REPORT

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Crop and Livestock Dynamics in Makueni and Nandi Counties

GIZ Agricultural Insurance Pilot-Baseline 2024

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Executive Summary

In the 2024 short rainy season, Clim-Eat, together with GIZ and ACRE Africa implemented a pilot project to incentivise the uptake of agricultural insurance in Makueni and Nandi counties (Kenya) to strengthen farmer climate resilience. The purpose of this baseline study in the long term is to help us understand what the impact of the 2024 GIZ agricultural insurance pilot is. The objective of the programme is to increase awareness of agricultural insurance, thereby promoting the adoption and building resilience of farmers. The baseline helps assess impact by collecting quantitative and qualitative data on the current context to compare to the end results, understanding what changes have come about. More farmers in Makueni were aware of agricultural insurance than in Nandi, because there have been more programmes on the topic in Makueni.

Where there is basic knowledge, there are still gaps in the detailed understanding of how insurance works. Where there is no knowledge, this presents a barrier to uptake. Farmers are very aware of climate risks and are worried about the impacts it will continue to have on their production, reaching a "breaking point".

Many farmers mention many ways in which they try to protect their crops; however, what they do is not seen as enough or as a protection measure. Some farmers have no way to protect their crops, and leave it up to luck, knowing this is not the most secure way to move forward. Overall, farmers logically can see the cushioning that insurance will provide them in order to protect their livelihoods, and can see positive, long-term benefits in the way that it allows them to be more free and risky in production.

Fear, lack of knowledge, and mistrust are the main barriers to farmers taking up insurance. Farmers across both counties are very clear that they are willing to pay for insurance and other similar investments, even without subsidies, as long as they are properly trained and feel like they can trust the results. Farmers' level of trust in insurance institutions is very low, caused by previous programmes as well as experience with other types of insurance.

This has repercussions for the sale of insurance, as well as the level of trust in government and other people / institutions. To change attitudes and opinions towards agricultural production specifically, incentives are a good way to get farmers motivated.

Government's previous support for and involvement in these insurance programmes, have resulted in farmers reduced trust in government when it comes to agricultural insurance sales. Lack of trust in the concept of insurance, in insurance institutions, as well as those that have supported or sold it to them is due to a few different reasons:

- Under previous programmes, pay-outs were not made even though farmers were expecting them.
- Farmers don't see any effort to help or transparency from insurance institutions.
- Pay-outs take very long to reach farmers after there are problems with production, some people noting it took over 2 years with no communication.

Many of the challenges to current implementation and future recommendations are around ways to regain farmers' trust in what insurance can provide to them. What was vocalised as the most important factor in this is proper training and good understanding of expectations. Solutions mentioned for farmers to regain trust was the need to explain what their conditions are, and if they don't get a pay-out, talk them through why they didn't.

Overall, more attention, explanation, and consistent communication and collaboration is needed. Chiefs and government agricultural officers need to work together with other stakeholders to bring legitimacy to the product. Frequent and genuine interaction and engagement by all implementing stakeholders is important to gain people's trust, as well as to provide legitimacy to the programme. Furthermore, providing incentives in the form of a subsidy or other services can help motivate farmers to trial insurance as well as to take up new, sustainable practices. Opportunities have been identified to expand insurance to different crops, livestock, and different timing depending on which rainy season is most important in the implementing county.

Introduction

Climate-related risks for agriculture in Kenya threaten the livelihood of smallholder farmers as well as the national economy. Agricultural insurance has emerged as a critical tool to mitigate such risks and promote resilience, especially given current low uptake of cover against agriculture-related risks.

Currently, less than 1% of the farmers in Kenya have insurance coverage against agriculture-related risks (MoALF, 2021). Clim-Eat, with support from GIZ, is rolling out an agricultural insurance training and subsidy intervention in Nandi and Makueni counties in partnership with the Agriculture and Climate Risk Enterprise Ltd (ACRE) Africa, a licensed insurance intermediary, supporting local insurers to offer smallholder-focused insurance across value chains.

The programme's objective is to increase awareness and knowledge, thereby promoting adoption of agricultural insurance, and ultimately building the resilience of farmers and the overall sector.

The purpose of this baseline study in the long term is to help us understand what the impact of this work is. The baseline does this by collecting quantitative and qualitative data on the current context to compare to the end results, understanding what changes have come about through our work. The data collected includes but is not limited to the current uptake, understanding, and perceptions of agricultural insurance in target communities. This will help understand the effectiveness of the programme as well as pull out lessons to inform design of future iterations of the programme.

Indicators

For baseline and endline evaluation, we identified a list of indicators that will indicate change over the course of the programme, looking at both quantitative and qualitative measures. Some of these indicators are measured at intervals (baseline, endline) to assess change between different time periods, and some are tracked on a more periodic, consistent basis throughout programme implementation. Our final list of indicators, and data collection frequency and methods are in Table 1 below.

Table 1: GIZ Agricultural Insurance Indicator Table

No.	Indicator	Frequency	Method
1.	$ amount of national budget allocated to agricultural insurance	Baseline/ endline	Desk research
2.	% of farmers in county that have insurance coverage against agriculture-related risks	Baseline/ endline	Desk research
3.	Presence of agricultural insurance strategies in county and national policies, including measures on agricultural insurance uptake	Baseline/ endline	Desk research (and interviews)
4.	Smallholder farmer's awareness of agricultural insurance benefits and likelihood to take on insurance	Baseline/ endline	Interviews with smallholder farmers
5.	# of trainers trained & and # of farmers trained/reached (disaggregated by youth and gender)	Ongoing	Participant Tracking (Training records, Digibima)
6.	# of farmers taking up insurance (and % of trained farmers) (disaggregated by youth and gender)	Ongoing	Participant Tracking (Training records, Digibima)
7.	# of farmers retaining insurance coverage post-subsidy	Ongoing (in future phases)*	Participant Tracking (Training records, Digibima)
8.	# and type of Key stakeholders (WAOs, champion farmers, government reps, value chain coops, NGOs) engaged with uptake of agricultural insurance and understanding of importance	Ongoing (in future phases)*	Engagement tracking for Clim-Eat & ACRE
9.	Total amount ($) of compensation provided to farmers as a result of insurance coverage	Baseline/ endline	Digibima tracking
10.	Potential $ losses smallholder farmers might have incurred without insurance	Ongoing (in future phases)*	Digibima tracking and analysis
11.	Farmers perception of climate risks and their ability to manage them (Evidence for enhanced resilience of farmers to climate-related risks)	Baseline/ endline	Interviews with smallholder farmers

No.	Indicator	Frequency	Method
12.	Farmers attitude and opinion towards further farming investment (to indicate changes in security / willingness to buy better seeds/farming material)	Baseline/ endline	Interviews with smallholder farmers
13.	# of new partnerships between insurance providers and local agricultural cooperatives to promote insurance uptake	Ongoing (in future phases)*	Partnership tracking
14.	Farmers' level of trust in insurance institutions (trust-building)	Baseline/ endline	Interviews / rating tool designed by Clim-Eat

**In future phases: These indicators are not yet applicable at the current stage of the project, but data will be collected for them during future stages, or after implementation.*

As part of the baseline study, we have used a number of different data collection methods and tools:

- Desk research has been conducted for broader, contextual indicators
- ACRE collected quantitative uptake data through their Digibima app
- Clim-Eat conducted semi-structured interviews with champion farmers and county government representatives
- Clim-eat conducted focus group discussions with farmers, some of whom had already received training and others before training.
- As part of these discussions, farmers anonymously filled in a survey for quantifiable comparative data across groups and counties.

Limitations

Our data collection had some limitations which could impact our results. Some main limitations are:

- The quantitative survey was given to farmers in English and filled out with support in the form of translation (to Kiswahili) from the Clim-Eat team. This could have skewed the answers due to lack of understanding or the influence of our presence, especially on questions about whether farmers would take up agricultural insurance after training.
- Generally, the presence of implementing partners during the focus group may have swayed responses to questions, especially where government facilitators were present during the focus group discussions. We mitigated this risk by asking neutral questions and farmers knew results were anonymous and had no consequences.
- There were some differences in focus group participants we spoke to, some of whom had been trained by ACRE already and some who had not yet heard about the programme, making it sometimes difficult to standardise questions.

Context

The target counties of this programme are Makueni and Nandi, two counties that have very different agro-ecological zones, and therefore have differing staple crops and different climate risks. In Makueni, rainfall is the biggest concern of farmers, either excess or limited rainfall, leading to crop failure. Their main rainy season is the October-December season, but with climate change the timing is changing. In Nandi, rainfall is more plentiful, although sometimes does not come at all. They also experience other problems such as increased pests and diseases, and hail. Their main rainy season is March to May, which has impacts for the results of this pilot for this season.

In Makueni County, the focus is on cereal and legume farmers, particularly those growing peas, green grams, and maize.

Focus Group Discussion with farmer group, not yet trained, on agricultural insurance in Makueni county

Makueni is a semi-arid region, making especially beans and green grams well-suited for the climate. In previous studies, these crops have also been indicated by farmers as climate adaptation strategies, given their potential in (semi-) arid regions.

In Nandi County, the programme targets the dairy value chain, short-maturing maize variety (3-4 months varieties) and Irish potatoes.

Some overarching contextual indicators were identified to understand aspects of the national importance of agricultural insurance, as shown through the following two indicators on budgetary allocation and policy.

1. $ amount of national budget allocated to agricultural insurance

From the Report on Budget Implementation for Financial Year 2022/2023, the financial allocation for insurance has been reported, split by livestock and crops. (Parliament of Kenya, 2024).

Department	Total allocated budget FY 2022/23 for insurance projects
Livestock	KES 2,202,759,501
Crops	KES 2,950,000,000
Total	KES 5,152,759,501.00

According to a presentation made during a Disaster Risk Financing Workshop in South Africa in March 2024, "in the last 5 years a total of US$ 3M has been paid in for subsidy support by the National Government GoK-SDA for farmers in crop insurance." (Anahinga, K., 2024).

2. Presence of agricultural insurance strategies in county and national policies, including measures on agricultural insurance uptake

From desk research, the current policy that is focused on agricultural insurance is:

- 2021 National Agricultural Insurance Policy (NAIP)

The current policies focused on agricultural insurance are:

- The Agricultural Sector Transformation and Growth Strategy (ASTGS) (2019-2029)
- The National Climate Change Response Strategy (NCCRS)
- The Kenya Vision 2030 (Agricultural Sector)

From discussions with government officials, there was general consensus that, "with good policies, agricultural insurance has a bright future". Discussion of agricultural insurance amongst government workers and policymakers has become very common, and more policies are including language around risk mitigation and protection.

There have been several government programmes, mainly in Makueni, that worked on selling agricultural insurance through crop cuts and area yield insurance, from which lessons influenced current policy. Lastly, there was a call to ensure policy is centred towards farmers, and includes them in discussions during the drafting and formation phases.

With good policies, agricultural insurance has a bright future

Although policies are important in the long run, based on initial consultations, it was found that simply having a policy does not necessarily mean action on the ground, hence the need for interventions as this one.

Sample group

In Makueni we interviewed 2 champion farmers and 3 government officials, and our focus group discussions covered 18 women and 3 men. Figure 1 shows the distribution of those in the focus group discussions and their response to the prompt "I have been trained on agricultural insurance", showing that just over 50% had been trained before our discussion with them.

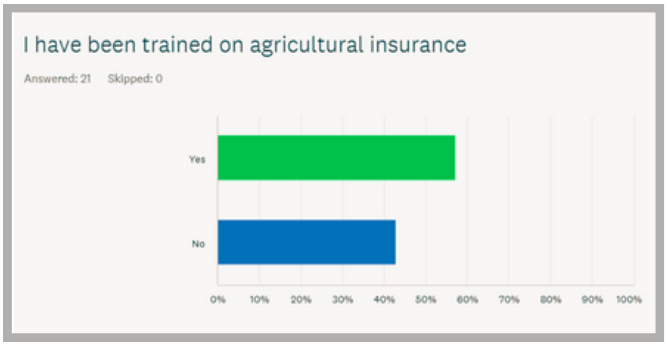

Figure 1: Makueni sample group training level

In Nandi we interviewed 2 champion farmers, 2 government officials, and 1 dairy cooperative manager, and our focus group discussions covered 12 women and 14 men. Figure 2 shows the distribution of those in the focus group discussions and their response to the prompt "I have been trained on agricultural insurance", showing that just over 50% had been trained before our discussion with them.

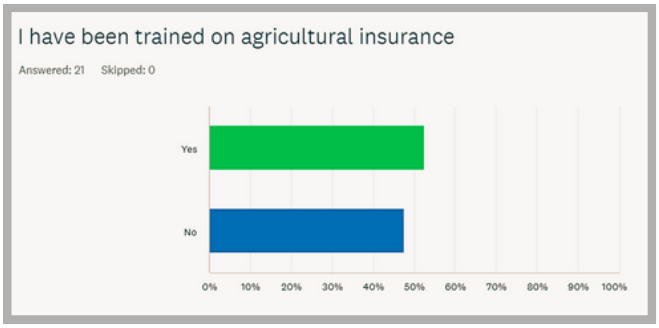

Figure 2: Nandi sample group training level

Baseline findings

Quantitative Indicators

For all three quantitative indicators below, these are our most up to date figures, updated on November 27th, 2024.

For accuracy, these numbers were 0 at the baseline, but we have added in the current numbers to understand the initial progress of the programme and to help back the qualitative findings at the baseline.

1. # of trainers trained and # of farmers trained/reached (disaggregated by youth and gender)

Table 2: # of trainers trained

County	Nandi	Makueni	Total
Male	2	4	6
Female	9	7	16
>35yrs	0	10	10
<35yrs	11	1	12
Total	**22**	**22**	**44**

Table 3: # of farmers reached (through training)

County	Nandi	Makueni	Total
Male	177	529	706
Female	261	858	1,119
Total	**438**	**1,387**	**1,825**

From our interviews, we have understood that agricultural insurance programmes have been around since 2013 but have become common and more popular in both Nandi and Makueni since 2019, with programmes such as the Kenya Agricultural Insurance Programme (KAIP) and Kenya Cereal Enhancement Programme Climate Resilient Agricultural Livelihoods Window (KCEP CRAL). These programmes were implemented mainly in Makueni, while the concept of agricultural insurance was less prevalent in Nandi.

2. # of farmers taking up insurance (disaggregated by gender and product)

Table 4: # of insurance policies purchased by youth and age

County	Female	Male	Grand Total
Makueni	224	131	355
Age 18-35	45	28	73
Age 36-53	105	61	166
Age 54-71	60	35	95
Age 72-89	14	7	21
Nandi	5	14	19
Age 18-35	1	5	6
Age 36-53	4	7	11
Age 54-71	0	2	2
Grand Total	229	145	374

The numbers in table 4 are based on insurance policies bought, and not the number of farmers buying insurance policies. This means if a farmer has bought multiple insurance policies, each policy purchase has been counted.

Alternatively, table 5 shows all unique insurance purchases, giving us the number of individual farmers that purchased any insurance policies. It then calculates what percentage this is of the total number of farmers trained (from table 3 above).

Table 5: # of farmers purchased insurance

County	Nandi	Makueni	Total
Male	13	118	131
Female	5	203	208
Total	18	321	339
% of farmers trained (based on total)	4.3%	25.6%	18.6%

Table 6: # of insurance policies purchased by product

County	Makueni	Nandi	Total
Beans	23	16	39
Green Grams	26	0	26
Maize	306	0	306
Potatoes	0	3	3
Total	355	19	374

Qualitative Indicators

All qualitative indicators are based on the views of government officials, farmer champions, and farmers. Where opinions differ between these groups, it is made clear who has given us which information. All graphs included are based on an anonymous survey taken before focus groups, and only filled in by farmers.

1. Smallholder farmer's awareness of agricultural insurance benefits and likelihood to take on insurance

Summary: More farmers in Makueni were aware of agricultural insurance than in Nandi, because there have been more programmes on the topic in Makueni. Where there is basic knowledge, there are still gaps in the detailed understanding of how insurance works, leading to confusion and mistrust. Where there is no knowledge, this presents a barrier to uptake. The likelihood of taking on insurance is quite high, as long as they get proper training.

In terms of knowledge and awareness, there was a notable difference between Makueni and Nandi. Many farmers in Makueni had heard about or engaged with agricultural insurance before, while there had been less introduction of it in Nandi. In Makueni, some farmers have heard of agricultural insurance before but have not had any training about it at all (before potentially this ACRE training), and level of knowledge differs a lot per ward. The main understanding of insurance comes from people's experience with health or vehicle insurance, but they are surprised to hear about agricultural insurance. Some people had been introduced to agricultural insurance by their neighbours and/or other people in their community.

In Nandi, there is limited to no knowledge on insurance, making it slightly more challenging to introduce it as people are very hesitant to take on concepts that are completely new to them, requiring more time and training. In both counties, where agricultural insurance is completely new, uptake is slower, because people are hesitant to try new things, "we need pioneers" who can show others insurance works. People often believe in something when they are told by others that it works. Moreover, farmers have the perception that it is a lot of effort to claim a pay-out, which would not be worth it if they don't receive the appropriate compensation.

Some people have previously received pay-outs; however, they have not understood why, and often it has taken too long to receive the compensation. Champion farmers and ward officers see that farmers who have gotten pay-outs before are following up and keen to be part of new programmes.

Figure 3 above shows the perception of farmers on whether they have enough information on agricultural insurance, showing quite an even split between Yes and No.

People are hesitant to try new things, "we need pioneers" who can show others insurance works

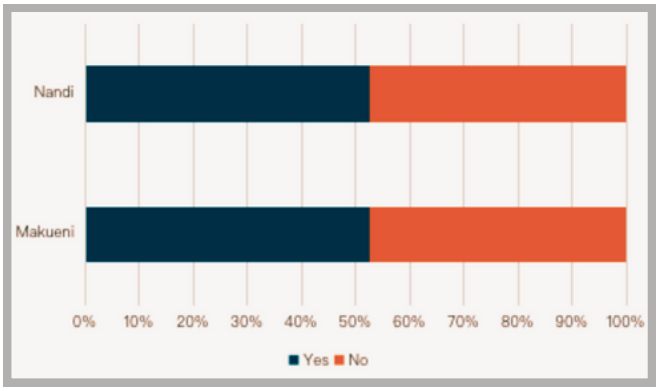

Figure 3: I feel like I have enough information and understand what I will get by paying for agricultural insurance

Training is helping people change their mindset, originally either not knowing about crop insurance, or having bad impressions due to experiences with either agricultural or other insurance, or seeing insurance brokers as "conmen". In Nandi, where there is less knowledge about agricultural insurance, farmers have less negative experiences stopping them from purchasing it.

Farmers are looking to make an informed decision, through proper sensitisation, with concrete examples on how it works, and simple contracts and explanations that outline all conditions clearly. They also want to feel important and not forgotten, as they often have when payouts take too long or don't happen.

Overall, they know that there are a lot of risks to production, and logically can see the cushioning that insurance will provide them in order to protect their livelihoods. As they can see the benefits, they are willing to pay for trustworthy insurance, although limited funds does affect this. A subsidy motivates farmers to pay for it, especially as a trial to see if it works for them. Overall, champion farmers and government officials are positive about the direction the perception of agricultural insurance is going in, but think uptake will take time, ramping up after the first few rounds when people can see it works.

However, our survey results in Figure 4 show that the majority of farmers are likely to take up insurance this season.

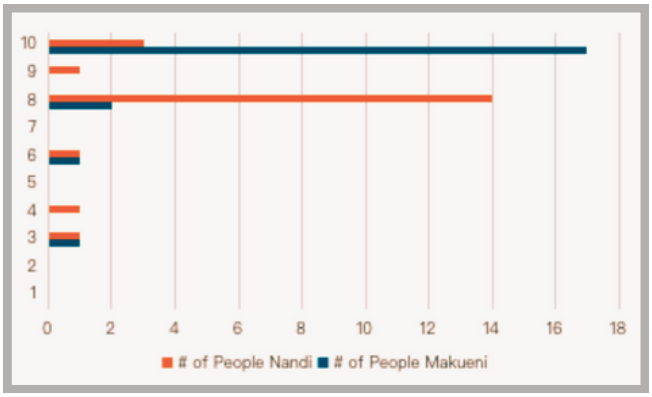

Figure 4: On a scale of 1-10, how likely are you to buy agricultural insurance this season? 1 is least likely, 10 is most likely

We have heard different, conflicting, things about the difference between men and women in uptake. Overall, it seems that men have the ultimate decision-making power, and therefore it is easiest to go to them for approval. However, we have also heard that women are more innovative and willing to listen and will go to convince their husbands for approval.

2. Farmers perception of climate risks and their ability to manage them

Summary: Farmers are very aware of climate risks and are worried about the impacts it will continue to have on their production, reaching a "breaking point". Many farmers mention many ways in which they try to protect their crops; however, what they do is not seen as enough or as a protection measure. Some farmers have no way to protect their crops, and leave it up to luck, knowing this is not the most secure way to move forward.

Our discussions with all stakeholders across both counties made it clear everyone was increasingly experiencing climate risks, ranging from increased or shifting weather patterns like rainfall and drought, to new challenges like hail and pests. Currently, agricultural insurance is not identified by farmers as a way to manage these risks. There was a mix of answers about what farmers were doing to protect themselves against climate risks. In both counties, there was a lot of uncertainty, and many farmers identified 'luck' and 'taking a risk' as how they manage these situations.

Key informant interview with agricultural extension officer trained on agricultural insurance in Nandi county

Some also mentioned they had no protection, would re-plant crops, or would skip a season if they thought there was too much risk, strongly affecting their income. In Nandi, lack of new protection measures was linked to fear among farmers to change their practices or work outside of the norm, especially because there is a big social stigma to being the first one to make these changes. There was a general consensus on uncertainty and fear amongst farmers in how to manage these risks, reaching a "breaking point". In Nandi, it was mentioned that they felt even less prepared to manage risks related to livestock.

Some ways in which farmers manage climate risks include getting information about rain from extension officers, spraying against pests and diseases, planting early maturing or drought tolerant seeds, applying conservation agriculture during land preparation, applying fertiliser and manure, intercropping, and diversification (between crops and livestock). One women's group specifically identified taking out loans as a way to mitigate risks, but mentioned the risk this brought due to interest. Lastly, some farmers identified diversifying their income base as another form of protection, finding work on other farms or outside of agriculture. Often, farmers are doing things to protect their crops, but don't identify these directly themselves formal ways to minimise risk.

3. Farmers attitude and opinion towards further farming investment (agricultural insurance and beyond)

Summary: There is a generally positive attitude from farmers about investing in protecting their crops. Many farmers also see the positive, long-term benefits of agricultural insurance in the way that it allows them to be more free and risky in their production. However, lack of funds and lack of knowledge and training, as well as mistrust, leaves uptake of any further investment very low.

There has been some positive response in terms of attitudes and opinions of investing in insurance. There is a belief that it reduces risk, and in the long term "when you are insured, you don't fear, and when you don't fear, you plant more crops ... and it enables you to grow more". Similarly, a farmer identified the possibility of increasing their flock (further investment) when they have insurance, because there is less risk.

Despite the positivity, fear, lack of knowledge, and mistrust are the main barriers to farmers taking up insurance.

This shows that insurance can improve further investment in their production. Farmers across both counties are very clear that they are willing to pay for insurance and other similar investments, even without subsidies, as long as they are properly trained and feel like they can trust the results. To change attitudes and opinions towards agricultural production specifically, incentives are a good way to get farmers motivated, especially if premiums are seen as too high. In Makueni, a government official thought insurance was picking up faster than some other climate interventions because of the subsidies many programmes provide. Other than subsidies, other incentives that farmers and other key stakeholders thought would or have worked were provision of seeds and support with land preparation, all support services to reduce the burden on farmers. Farmers still insist that incentives should come with proper training.

When you are insured, you don't fear, and when you don't fear, you plant more crops ... and it enables you to grow more.

Telling farmers they can start slowly, by for example insuring 1 acre, to see the impacts, is a good to way to make them feel more comfortable towards further investing time and money into something new. Additionally, pairing it with further training and sensitisation on regenerative agriculture has helped farmers feel more comfortable and gives them more will to protect their crops due to higher production potential, as described through an example with demo plots in Makueni. Moreover, a government official identified further commercialisation across the country as a way to increase investment into their production, given the higher incomes, stakes, and necessary productivity.

4. Farmers' level of trust in insurance institutions

Summary: Farmers' level of trust in insurance institutions is very low, caused by previous programmes as well as experience with other types of insurance. This has repercussions for the sale of insurance, as well as the level of trust in government and other people / institutions.

Figure 5 shows a generally strong feeling of reliability towards agricultural institutions, although the answers are more spread out than our other survey questions, potentially indicating some more hesitance. In Makueni, there seems to be more trust in the institutions than in Nandi, likely due to the novelty of the solution in Nandi, as explained throughout this report.

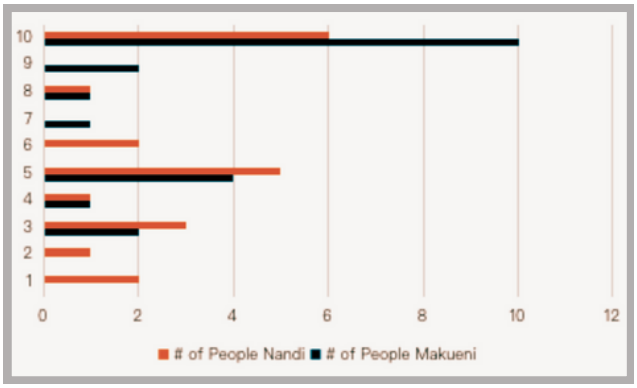

Figure 5: On a scale from 1-10, how reliable do you think agricultural institutions are? 1 is least reliable, 10 is most reliable.

In our discussions, across all stakeholders and counties, it was frequently brought up that there was lack of trust and faithfulness, in the concept of insurance, in insurance institutions, as well as those that have supported or sold it to them. This is due to a few different reasons:

- Under previous programmes, pay-outs were not made even though farmers were expecting them. Farmers believe the companies don't give them all the details, and are trying to con them.
- Farmers also don't see any effort to help or transparency from insurance institutions. In the past, no one came to visit their farms to see first-hand how climate had impacted their production, so they could not have known what happened.
- Pay-outs take very long to reach farmers after there are problems with production, some people noting it took over 2 years with no communication. Farmers depend immediately on income from their crops, and a pay-out will need to reach them directly after to support them or allow them to try again at another round of production.

Those who have had negative experiences with such programmes and institutions, feel fearful but also suffer negative consequences socially, "becoming a laughing stock" if it doesn't work out. Beyond losing trust, such negative experience also caused farmers to lose motivation and made them feel like an injustice was done to them.

As a result of problems faced in previous programmes, and the government's presence in terms of advocacy or subsidisation of these programmes, farmers are currently less likely to trust the government when it comes to agricultural insurance sales. Additionally, we heard examples of programming where the government made mistakes in distributing pay-outs to the wrong people and taking too long to make the pay-outs due to bureaucratic processes. Aside from this, it was mentioned several times that there is low trust in government and Kenyan politics, reducing the number of people who follow their recommendations. Even those that have received pay-outs, often don't know exactly what is underlying that and why they received it. Moreover, they more generally have bad experiences with health or vehicle insurance companies, similar to those described for agricultural insurance, that reduces their trust in the institutions overall.

Solutions mentioned for farmers to regain trust was the need to explain what their conditions are, and if they don't get a pay-out, talk them through why they didn't. Overall, more attention, explanation, and consistent communication and collaboration. Chiefs and government agricultural officers need to work together with other stakeholders to bring legitimacy to the product. Frequent and genuine interaction and engagement is important to gain people's trust. Other sources farmers trust getting their information from are certain radio channels, their cooperatives, partners like the Cereal Growers Association (CGA), and their neighbours and others in the community, especially village elders. There is mixed feedback about whether farmers trust their county government. Most importantly, seeing things work is better than hearing about them.

More attention, explanation, and consistent communication and collaboration.

Focus Group Discussion with women's farmer group, trained on agricultural insurance, in Makueni county

Challenges & Recommendations

From our discussions with key stakeholders and farmers, we identified some challenges in current implementation, that can serve as lesson learning for next iterations of this pilot.

1 Farmer champions have a lot of area to cover and spend a lot of time on convincing individual farmers. Moreover, they are not always known to farmers, and don't have the trust of farmers.

Recommendation 1: Farmer champions should work more closely with ward agricultural officers and chiefs to gain the trust of farmers.

Recommendation 2: There should be more farmer champions, especially in larger wards.

Recommendation 3: Ward officers should be more actively involved in programme implementation by, for example, being more active in the whatsapp groups, to show support and faith in the programme.

2 Some champion farmers faced problems with the ward officers, because they thought they were taking their jobs.

Recommendation: More attention should be paid to making sure agricultural officers are involved and know what is happening with the pilot programme.

3 Farmers doubt that champion farmers are representing a specific programme or organisation because they don't have branding, or contact / location details for ACRE Africa.

Recommendation 1: Provide branded items for champion farmers before they start training farmers in their communities.

Recommendation 2: Ensure active presence of ACRE Africa to support champion farmers, both on the ground but also through phone contact (like a call center) where people can go with questions.

4 Relatedly, there was some confusion about the details of the training by champion farmers, as they were using notes taken at the training given to them, which could be unreliable.

Recommendation: ACRE (or more generally an insurance provider) should have training materials readily available to champion farmers (for example, digitally) in which they can find details to refer back to.

5 The insurance was rolled out too late (early October), when planting had already begun, making it too late for some farmers to take advantage of it.

Recommendation: Start sales of insurance earlier.

Opportunities

From our discussions with key stakeholders and farmers, we identified some opportunities in current implementation, that can serve as lesson learning for next iterations of this pilot.

- In Makueni, it was suggested that expanding insurance to cover livestock would get more people to buy insurance.
- Bundling insurance with supplying certified seeds could be an additional incentive to take up insurance.
- Some farmers are looking to insure perennial plants, seeking insurance cover per year rather than per season.
- The October-December rains are most important in Makueni, producing most of the staple crops, so they are most likely to take out insurance during this season. On the contrary, in Nandi, the March-May season is the main growing season, leading to less uptake during the season of this pilot.

Main learnings

Some important learnings to keep in mind for future scaling are:

- Trust is the most important factor in selling insurance. This encompasses both trust in the person training and selling insurance, as well as trust in insurance institutions.
- Connection to the ground is very important, people seeing the effort put into supporting them strongly influences their chances to buy insurance.
- Subsidies are a good incentive to motivate people to trial insurance. There has been a lot of success with lessening subsidies over time, decreasing the percentage of subsidy every subsequent phase of the programme, eventually leading farmers to pay the full premium.
  - It is important to be clear about the amount that farmers will need to pay in the future from the start, to make sure they follow through and continue to buy insurance, even when the subsidy ends.
  - Some farmers said they prefer when the subsidy is less than the amount they are paying themselves, because otherwise they will lose their motivation and become dependent on the subsidy.
- Previous government programmes entail highly manual systems to collect farmer data, leading to challenges in payments and correctness of information. Digital systems are better used for collecting this information. ACRE Africa's Digibima app could be such a system, but requires improved features for a more efficient App.
- Insuring in an arid area is bound to be successful because farmers assume the probability of production issues is very high, making it a game of chance.

Focus Group Discussion with farmer group, not yet trained, on agricultural insurance in Nandi county

Trust is the most important factor in selling insurance.

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