

Mobile phones used to insure Kenyan farmers

Farmers in Kenya can now get insurance against extreme weather for seeds, fertiliser and other inputs by using their mobile phones. The project, which was launched on Friday, 5 March 2010 in Kenya's Rift Valley and Central and Western provinces, works by linking farmers, agricultural suppliers and weather stations.

Stockists scan product information using the camera on a mobile phone, then select the weather station closest to the farmer's fields. The stockist then enters the farmer's mobile number and sends the registration to the server of the Agricultural Index Insurance Initiative (AIII). An immediate text message sent to the farmer provides him with his policy number and insurance confirmation.

If farmers lose crops due to drought or floods they will receive a text message notifying of a payout through a cash transfer service. The project was piloted in 2009 and allowed farmers to receive payouts of up to 80%.

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