

Coffee farmers to get drought insurance cover

Faridah Kulabako

Coffee farmers will soon have their incomes guaranteed irrespective of the weather conditions if the planned coffee drought insurance that seeks to mitigate losses is launched next month.

The Agriculture Reinsurance Consultants will in partnership with the National Union of Coffee Agribusinesses and Farm Enterprises (Nucafe) launch the insurance cover at the second Uganda National Coffee festival slated for November 4, at Namboole stadium to help coffee farmers mitigate risks of drought.

Speaking at pre-second National Coffee Festival meeting last week, Robert Serwanga, the Agriculture Reinsurance Consultants, country manager, said coffee production in Uganda has declined from 7kg per tree to 1.5kg due to severe drought brought about by climate change.

"People are abandoning gardens because of declining yields which are impacting their incomes. We want to give farmers confidence that in case of crop failure, they will be compensated the full value they anticipated to harvest," Serwanga said.

To access the cover, farmers will be required to pay annual premiums of 5% of the value of the crop being insured to one of the 10 insurance companies in the agricultural insurance consortium including Lion



Resilient Africa Network communications manager Harriet Odong, Serwanga, Nkandu and Rizzo, at a meeting in Namboole last week

Assurance, UAP, Jubilee, UAP, FICO, NIKO and NIC.

Following the introduction of the sh5b agricultural subsidy by the Government in the 2016/17 financial year, farmers will pay a subsidised premium of 2.5% of value of the crop being insured while the Government will also contribute 2.5% of the premium.

Serwanga said the insurance cover will be rolled out at a sub-county level, where each sub-county will have equipment to monitor the rains received in a particular season to support production.

If a particular sub-county does not receive enough rains, the insured farmers will be fully compensated

5%

To receive the insurance cover farmers will be required to pay annual premiums of 5% of the value of the crop being insured.

the income they anticipate to get in that particular season.

Coffee insurance has worked well in Kenya and Vietnam.

Nucafe executive director, Joseph Nkandu, said farmers always fear investing huge sums of money in agriculture because of its uncertain nature emanating from climatic change which has made it a risky venture.

He added that an insurance plan that protects farmers' harvest against weather-related mishaps will make coffee growing a less bitter experience.

The national coffee festival being organised by Nucafe in partnership with AVIS Foundation, Resilient

Africa Network, Uganda Free Zone and Agriculture Reinsurance Consultants will, among others, exhibit the latest innovations in coffee, role of coffee in health and offer coffee value chain skilling and training to enable the youth create employment along the coffee value chain.

Samuel Otim Rizzo, chief of party, Skilling Youth for Employment in Agribusiness (SKY) project, said Uganda has a huge mismatch between what is taught and the skills that the labour market demand, which needs to be bridged to reduce the high unemployment rate.

SKY is an International Charity Foundation that identifies gaps in agribusiness entities and then builds their capacity to deliver marketable skills to the youth.

Trade