

IICA Convenes the International Community to Emphasize Importance of Agriculture Insurance for the Americas

“Agriculture insurance is a key component of any effort to eradicate poverty and provide greater food security in the hemisphere.” – David C. Hatch, IICA



Washington, DC, February 17, 2010 - Today, the Inter-American Institute for Cooperation on Agriculture (IICA) and the Latin American Association for the Development of Agricultural Insurance (ALASA) assembled international experts in risk management. Included were representatives from the World Bank; the Food and Agriculture Organization (FAO); the Inter-American Development Bank (IADB); the Inter-American Federation of Insurance Companies (FIDES); the State Agency for Agriculture Insurance of the Ministry of Agriculture of Spain (ENESA); the Financière agricole de Québec Développement International (FADQ) and the International Food

Policy Research Institute (IFPRI). Seminar participants addressed some challenging effects of natural hazards such as floods and drought, all of which contribute to the growing global concern of food insecurity. Led by IICA’s Associate Deputy Director General, Director of the Northern Region, Director of Strategic Partnerships and Representative in the United States, David C. Hatch, the one day working session builds on the work initiated in Latin America and the Caribbean to strengthen human and technical capacity to promote, supervise and monitor agricultural insurance schemes and products.

“Many countries are now beginning to take full advantage of the benefits provided by a sound agricultural insurance program,” said Hatch, as he opened the working session. “However, to date, responses to the countries have been fragmented. There is a need for stronger collaboration and communication among organizations to further develop agriculture....we hope today’s discussions will bring about the beginnings of a holistic approach to risk management for the benefit of the countries and its farmers,” he concluded.

Since the growing concern of global food insecurity has become evident, many countries have taken steps to either develop or strengthen existing agricultural insurance programs. For example, recently Brazil’s agriculture ministry’s risk management director, Wellington Soares de Almeida, confirmed that the Brazilian government has set aside US\$258mn for agricultural insurance subsidies in 2010, 66% more than the figure set aside in 2009. As a result, a variety of organizations and consultants have been engaged to respond to similar demands. Currently, IICA is working with a number of member countries with agricultural insurance and risk management programs. In some cases, IICA’s role is to provide a review of existing insurance programs to ensure they are as effective as possible. In other cases, the Institute is helping ministries of agriculture design insurance programs.

According to IICA’s Deputy Director General, Christopher Hansen, collaboration cannot be underestimated. He said, “I believe it is unnecessary to point out that the magnitude of the problems facing agriculture and rural development. He continued, “We must expand and intensify collaboration with our sister institutions, the Inter-American System, our partners and international allies, the private sector and, particularly the small farmer.” He reiterated, “We need to recognize that the small farmer is part of the solution and not part of the problem and that without additional risk management tools

such as agriculture insurance, small farmers will not be motivated to invest in more modern and innovative inputs such as drip irrigation and certified seed.”

During today’s working session, the group reviewed the state of agricultural insurance in the hemisphere, regionally and by country; discussed the successes and challenges encountered in implementing agricultural insurance; determined how to work more effectively and collectively together with international agencies, donors and the private sector in the hemisphere and with individual countries in agricultural insurance and risk management; exchanged participant’s priorities, plans and programs for further expansion of agricultural insurance; and established a venue for a broader dialog regarding the future of agricultural insurance in LAC countries.

ABOUT IICA

The Inter-American Institute for Cooperation on Agriculture is the specialized agency for agriculture and the rural milieu of the Inter-American System, whose purpose is to provide innovative technical cooperation to the Member States, with a view to achieving their sustainable development in aid of the peoples of the Americas.

For additional information on IICA, please visit <http://www.iica.int/usa>

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