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Pula Introduction-

About Pula

Pula is an agricultural insurance and technology company that **designs and delivers innovative agricultural insurance and digital services** to help smallholder farmers and rural clients endure climate risks, improve their farming practices, and bolster their profits.

- **Crop insurance** covering rice, wheat, maize, beans, cotton, sorghum, groundnut, cassava, potato, yam, ginger, sesame
- **Livestock insurance** for pastoralists and agro-pastoralists

Strategic Partners and Investors include:

Bill & Melinda Gates foundation · AGRA Growing Africa's Agriculture · mastercard foundation · Swiss Re · TLCOM · Women's World Banking · African Risk Capacity · MULAGO · flourish · MERCY CORPS · ACCION

6 M Farmers insured

Reached with insurance+digital products

$1.1bln Ag Investment

In Africa and Asia

$44mln premium

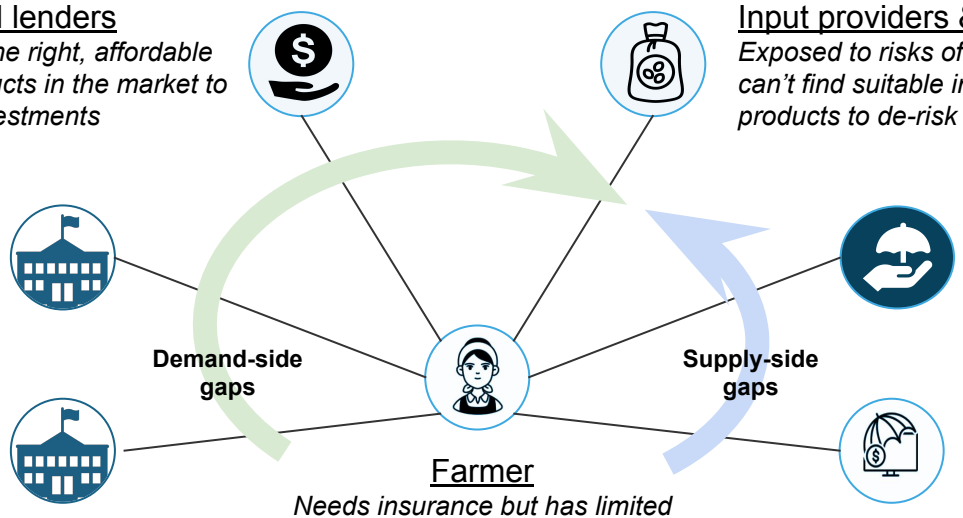
From client Governments, NGOs, Development Agencies and Credit Lenders

$20mln paid to farmers

40 Insurance partners

21 Reinsurance Partners

Why aren't insurers doing this alone? There are several gaps in the value chain that has kept adoption of agriculture insurance at low levels



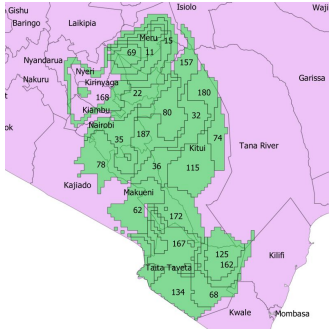
Case Studies

Case study: Insurance bundled with subsidized farm inputs - Government of Kenya KCEP-CRAL project

1

Government provides an input subsidy to smallholder farmers in Arid and Semi Arid Regions to increase food security with a focus on the main food crops (**maize, sorghum, cowpeas, green grams and beans**). Added to the subsidy is an area yield index insurance cover

2



The GoK provided Pula with a list of the farmers and we costed and charged their insurance premiums based on the **agro-ecological zone** of their farming locations, which were **mainly high risk arid and semi arid regions**

3

During the season, Pula conducts **digital extension** and **field monitoring activities** E.g we send agronomy tips to farmers on weeding and harvesting. We also conduct surveys to gather real-time data on farmer behaviour and conditions as the season progresses.

4

At the end of the season, Pula measures farm yields. For farmers whose yields were below trigger, the insurance cover is **paid out in inputs for the next season.**

Over 40,000 farmers were covered in the first year of the project (2020) and another 41,000 in the second year with 5,609 farmers receiving payouts totaling to USD 22,955 in the first season.

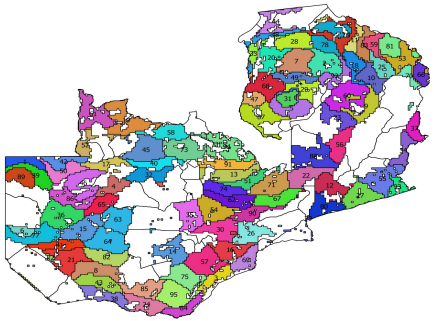
Case study: Insurance as a prerequisite for subsidized farm inputs- Government of Zambia FISP

1

Government provides a 200 USD voucher to 1 mln smallholder farmers. This pays for 4 bags of fertilizer and 50kg of seed. Added to the subsidy is a 5% insurance cover, for $10 that **the farmer pays for and which unlocks the $200 subsidy**

145,171 farmers were provided with a hybrid weather and yield index

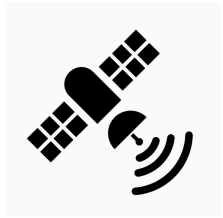
2



The GRZ provided pula with a list of the farmers and we costed and charged their insurance premiums based on the **agro-ecological zone** of their farming location

3

At the start of the season **satellite data** measured rainfall to estimate areas of **germination failure,** as measured through 3 weeks of insufficient rainfall.



4

At the end of the season, Pula measures farm yields. For farmers whose yields were below trigger, the insurance cover is **paid out in inputs for the next season.**

17,000 farmers paid out in the first season through combination of weather & yield insurance
Season 1 payout: $130,000 Average per farmer: $64

Case Study: Central Bank of Nigeria

We brought together many partners across insurance in Nigeria & Internationally

Key statistics for 2021 wet season

- 543,000 farmers loans with Central Bank insured
- 511,437 Ha's & 37 states
- 18,000 CCE's in 5 months for cotton, rice, cassava, maize

Handled Nigeria's largest ever agric insurance payout - 7mln USD

EXTERNAL REPORT ONLY OF COMPLETE LOCATIONS	TOTAL	Average payout	No of LGA PAID	Payout per farmer
RIFAN	₦922,009,876	₦76,907	39	₦6,922 - ₦140,717
MAAN	₦585,947,855	₦87,101	60	₦1,637 - ₦141,055
NACOTAN	₦487,529,277	₦90,157	27	₦10,671 - ₦210,040
TOTAL	₦ 1,995,487,009		126	

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Lessons Learnt and Outlook

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Lessons Learned and Outlook

Pula learned the following lessons, which emphasise that e-voucher schemes clearly support increased adoption of agricultural insurance when embedded in government programmes:

- **More granular farmer location mapping:** This eases the sampling process carried out during field operations and crop cut experiments (CCEs).
- **Improved communication with farmers:** Since the e-voucher was handled through feature phones, we had the ability to contact farmers more often and more reliably. This allowed them to receive important agronomic extension messages on time, and help the field operations team reach them easily during farmer sensitization and crop cutting activities.
- **Insurance payouts could be made directly to farmers:** Because access to farmer mobile numbers and digital wallets is an integral part of e-voucher systems, insurance payouts can be transacted directly to end beneficiaries, in less time.

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Ongoing challenges

<u>On the other hand, digital systems were not able to address all the challenges that programmes face. In particular, they still struggled with:</u>

- **Inconsistency in enrollment:** Enrollment numbers varied across different seasons which limited the ability to cross-subsidise insurance premium rates.
- **Delayed rains and late collection of inputs:** Some farmers did not plant their crops due to delayed rains or because they collected their inputs late. This prolonged the CCE process which led to delayed payouts.
- **Slow growth in overall enrollment:** while interest in the programmes has risen, and it is hoped that regular insurance payouts will build trust among farming communities and lead to further increases in adoption.
- **Delays and logistical difficulties in the distribution of cards/inputs/credit:** the collection of physical payment cards by beneficiaries who live in rural and remote areas is often costly due to the need to travel. Delays in the distribution of the cards and challenges faced using them caused some of the programmes e.g KCEP-CRAL to migrate to mobile money based solutions.

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Thank You!

Any Questions?

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