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Land Bank Insurance Company

The Land and Agricultural Development Bank of South Africa
P O Box 375 Pretoria 0001
272 West Avenue, Lakefield Office Park, Building A, First Floor,
Die Hoewes, Centurion
Co. Registration No. 2012/115426/30 VAT no. 4600269700



Tel: +27 (012) 686 0500
Fax: +27 (012) 686 0581
Web address: www.lbic.co.za

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Land Bank Insurance Company urges emerging farmers to insure their operations

Land Bank Insurance Company is urging New Era (emerging) farmers to gain an understanding and appreciation of the importance of insuring their farming assets, as unforeseen events could have a catastrophic impact on their ability to continue farming.

Pascal Siphugu, Managing Director of Land Bank Insurance Company, has revealed that the low rate of insurance coverage among New Era farmers is a major concern for the organisation, as it means that many of these farmers are potentially exposed to risks that can effectively shut down their farming operations.

“We would like to strongly encourage emerging farmers to insure their assets, including livestock, crops, equipment and buildings in the event of an unfortunate and unforeseeable event. Without insurance coverage, these farmers could see their operations effectively wiped out and it would be almost impossible for them to re-establish themselves in the sector,” he said.

“Not being insured against a catastrophic event could easily destroy all the hard work that these farmers put in with the support of Land Bank. It is simply not worth taking the risk.”

Siphugu was speaking at an event organised by Land Bank at the annual Grain SA’s NAMPO Harvest Day, taking place from 14 to 17 May. NAMPO Harvest Day is one of the biggest annual agricultural exhibitions under private ownership in the southern hemisphere and is held just outside of the town of Bothaville, in the Free State.

He noted that Land Bank Insurance Company has a strong social mandate to help with food security, rural crime and curb unemployment in rural economies. Its current book comprises 99% of established or commercial farmers, but the organisation wants to move aggressively into New Era or emerging farmers with the same goals of impacting local economies.

“Through our broker network, we are also keen to educate emerging farmers of the need to first treat their farming operations as business enterprises and as such there is a need to protect their assets and other risks through insurance to ensure business continuity,” said Siphugu.

“Our broker network is familiar with the different risks and challenges that are specific to the various types of agriculture within the different regions of South Africa. These expert brokers are ideally positioned to assess the specific risks and needs of individual farmers and advise them about the optimal insurance coverage that their respective operations would benefit from.”

Siphugu noted that with decades of experience, the Land Bank Insurance Company has tailor-made offerings for farmers. With 27 financial centres and satellite offices around South Africa the Land Bank’s nationwide footprint and resources enable the provision of insurance services to the whole country.

E-mail address: lbic@landbank.co.za

Ms E Pillay (Chairperson), Mr T Siphugu (Managing Director), Mr SDC Masuku, Ms M Bosman, Ms D Subbiah, Mr KG Sukdev, Prof J Kirsten, Adv D Van Der Westhuizen

Adv B Raseroka (Company Secretary)

“Insurance is often considered a grudge purchase until something happens. Emerging farmers must act responsibly and protect themselves against the multitude of risks that they face by getting the right insurance coverage,” he says.

The Land Bank Insurance Company’s asset insurance covers everything that has to do with farming requirements, such as vehicles, fencing, irrigation systems, machinery, livestock and computers. A farmer’s assets will be insured against fire, flooding, theft and natural disasters amongst other risks.

Crop insurance provides farmers with financial security and protection on their investments. The product covers them in case of crop failure due to excessive hail, frost, wind and physical damage to the whole or part of their insured crop, which would otherwise mean a loss of income.

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Enquiries Rebecca Phalatse- General Manager: Marketing & Communications
Cell: 074 159 6833 or Email: rphalatse@landbank.co.za