

# DESCARTES

## INDUSTRY OUTLOOK

## PARAMETRIC INSURANCE FOR THE AGRICULTURE INDUSTRY



### 1 AGRICULTURE & CLIMATE RISK

Agriculture everywhere depends on the weather. For each season, droughts, floods, storms or frost can cut yields and destabilize farmers' incomes. Beyond the farm, these shocks can trigger financial stress and disrupt supply chains from local markets to global brands.

This trend had accelerated over the past 30 years, with climate disasters erasing \$3.8 trillion of agricultural output globally—about \$123 billion each year.

In Europe alone, €28.3 billion are lost annually, yet only 20 to 30% are insured.

### PROTECTION GAP



€3 out of €4 lost in EU agriculture remain uninsured

### REGIONS COVERED



Europe

Americas

Africa

Asia

Australia

### 2 IMPACTS ACROSS THE VALUE CHAIN

The financial repercussions of climate events can ripple through the supply chain:

- **Producers and Cooperatives** may suffer from lower yields, revenue losses and challenges in debt servicing.
- **Processors, Traders and Agribusinesses** face supply disruptions and increased procurement costs.
- **Food and Beverage Companies** must manage continuity risks and squeezed margins.





### 3 THE VALUE OF PARAMETRIC INSURANCE

Parametric solutions are designed to close the protection gap:

- **Tailored coverage:** Fits multiple and frequent weather risks.
- **Fast payouts:** Triggered by trusted data. No costly and lengthy field inspections.
- **No uncertainty:** Parameters are pre-agreed. Compensation is known in advance.
- **Global reach:** From smallholder farmers to global brands across all regions.

We provide parametric solutions for the following climate risks:



Drought  
& Excess Heat



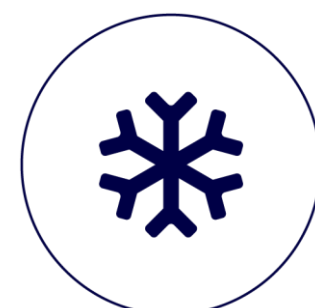
Flood  
& Heavy Rain



Low Crop Yield



Wildfire



Spring Frost



### 4 PARAMETRIC SOLUTIONS IN ACTION

#### Crop Yield

A crop cooperative exposed to multiple perils risks its annual harvest and financial stability. With a parametric cover linked to area production data, compensation is automatically triggered when yields drop below a pre-agreed level. Payouts arrive quickly to the insured, enabling the cooperative to secure its income and remain competitive despite climate shocks.

#### Drought

In regions where agriculture depends on rainfed crops, droughts can devastate yields and household incomes. A parametric cover based on a soil moisture index, built from satellite data, triggers compensation when soil water levels fall below a critical threshold. Payments are fast and require no field inspections, helping communities of smallholder farmers secure their livelihoods and maintain food security.

#### Frost

In vineyards, late spring frost can destroy buds just after they emerge, with devastating effects on yields and revenues. A parametric cover based on local temperature data automatically triggers compensation when temperatures fall below a critical threshold. Payouts are made quickly, without on-site inspections, helping wine producers recover faster, replant if needed, and protect their financial stability.

#### PARAMETRIC COVERAGE IN 3 STEPS

1



The cover is based on custom-made parameters & pre-agreed indemnity



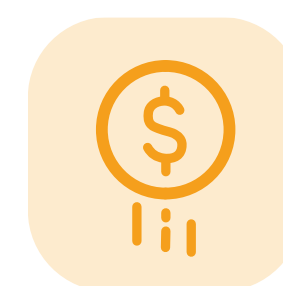
2



The evolution of these parameters is monitored using verified third-party data from reputable providers



3



When a triggering event occurs, the client notifies the insurer of their loss & swiftly receives compensation

## INTERESTED IN KNOWING MORE?

Please reach out to our commercial team!

CONTACT US



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