

Why the Food & Agriculture Industry Needs Cyber Insurance

When most people think of industries vulnerable to cyber attacks, chances are that they gravitate towards something they associate with technology. However, few people would ever think of the food and agriculture industry. Despite agriculture being one of the most critical economic sectors, there is little discussion about it in the cyber world.

Perhaps that lack of attention is because people still think farming technology consists of a bright red tractor and a pickup truck. In reality, the food and agriculture industry is full of advanced technology and automated farming techniques, including:

- Variable-rate technology
- GPS-operated autonomous equipment
- Automated food processing
- Remote sensing
- RFID tags
- Drones

The future of farming is technology and automated processes. While that innovation will maximize crop yields and minimize disease, it will also introduce more cyber risk. It's time for food and agriculture businesses to mitigate cyber risks with cyber insurance.

The Cost of a Cyber Attack

Given its time-sensitive seasons, the agriculture industry is particularly vulnerable to cyber attacks. If a hacker lies low and attacks just before the short sowing or harvesting periods, they can have a profound effect. Such effects include:

- Lost revenue
- Compromised equipment
- Reputational damage

Ask your clients, what would they do if they were hit with ransomware and could not turn on their computers or phones? Would they pay the ransom to get back up and running? How would they pay it- get the bitcoin themselves? Do they know any cyber lawyers or third party forensics firms to get them back up and running? What would they do if they were hit with a social engineering attack? Are they prepared if a hacker stole funds or diverted supplies and stole them?

Outside of any individual business, a widespread cyber attack on the agriculture industry could have unheard-of repercussions on a country-wide level. If cyber attacks can take down just a few of the key players in the agriculture sector, the United States could see massive food shortages and enter a state of emergency.

Implementing Cyber Security Protocols

Given the constantly growing risk for cyber insurance providers, most carriers will not even ensure a food or agriculture business if they do not already have some level of cybersecurity measures in place. Those precautions include:

- Cybersecurity training
- Backup data
- Network segmentation
- Anti-malware software
- Regular patching and software updates
- Multi Factor Authentication, Endpoint Protection, Segregated Backups, etc.

What Does Cyber Insurance Cover?

First-Party Coverage

- Repairing digital assets and affected physical equipment
- Hiring forensic IT consultants to determine the breach's origin
- Outsourcing support to manage impacted clients
- Following state-specific reporting guidelines

Third-Party Coverage

- Legal representation
- Document preparation
- Regulatory fines
- Payouts to affected customers

A Real World Example

AGCO, a worldwide manufacturer and distributor of agricultural equipment and infrastructure, was the **victim of a ransomware attack** discovered on May 5th of 2022. The attack **shut down AGCO** until May 19th, costing the business downtime and recovery fees. They plan to attempt to ramp up production for the rest of 2022 to recover from their losses.

Unfortunately, AGCO was far from the only agricultural business that fell victim to a cyber attack in 2022. While cyber attacks against any link in the farm-to-table chain can happen at any time, there is a trend where hackers target vital seasons.

In addition, cyber attacks are **just as relevant for small agricultural players** as they are for large ones. Brian Thornton, CEO of ProWriters, recommends the following article highlighting the issues facing small agricultural businesses: [Agriculture Industry on Alert After String of Cyber Attacks](#).

From big to little contributors, the agriculture industry needs cyber insurance. If you engage in any of the following activities, you need cyber insurance:

- Utilize smart agriculture
- Use technology to communicate with suppliers or customers
- Store financial files or other data online
- Have a database of supplier contracts or assets stored digitally
- Let employees access systems from personal devices

Invest in cyber insurance today.