Yield shortfall insurance

Introducing a world-first product designed to safeguard farmers from financial setbacks caused by reduced yields.

What is covered?

If it reduces yield, it is covered.

- Drought
- Flood
- Frost
- Heat stress
- Pest and disease
- Hail
- Fire

What crops are covered?

- Wheat
- Barley
- Canola

More crops coming soon.

Why you need it

Even the most experienced and seasoned farmers can be impacted by events that are beyond their control, leading to reduced crop yields.

Powered by AgArea independently verified yield index, Yield shortfall insurance is a tailored insurance solution designed to cover input costs – safeguarding against yield reductions, using your farm's own production data.

What are the benefits for farmers?

- Cover your input costs in low-yield seasons.
- No paperwork. No disputes.
- Claims settled within days based on clear, pre-agreed terms.
- By protecting against low-yield seasons, it will be easier to access operating loans.
- If your yields come up short and you're at risk of missing a contract, the insurance payout can help you buy extra crop to fill the gap. That flexibility can help managing your cash flow during the season.
- Backed by a world-leading, AA-rated (S&P) insurer for trusted and reliable long-term coverage.

Backed by AgArea's technology

Instead of relying on regional statistics or industry averages, the actual productivity of your farm is assessed, ensuring fairer pricing and faster claims resolution.

AgArea is an Australian AgTech company that helps you get the most out of your farm data. By connecting to your existing systems via API (where possible), AgArea integrates multiple data sources to create a reliable and independently verified yield index. Insurers then use this index to price insurance and pay claims - based on your data from your farm, including:

- Farm boundaries
- Machinery-generated data
- Production plans and records
- Planting and applied data

For past seasons where some data might be missing, AgArea fills the gaps using trusted sources like grain delivery records, financial statements, and on-farm systems - ensuring your yield index remains accurate and reliable.

What makes this product different?

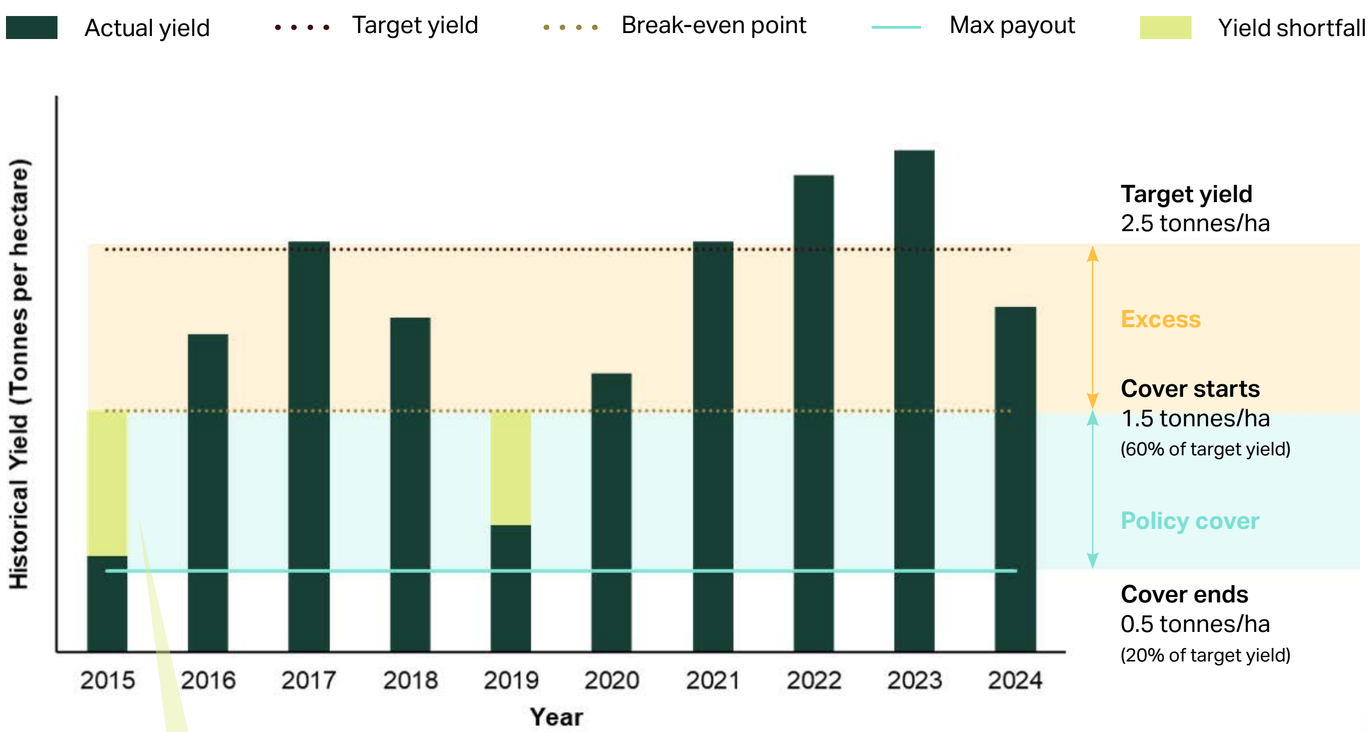
Traditional insurance typically relies on past seasons to assess what is ahead.

Due to better farming methods, stronger seeds, and improved crop protection, today's crops can handle tough conditions much better than before. That means past seasons aren't always a good guide for what's ahead.

AgArea brings together data from different sources to build a reliable, independently verified yield index. It considers how farming practices and technology have improved over time.

Product example

Consider a farmer who wants their insurance to begin when actual yields drop to 60% of their target yield and stop once yields fall beyond 20%.



Payout =

Shortfall 0.9 — Actual yield is 0.6 tonnes/ hectare which is 0.9 below where the cover starts

X

Number of hectares 4000

X

Price per hectare $300 — Price per hectare lost due to poor harvest.

= 1,080,000

Your target yield, grounded in your farm's history. We typically base your target yield on the average of your last five seasons - giving you a realistic benchmark for coverage that reflects your actual performance.

Smart coverage, built around your break-even point. Your break-even yield is pre-agreed as a percentage of your target yield. The difference between the two acts as your policy excess - so you only pay for protection you need.

Your policy's maximum payout is pre-agreed based on your farm's probable minimum yield - so you're protected without overpaying for insurance.

Support when the season turns tough. In seasons where yields fall short, your insurance kicks in - covering the gap up to a pre-agreed maximum. It's peace of mind, built around your farm's performance.

Premiums depend on the volatility of yield experience and can range between 5% and 15% of the policy cover.

In this year, actual yield is 0.6 tonnes/ha which is 0.9 tonnes/ha below where the cover starts:

Payout = 0.9 X number of hectares X price/ha

Coverage that is specific to your farm, supporting your farm financing and decision-making.

Tailor your insurance to match your risk appetite - decide:

- When protection begins (break-even yield).
- When it ends (probable minimum yield).
- You choose when your cover starts and when it ends - it's all in your hands.

Start building a more resilient farming future.
Get in touch with us today.

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