

MANAGING RISK TO REDUCE POVERTY AMONG FARMERS IN DEVELOPING ECONOMIES



THE AMA INNOVATION LAB APPROACH TO CHRONIC POVERTY

The inherent volatility of agricultural livelihoods can keep farmers poor by discouraging investment in technologies that bring higher yields.

Index insurance avoids the high costs of traditional indemnity insurance by basing payouts on an index of weather conditions that can be used to estimate average losses in an area.

By reducing risk, index insurance can not only prevent descents into poverty but also increase opportunities to prudently invest in higher-return agricultural activities.

