

A decorative border surrounds the central text, featuring various agricultural products and scenes. On the left, there are stalks of corn, a bunch of purple grapes, an orange, a black and white cow, and a red tractor. On the right, there are red grapes, a person in a white protective suit and mask, a large yellow sunflower, a white cow, and stacks of wheat. The border is framed by a red and green striped pattern.

RURAL INSURANCE IN BRASIL

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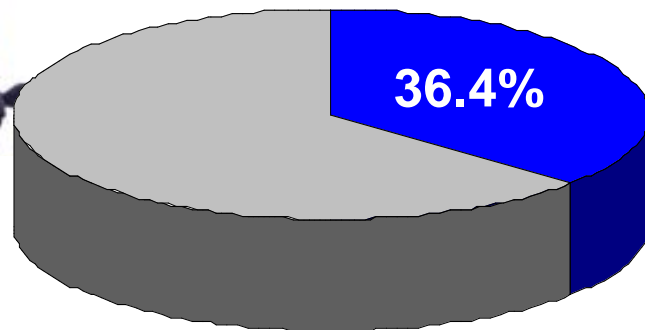
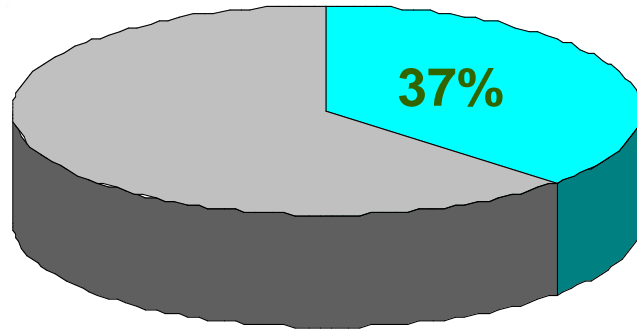
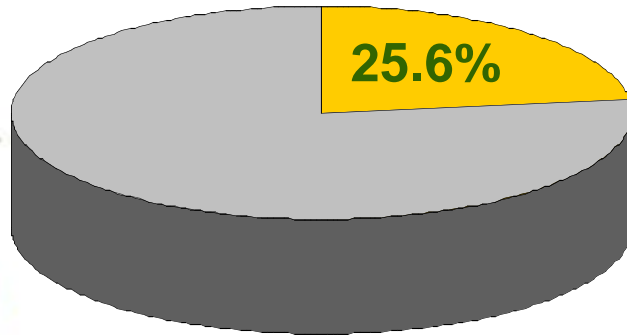
Agribusiness in 2008

BRAZIL

GDP: US\$ 1.6 trillion

Labor Force: 98.8 millions

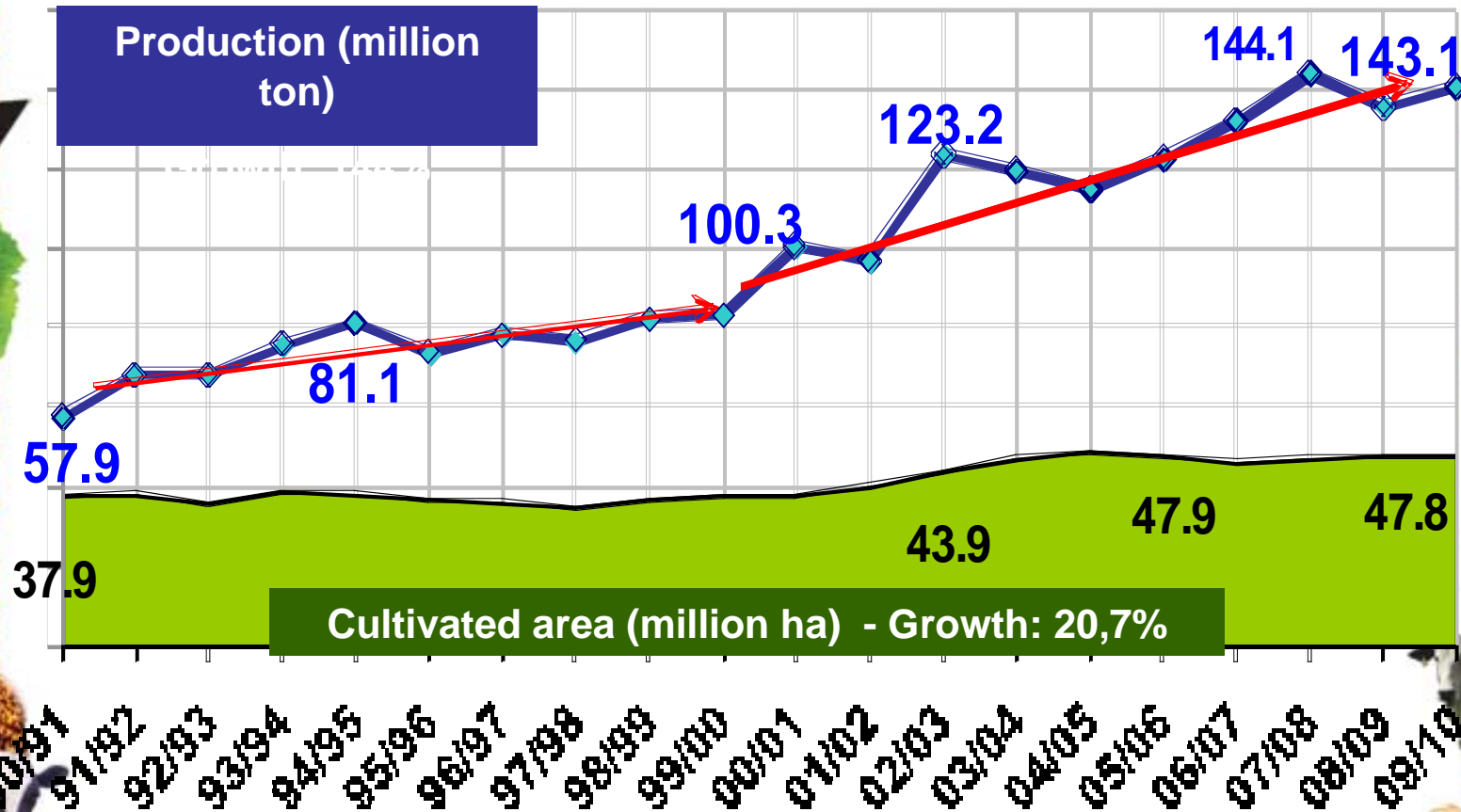
Exports: US\$ 198 billions



Land use in Brazil

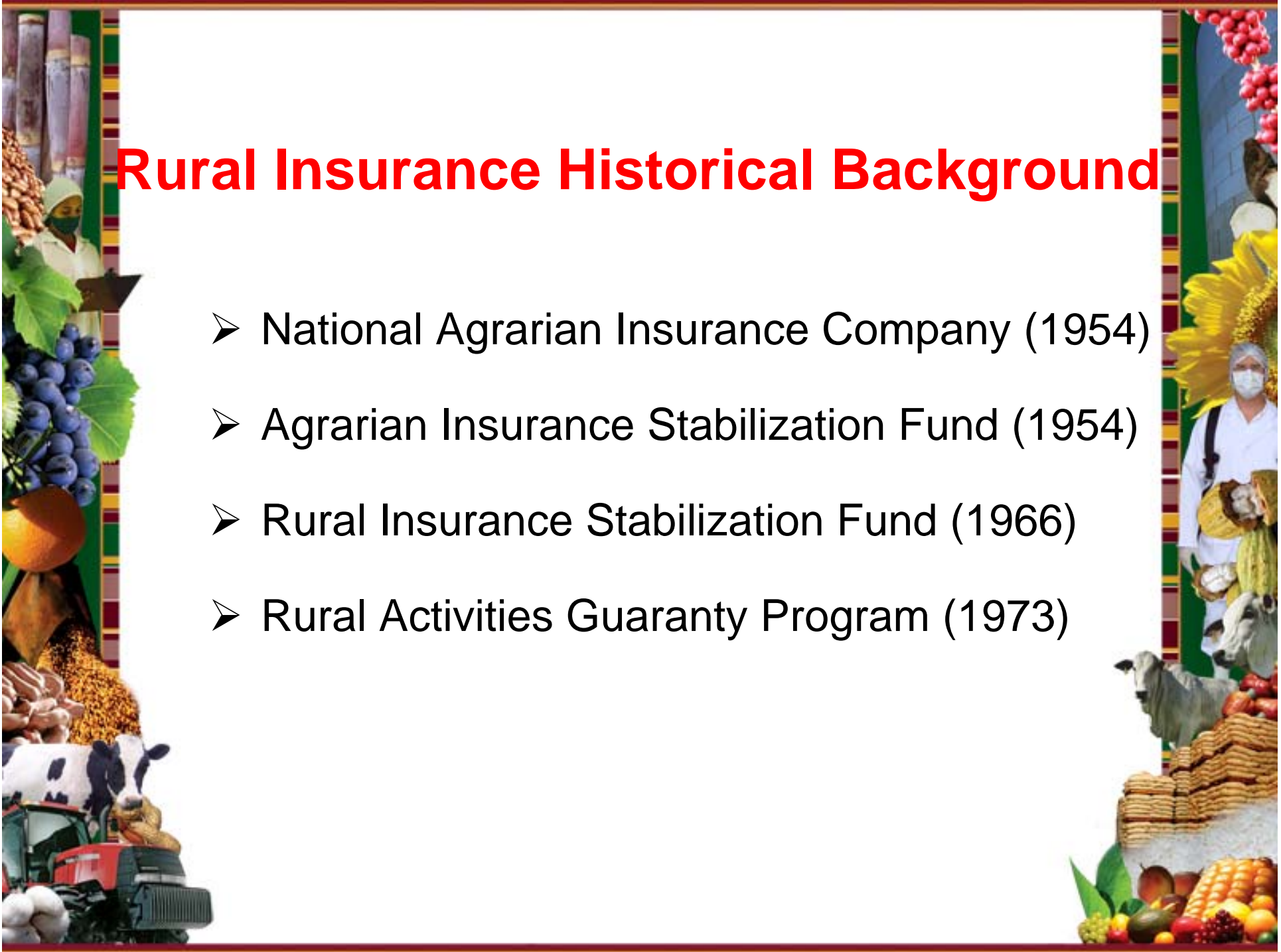
	Area	
	Million ha	%
Amazon forest	360	42%
Pasture	210	25%
Yearly and perennial crops	64	8%
Cultivated forest	6	1%
Non exploited	101	12%
Cities	20	2%
Protect areas	52	6%
Others	38	4%
Total	851	100%

Grain Production and Seeded Area



Rural Insurance Historical Background

- National Agrarian Insurance Company (1954)
- Agrarian Insurance Stabilization Fund (1954)
- Rural Insurance Stabilization Fund (1966)
- Rural Activities Guaranty Program (1973)



Rural Activity Guarantee Program PROAGRO

- Not a rural insurance program
- Governmental guarantee
- Working capital
 - Financed resources
 - Owner's resources
- Proagro Plus (2005)



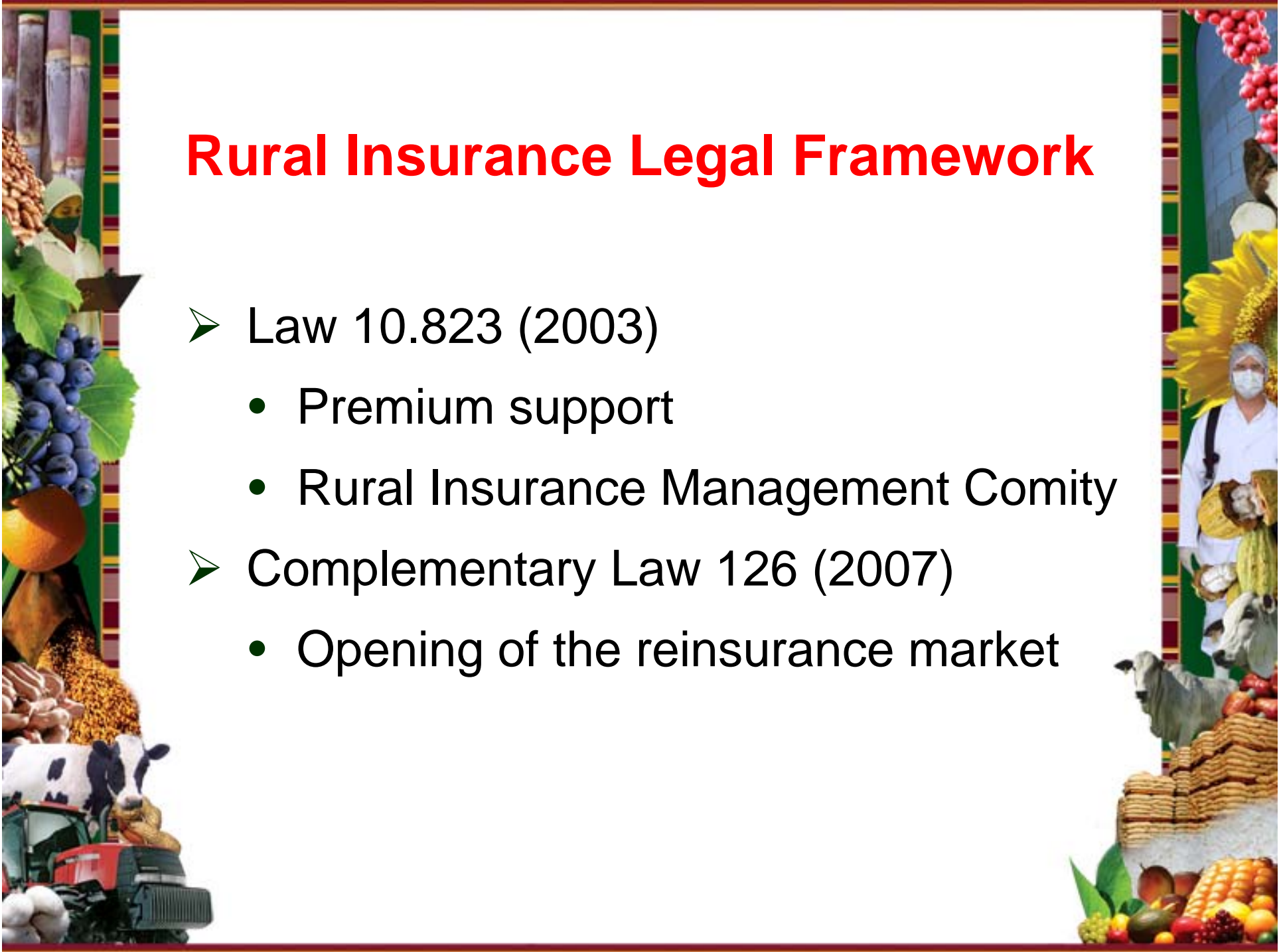
PROAGRO and PROAGRO PLUS

Jul/08-Jun/09

	PROAGRO (a)	PROAGRO PLUS (b)	TOTAL (c)	(b)/(c) %
N° of Contracts (thousand)	68.2	585.2	653.4	90
Value insured (US\$ billion)	1.4	2.7	4.0	66
Premium paid (US\$ million)	56	54	110	49
Indemnifications paid (US\$ million)	106	164	270	61
Net public expenditures (US\$ million)	52	118	170	70

Rural Insurance Legal Framework

- Law 10.823 (2003)
 - Premium support
 - Rural Insurance Management Comity
- Complementary Law 126 (2007)
 - Opening of the reinsurance market



Catastrophe Fund

- Project of Law
- Private Fund
- Resources Origin
- Fund Management



Rural Insurance Modalities

With Premium Subsidy

- Agriculture
- Livestock
- Aquiculture
- Forestry

No Premium Subsidy

- Life insurance
- Betterments in the property
- Rural Mortgage
- Rural Producer Note



Rural Insurance Growth

	2006	2009	2010
Premium Subsidy (US\$ million)	17.3	145	255.5
N° of Policies (thousand)	20.3	75	113
Capital insured (US\$ billion)	1.6	5.5	17
Area covered – Ha (million)	1.6	7.0	11

The Insurance Premium Subsidy (Producer/Year)

Coverage	Subsidy %	Limit US\$ 1,000
Agriculture	40 to 70	53.3
Livestock	30	17.8
Forestry	30	17.8
Aquiculture	30	17.8
Maximum subsidy		106.8

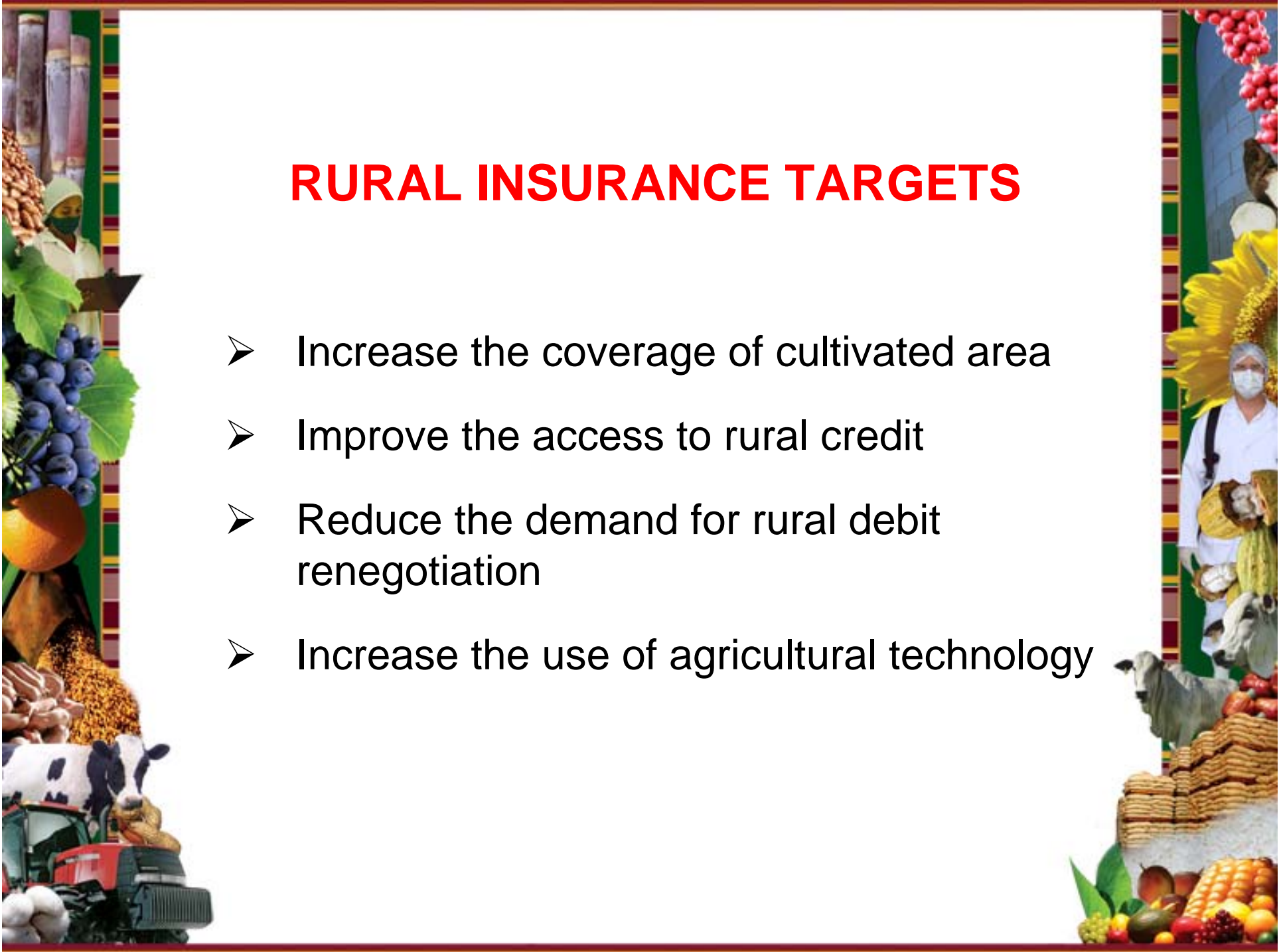
Premium Subsidy

Product	%
Agriculture	99.3
Soy	39.1
Maize	23.8
Wheat	18.7
Apple	4.1
Others	20
Livestock	0.3
Forestry	0.4
Total	100



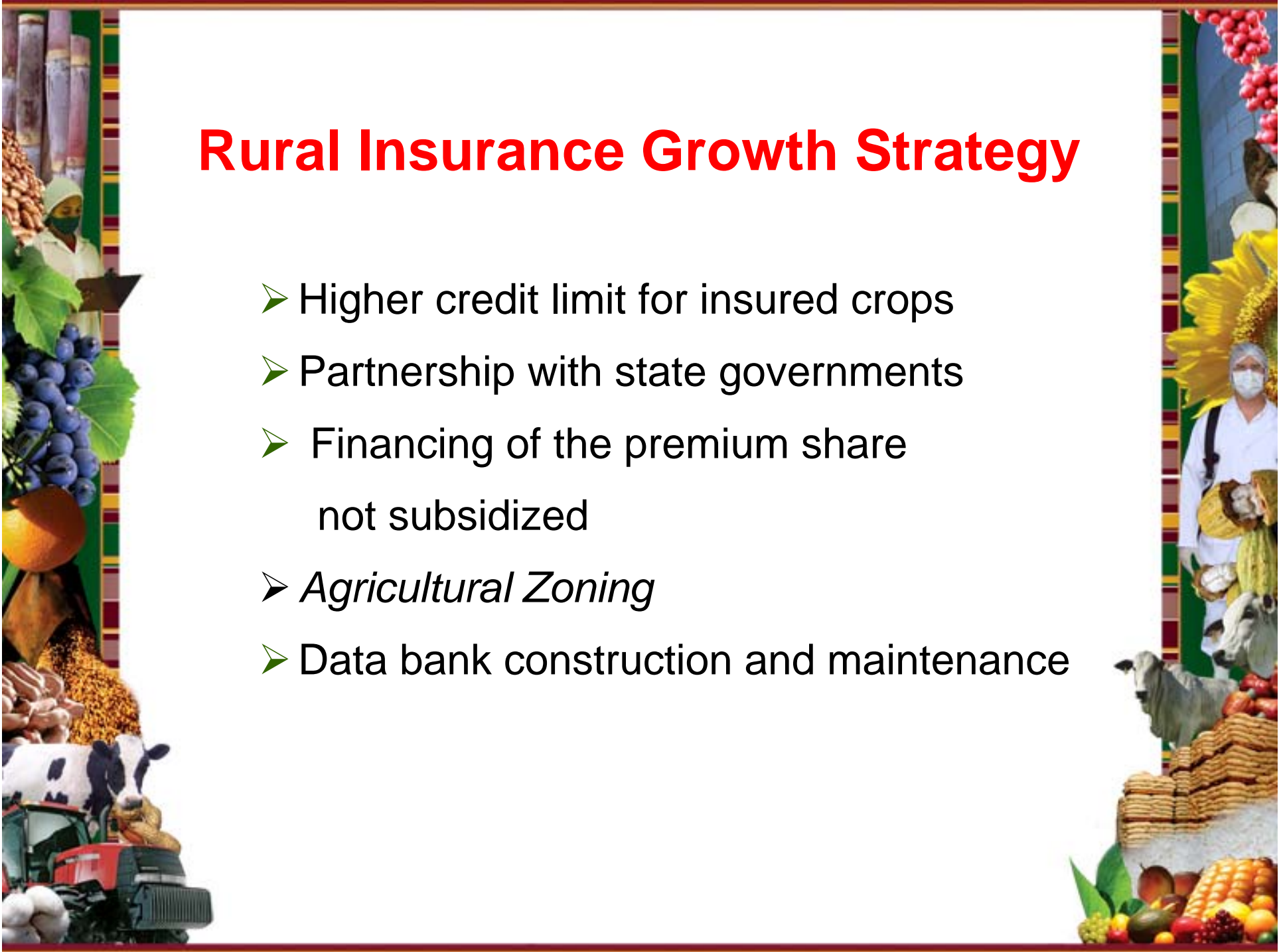
RURAL INSURANCE TARGETS

- Increase the coverage of cultivated area
- Improve the access to rural credit
- Reduce the demand for rural debit renegotiation
- Increase the use of agricultural technology



Rural Insurance Growth Strategy

- Higher credit limit for insured crops
- Partnership with state governments
- Financing of the premium share
not subsidized
- *Agricultural Zoning*
- Data bank construction and maintenance



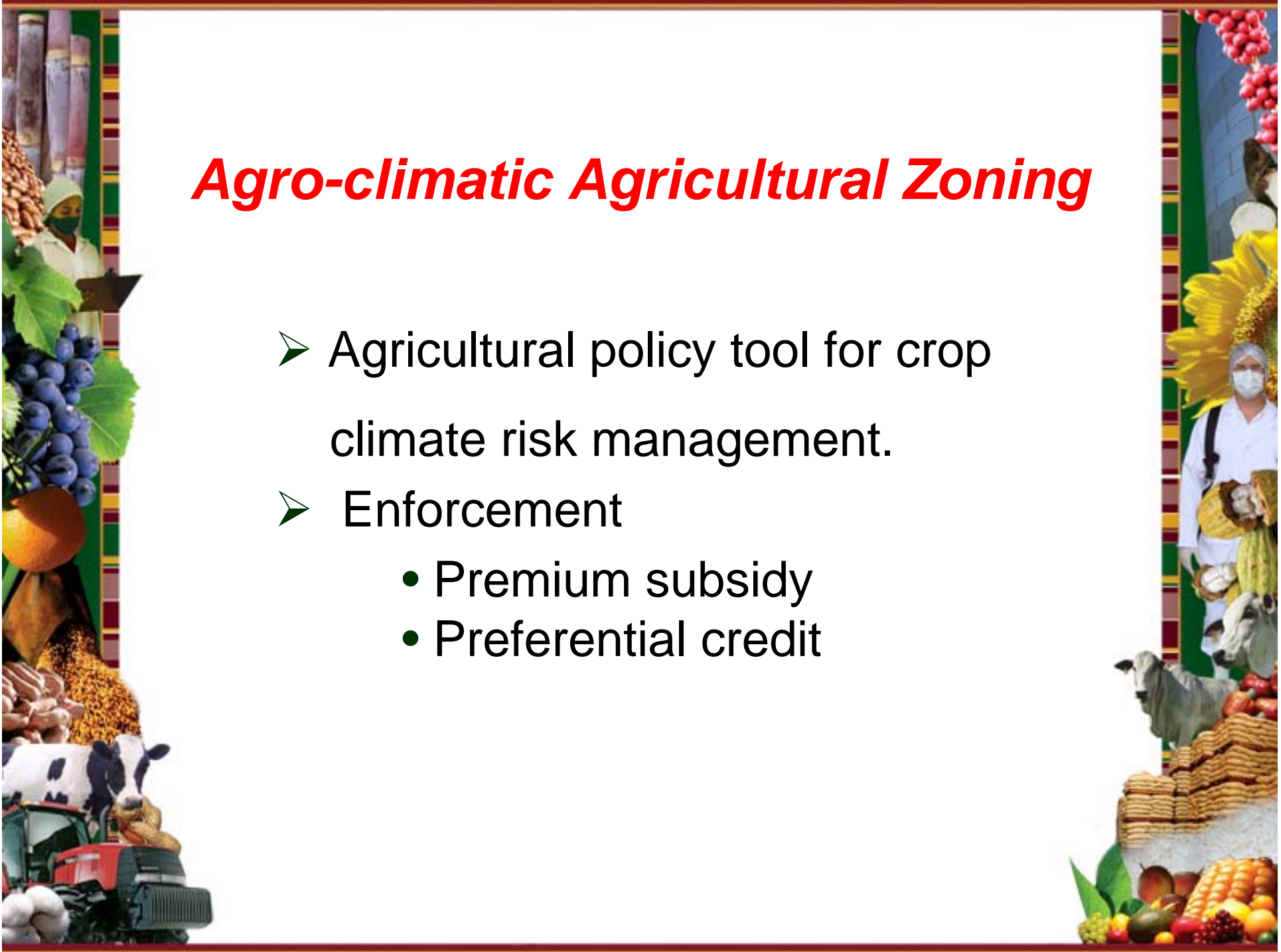
Rural Insurance Challenges

- Absence of cultural attitude in favor of rural insurance
- Low number of insurers
- Expand rural insurance coverage to all producing regions
- Budgetary constraints



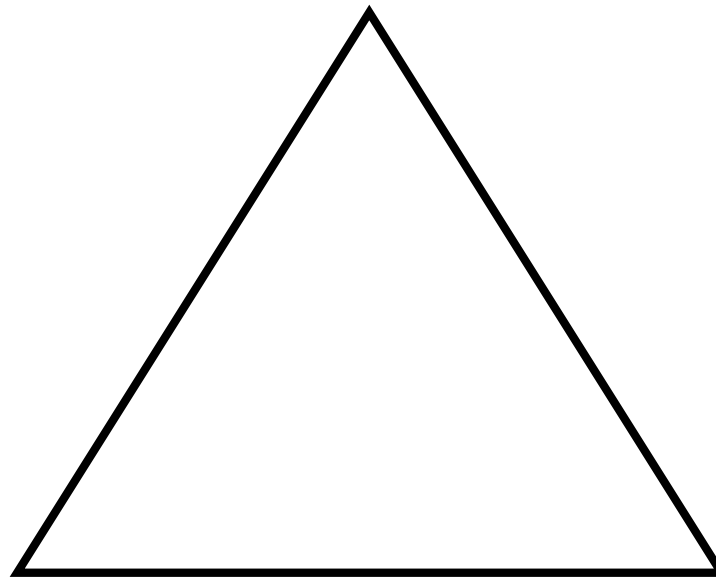
Agro-climatic Agricultural Zoning

- Agricultural policy tool for crop climate risk management.
- Enforcement
 - Premium subsidy
 - Preferential credit



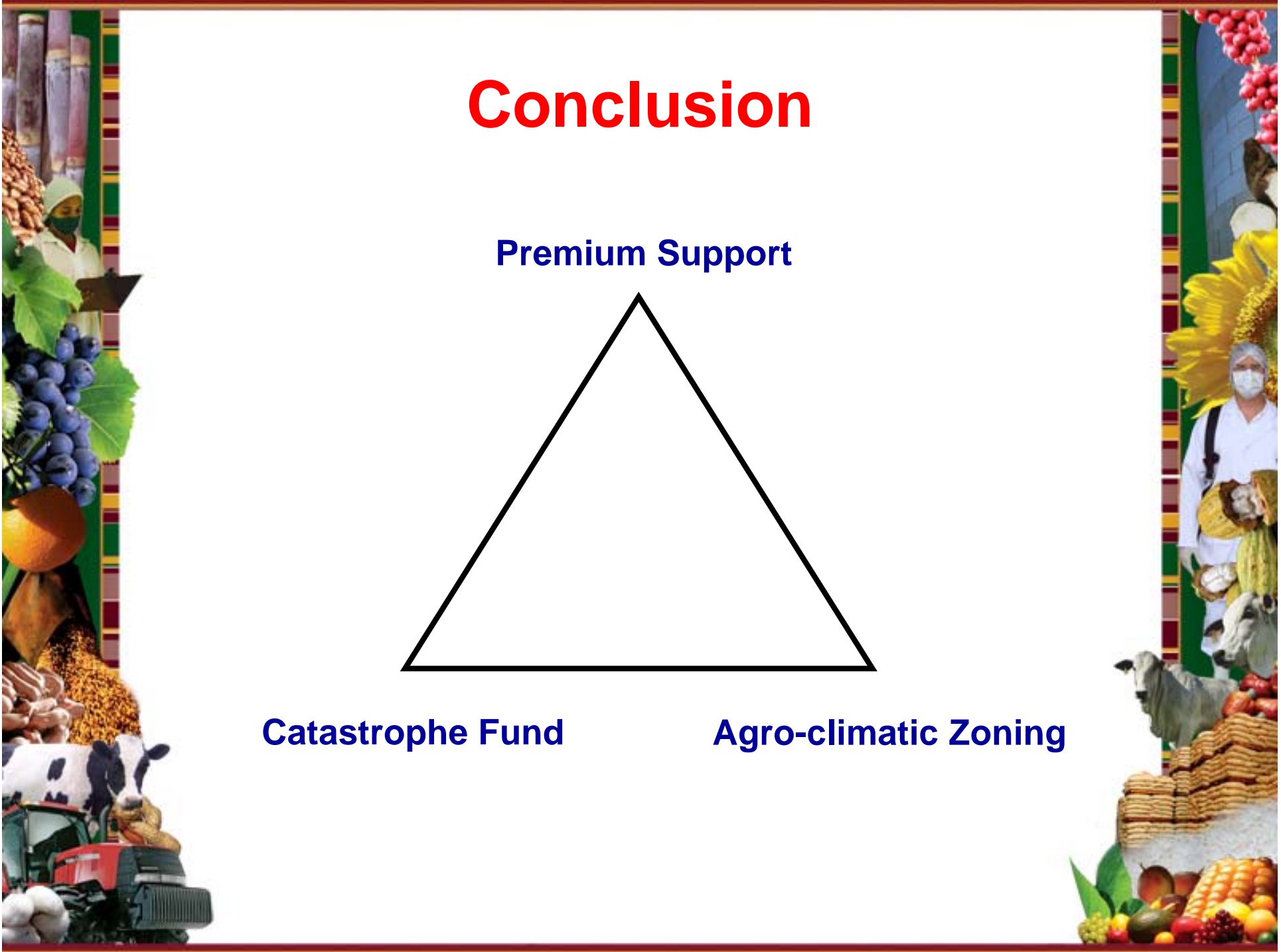
Conclusion

Premium Support



Catastrophe Fund

Agro-climatic Zoning



Thank You

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