



Unlocking Brazil's Crop Insurance Market: Opportunities, Challenges, and Digital Solutions





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Introduction: Brazil's Crop Insurance Market is Modernizing

Brazil's agricultural sector is a key driver of the economy, accounting for **22% of the nation's GDP**. The country is the world's leading producer of soybeans and a major exporter of corn, beef, and coffee. Yet, less than **15% of farmland is insured**, leaving many farmers vulnerable to climate volatility, price swings, and financing risks.

The Rural Insurance Subsidy Program (PSR) and PROAGRO provide essential support, but rising climate-driven losses and inefficient claims processing highlight the need for modernization. Rather than replacing traditional insurance models, digital transformation is enhancing and scaling them—making underwriting more precise, claims processing faster, and risk assessment more reliable.

The shift won't happen overnight, but it is happening. AI-powered risk models, satellite-based claims verification, and real-time farm data analytics are gradually reshaping how insurers assess and manage agricultural risk.



Climate volatility is increasing—scalable insurance solutions must evolve with it.

Key Market Metrics

R\$1.1B in PSR subsidies (2022) covered 7.3M hectares—**less than 10%** of total farmland.

Soybeans dominate the insured market, accounting for **30% of policies and 50% of premiums**.

2021-22 drought losses exceeded premiums collected, forcing premium hikes and tighter eligibility.

MATOPIBA's rapid expansion outpaces insurance adoption, leaving farmers exposed to uninsured losses.

Brazil's Crop Insurance Market: Growth, Gaps, and Opportunities

Brazil's crop insurance sector is expanding steadily, but penetration remains low and subsidy-dependent.

- ✓ **Premium Costs:** Even with subsidies, coverage remains costly for many farmers.
- ✓ **Manual Claims & Higher Risks:** Lengthy claims validation and risks drive up costs.
- ✓ **Climate Volatility:** Extreme weather events increase payout uncertainty, making insurers cautious.

Subsidies alone won't scale Brazil's crop insurance market—digital infrastructure will.



Digital Transformation in Crop Insurance: A Competitive Edge

Brazil's gradual digital adoption in crop insurance is not about disruption—it's about precision, efficiency, and scalability.

Where Technology is Making an Impact

Rather than disrupting the market, AI-driven underwriting, satellite imagery, and automated claims processing are making it more scalable, cost-effective, and resilient.

Key Technologies Modernizing the Industry



Satellite & Remote Sensing – Real-time crop health monitoring improves underwriting accuracy.



AI & Machine Learning – Enhances risk scoring and loss prediction, cutting claim processing time.



Index-Based Insurance – Ties payouts to weather events, reducing operational costs while managing risks.



Digital Platforms & Blockchain – Speeds up policy issuance, claims processing, and transparency.

Why Digital Adoption is Now a Competitive Advantage

↑ **30%**

faster claims processing through AI-driven assessment.

↑ **40%**

reduction in operating costs for insurers using remote sensing tools.

↑ **80%+**

accuracy in yield predictions using AI and historical climate data.

Insurers that adopt these tools early won't just comply with industry shifts—they will gain a pricing and operational advantage as digital models become standard

Digital transformation isn't replacing insurance—it's making it scalable, profitable, and future-proof.

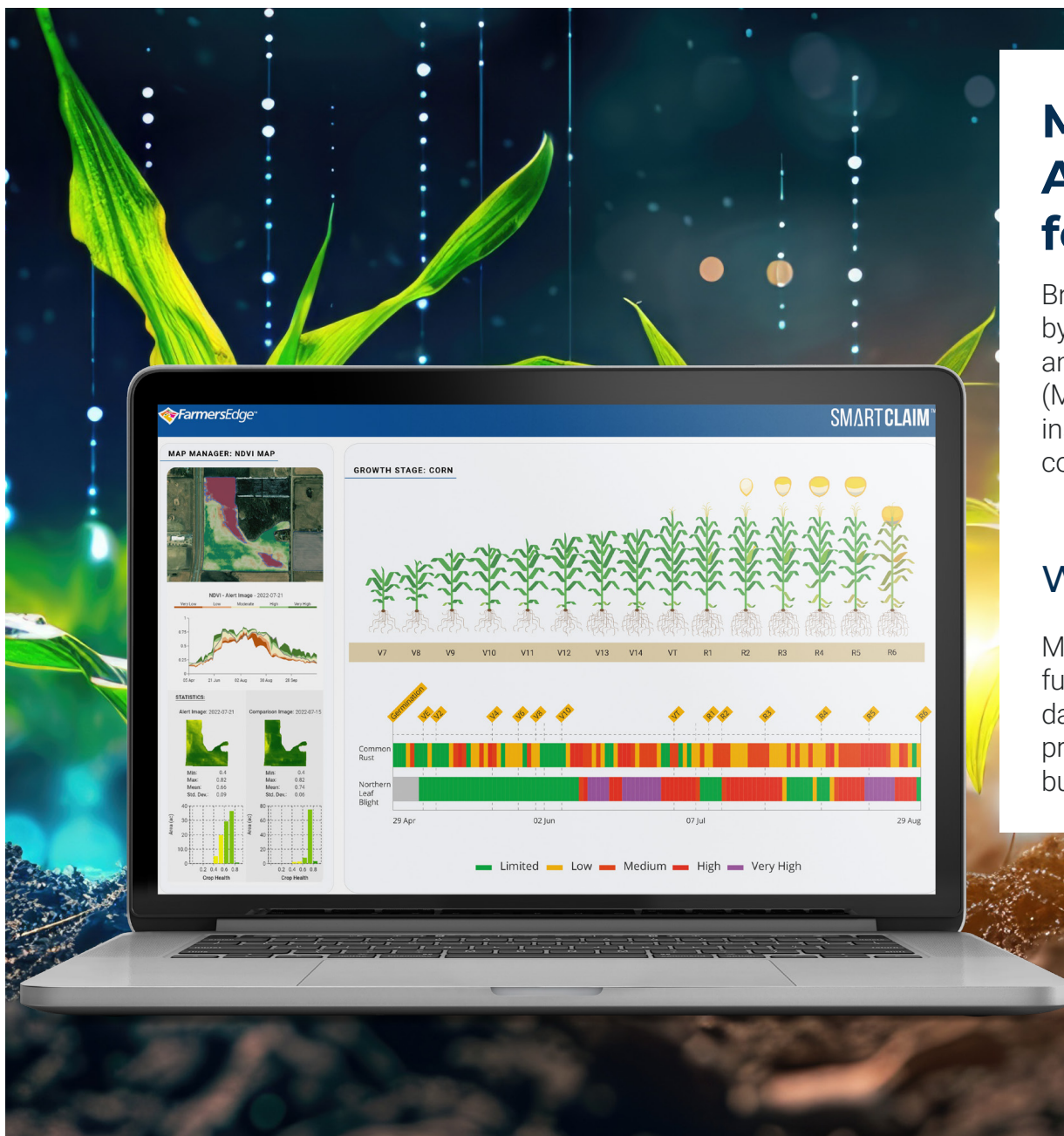


Managed Services: A Scalable Solution for Insurers

Brazil's crop insurance sector is still burdened by slow claims processing, fragmented data, and manual underwriting. Managed Services (MS) provides a scalable alternative, allowing insurers to automate key processes, reduce costs, and expand coverage efficiently.

What is Managed Services?

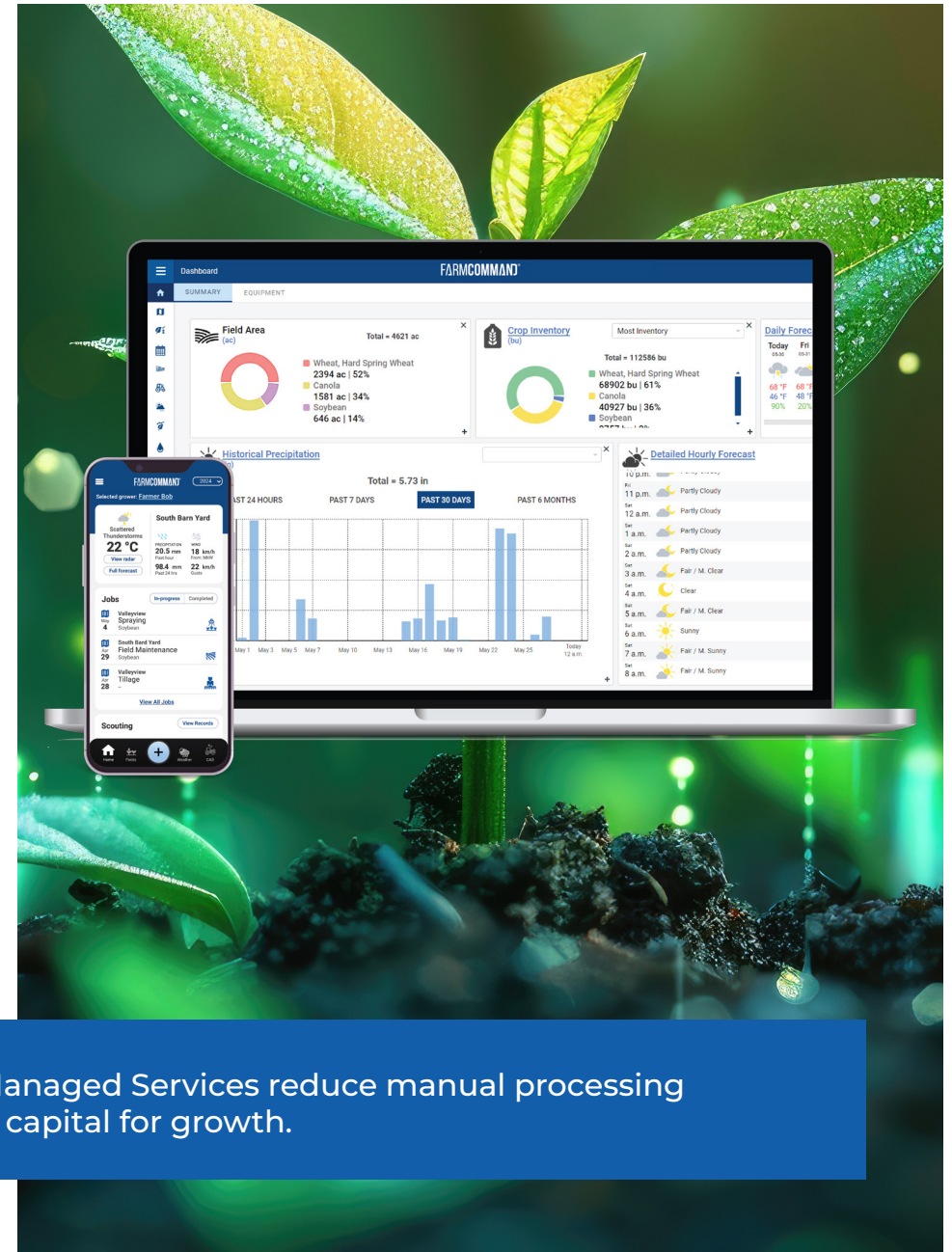
Managed Services shifts critical insurance functions—underwriting, claims validation, and data processing—to specialized third-party providers, freeing insurers from administrative burdens while improving accuracy.



Rather than building expensive in-house digital infrastructure, insurers are turning to Managed Services to drive efficiency and growth at scale.

How Managed Services is Changing Crop Insurance

- ↑ **50% reduction** in manual claims processing time using satellite-based verification.
- ↓ **Lower administrative costs**—eliminates unnecessary overhead.
- ↑ **AI-driven risk models** improve pricing accuracy and risk detection.
- ↑ **Scalable underwriting models increase** policy accessibility for smallholder farmers.



Insurers using Managed Services reduce manual processing by 50%—freeing capital for growth.

Managed Services in Action: Farmers Edge Solutions for a Brazilian Financial Lender



Project Summary

Pain Points

Difficulties on analyzing and monitoring the risk of in-season crop production and lack of remote sensing reports for Government Banks.

Solution

Crop identification, seeding date estimation, yield prediction, analysis of NDVI trends in season and 5Y historical.

Automatic monitoring CSV and PDF generation for the Central Bank requirements in Brazil.

Outcome

Enabled field-level data across 2M+ acres to enhance visibility, which reduced costly in-person site visits and improved operational efficiency.

Segments we support

We take care of the technology so you can stay focused on your core business.

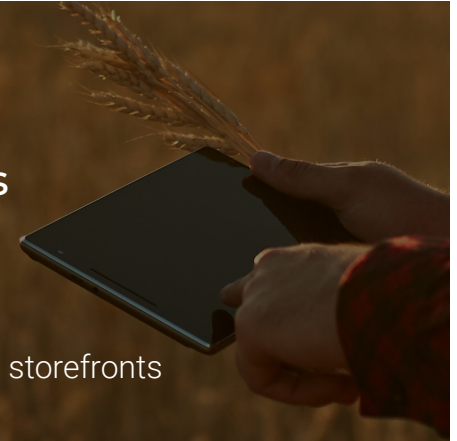
Corp InsurTech

- Data-analytics & forecasting
- Mapping & data processing
- Alerts & mobile adjusting



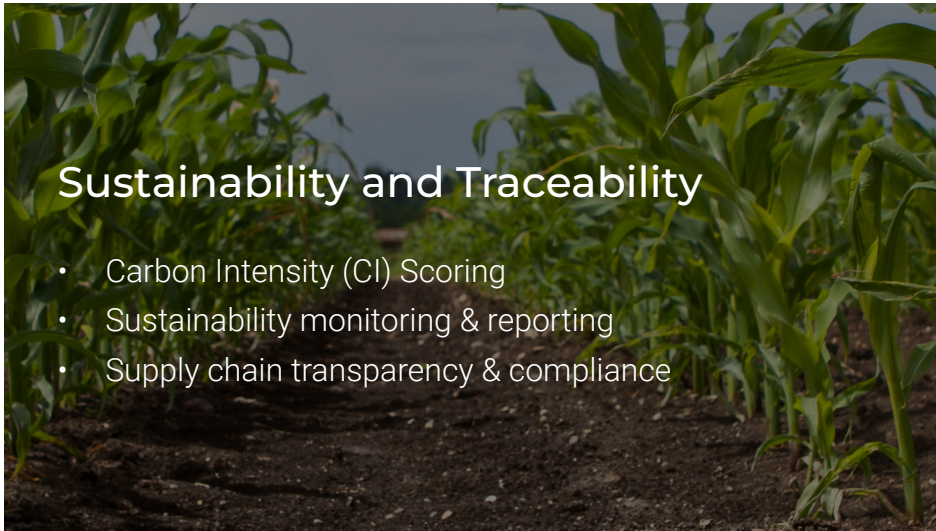
Agriculture Retailers

- Agronomic software
- Precision ag technology
- E-commerce/custom online storefronts



Sustainability and Traceability

- Carbon Intensity (CI) Scoring
- Sustainability monitoring & reporting
- Supply chain transparency & compliance



Farm Productivity

- Soil Testing
- Fertilizer Management
- Leading 4R Variable Rate Programs
- Low-carbon, high-quality grain production





Digital transformation is not a compliance checkbox—it's a competitive advantage for insurers who act now.

Conclusion: The Steady Evolution of Crop Insurance

Brazil's crop insurance market is not at an inflection point—it is steadily modernizing. AI-powered underwriting, satellite-based risk monitoring, and managed services are quietly but effectively transforming the sector.

Where the Industry is Headed

- ✓ **More automation** – AI-driven claims validation will become industry standard.
- ✓ **Increased MS adoption** – Insurers will outsource underwriting functions to scale efficiently.
- ✓ **New risk models** – Index-based and precision-driven insurance will expand coverage.
- ✓ **Public-private collaboration** – Insurers will work with government programs to expand access.

Rather than waiting for regulations or competitors to force change, insurers should lead the shift toward scalable, data-backed insurance models. Those who invest early in automation, AI, and managed services will have a first-mover advantage in an increasingly digital market.



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