



AGRICULTURE INSURANCE

PROSPERITY

Morocco's Experience



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Importance of agriculture and key risks

Agriculture in Morocco

- **Agriculture's contribution to employment, GDP and exports :**
 - **Employment:** Agriculture is the leading employer in Morocco, employing approximately 26.3 percent of the labor force in 2024 (40 percent in 2020).
 - **Gross Domestic Product (GDP):** The contribution of agriculture to Morocco's GDP fluctuates according to climatic conditions and annual performance. In 2023, it is estimated at about 10.6 percent, reflecting its importance in the national economy despite variations.
 - **Exports:** In 2023, the agricultural sector accounted for about 20 percent of the total value of Morocco's exports, highlighting its strategic role in Morocco's trade.
- **Number of farmers and herders :** The number of farmers in Morocco is estimated at about 1.4 million.
- **Main crops and types of livestock :**
 - **Crops:** Cereals dominate Moroccan agriculture, occupying about 59 percent of cultivated land. The main cereal crops include soft wheat, durum wheat, and barley. Other important crops include citrus fruits (oranges, clementines), olives, vegetables (especially tomatoes), and sugar beets.
 - **Livestock:** Morocco's livestock consists of approximately 20 million sheep, 3 million cattle, and 6 million goats.

Importance of agriculture and key risks

Main Risks to Crops and Livestock



Climatic

- *Drought*
- *Too much water*
- *Hail*
- *Frost*
- *Wind*
- *Sand Wind*



Biological

- *Locust invasions*
- *Plague of small ruminants*

Climate Change Impact on Moroccan Agriculture :

Morocco is particularly vulnerable to the impacts of climate change, especially due to its dependence on rain-fed agriculture. Variations in rainfall patterns, higher temperatures, and more frequent droughts negatively affect crop yields. For example, in 2024, the unemployment rate increased to 13.3 percent, partly due to the loss of 137,000 jobs in the agricultural sector due to the persistent drought. These challenges underscore the importance of 'climate risk insurance' to protect farmers against climate vagaries and ensure their income stability.



Institutional Framework for Agricultural Insurance

An agreement was signed in 2011 between an insurance company and the State, represented by the Ministries of Agriculture and Finance, with a view to establishing a mechanism to support the "multi-risk weather" insurance product subscribed to by farmers.

Launched in 2011/12 crop year, the product focuses on investments in inputs for major cereal crops (durum wheat, soft wheat, barley and maize) and pulses (beans, lentils, peas, chickpeas and beans) against a combination of climate hazards (drought, excess water, hail, frost, strong winds and sand winds).

Project Summary

Year of introduction

2011

Insurance Product Name

Climate Multi-Risk

Number of insurance companies

1

Benefits

*Morocco has adopted a public-private partnership model for agricultural insurance, to combine the government's strategic intervention with the operational expertise of the private sector. **This choice is based on several reasons: reducing the cost for vulnerable farmers, stability of the agricultural sector in the face of climatic vagaries, sharing of responsibilities.***

Insurance products marketed

Crop insurance	Available	Commercial (C) or Pilot (P)	Livestock mortality insurance	Available	Commercial (C) or Pilot (P)
allowance			INDEMNITY-BASED		
Named-Peril Crop Insurance. (NPCI)	X		Named peril accident & mortality	X	
Climate Multi-Risk	✓	C	All risks mortality	✓	C
Agricultural income insurance	X		Epidemic disease/ business interruption	X	
Other	X		Horse mortality	✓	C
Index-based			Index-based		
Climatic	X		Index-Based Livestock Insurance (IBLI)	X	
Satellite	X		Satellite	X	
Flood index insurance	X		Other	X	
Other	X				
Other			Other		
Greenhouses (crops + buildings)	X		Aquaculture herd insurance	✓	C
Forest/Plantation Insurance	X		Bee Insurance	X	

Inadequate supply of agricultural insurance: Overall, the main crops (including grains, pulses, oilseeds, and fruit crops) as well as major livestock types (sheep, cattle, goats) are already covered by well-established insurance products, in particular multi-risk weather insurance and livestock mortality coverage. However, specific needs emerge depending on the sector or region. Thus, new insurances are starting to be developed to meet these expectations, such as the insurance product dedicated to aquaculture.

Figures

Percentage of insured farmers

14%

Penetration rate (in terms of insured area)

20%

Figures on "multi-hazard climate risk" (2023-2024)

Number of persons insured	33.000
Insured Acreage	1,000,000 ha
Sum insured	\$1 billion
State contribution	Up to 90%
Claims paid	DH 450,000,000

Issues, challenges and future priorities

Key challenges for developing sustainable and effective crop and livestock insurance

- **Awareness and understanding of insurance products**
- **High vulnerability to climate risks (recurrent drought)**
- **Lack of reliable and up-to-date data**

Priority Needs for Strengthening Agricultural Insurance

- **Develop awareness-raising campaigns and training programs**
- **Improve data collection and use of technology**
- **Strengthen public-private partnerships to expand the reach and efficiency of insurance programs**

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