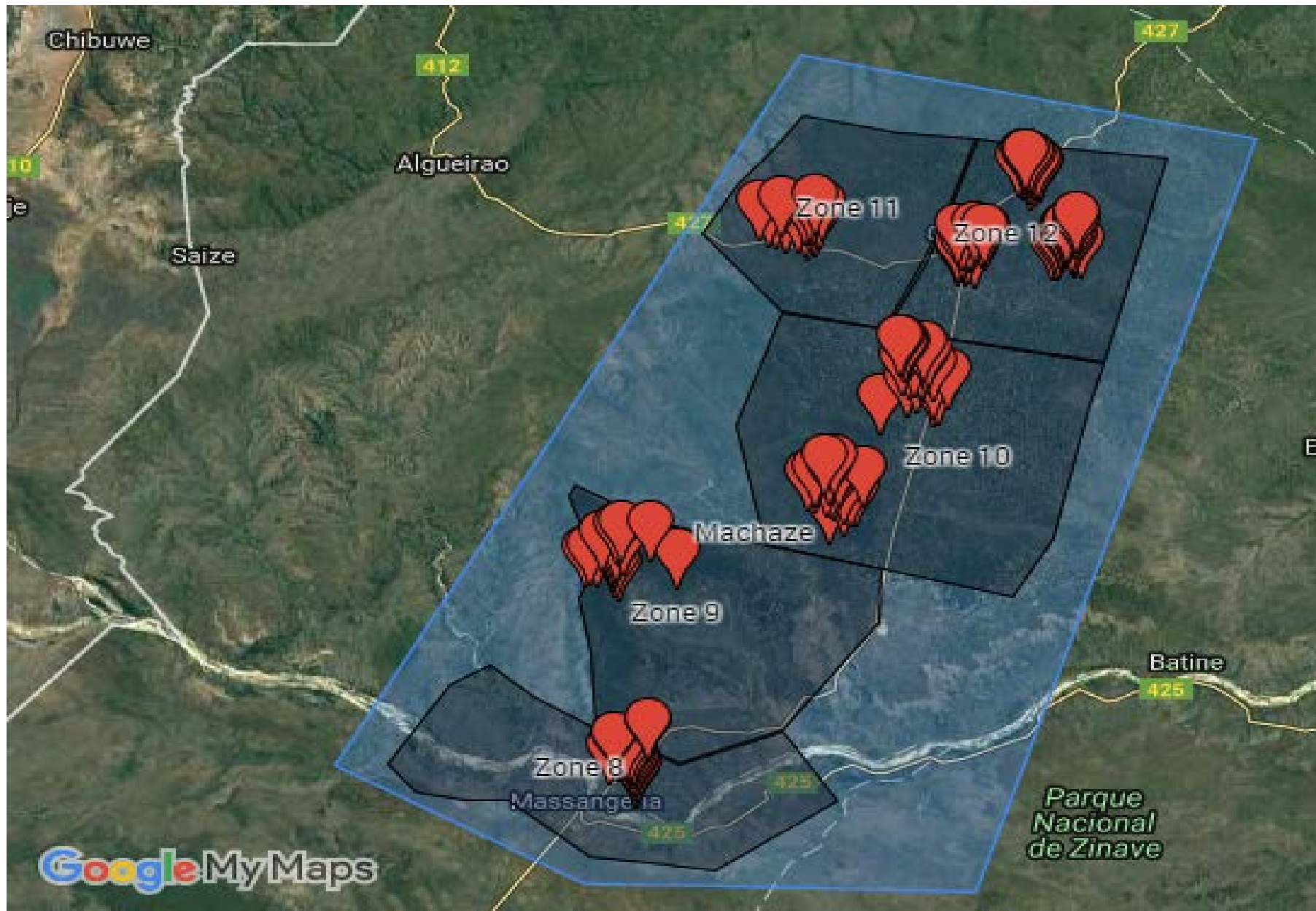
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# Mozambique

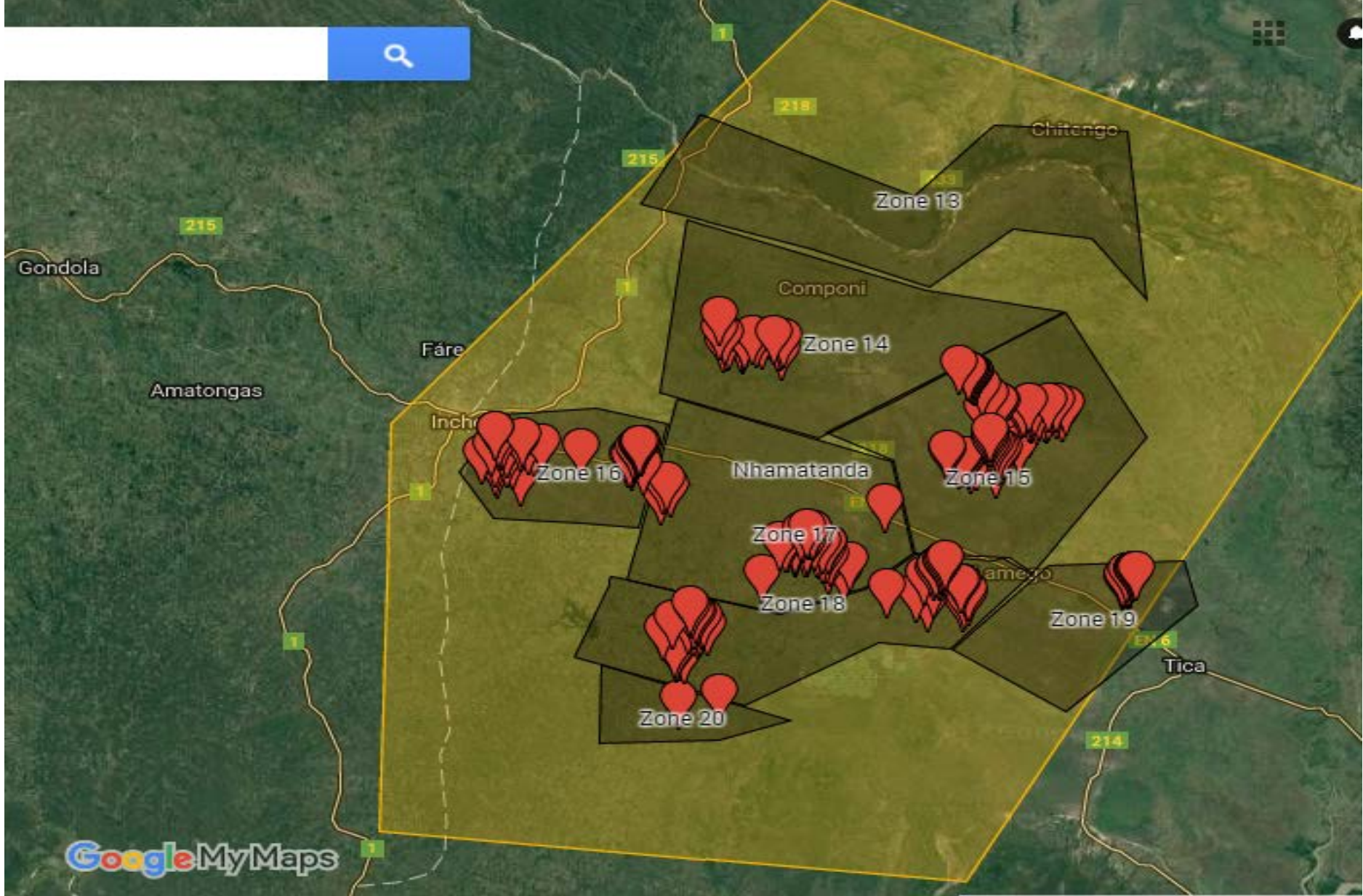


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# DROUGHT RESISTANT MAIZE WEATHER INDEX PILOT PROJECT

CROP	MAIZE INDEX
Index	<ul style="list-style-type: none"> <li>• Deficit Rain</li> <li>• Average end of season yield below expected yield</li> <li>• Audit</li> </ul>
Indemnity	Replacement seed in the following farming season through the seed companies.
Insurers	HOLLARD SEGUROS
Aggregators	PHOENIX/KLEIN KAROO
Covered Zones	Machaze (4 zones) and Nhamatanda (8 zones)
Number of insured households 1 <sup>st</sup> pilot	3,200
Number of insured households 2 <sup>nd</sup> pilot	250
Claims 1 <sup>st</sup> pilot	No claims all contract zones
Claims 2 <sup>nd</sup> pilot	2/12 contract zones in Machaze had early season rainfall deficit and hence payout.

# AGGREGATORS?

Phoenix and Klein Karoo presented the following opportunities:

- Access to existing network & distribution infrastructure
- Already known and trusted by end-consumer
- Low transactional costs
- Aligned interests of improving the welfare of farmers

# KEY CHALLENGES

1. Limited infrastructure for distribution of seed
2. Limited yields data
3. Districts not mapped/zoned
4. Registration of the insured farmers in their zones
5. Limited cellphone penetration in the two districts
6. No support for premium for the subsistence farmers.  
No economic value for the produce. Affordability.
7. Number of insured farmers limited
8. Normally high frequency of drought incidences

# WHAT CAN BE IMPROVED?

1. We need to find mechanisms to upscale the Weather Index program to cover more farmers including farmers in other districts and Provinces and extend the coverage to other crops
2. We need to expand scope of cover to include cost of production not just the price of the seed
3. We need to help the seed companies to increase the distribution infrastructure for maize seed
4. We need to improve pricing to ensure affordability mostly by scaling up to achieve the critical mass for economies of scale
5. Need to improve payment mechanism to be in the same season of loss





THANK YOU

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