RISK MANAGEMENT IN THE COMMON AGRICULTURAL POLICY
EXAMPLE OF MUTUAL FUNDS

6 JUNE 2018
SAN PETERSBOURG
SUMMARY

- DATA
- RISK MANAGEMENT TOOLS IN THE CAP
- EXPERIENCES OF MUTUAL FUNDS IN ITALY
- MANAGED BY CONDIFESA
## INSURANCE SUBSIDIZED CONTRACTS DATA IN ITALY

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<tbody>
<tr>
<td><strong>TOTAL PREMIA</strong></td>
<td>.000 €</td>
<td>265.033</td>
<td>292.888</td>
<td>338.059</td>
<td>317.210</td>
<td>285.502</td>
<td>338.797</td>
<td>321.658</td>
<td>485.623</td>
<td>384.679</td>
<td>357.988</td>
<td>373.656</td>
<td>373.656</td>
<td>40,98%</td>
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<td><strong>COMPENSATIONS PAID</strong></td>
<td>.000 €</td>
<td>145.975</td>
<td>184.626</td>
<td>272.711</td>
<td>234.781</td>
<td>169.259</td>
<td>215.824</td>
<td>231.022</td>
<td>268.254</td>
<td>316.362</td>
<td>216.696</td>
<td>180.830</td>
<td>494.215</td>
<td>238,56%</td>
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INSURANCE SUBSIDIZED CONTRACTS DATA IN ITALY

- **Insurance Value (thousand)**
- **TOTAL PREMIUM (thousand)**

Graph showing the trend of insured value and total premia from 2006 to 2016.
ITALIAN AGRICULTURAL INSURANCE - CROP POLICIES

Insurance rate %

Insurance rate (net ot adjusted loss expenses)
INSURED FARMERS 2016

THOUSAND

- CROPS: 42
- GRAPES: 25
- LIVESTOCK: 12
- NURSERIES: 2
INSURED VALUE 2016
EVENTS COVERED

- 3 FREQUENCY EVENTS: 67%
- 9 CATASTROPHIC EVENTS: 16%
- CATASTROPHIC EVENTS + 3 FREQUENCY EVENTS: 17%
RISK MANAGEMENT TOOLS

UE REG. 1308/2013
- GRAPES INSURANCE MCO ART.49
- CROP LIVESTOCK PLANTS INSURANCE (ART.37)

UE REG. 1305/2013
- MUTUAL FUNDS (ART.38)
- IST (ART.39)

ITALIAN LAW 102/2004
- NURSERIES
- CARCASS DISPOSAL
GEOGRAPHIC AREAS

NORTHERN ITALY: 79%
SOUTHERN ITALY: 13%
CENTRAL ITALY: 8%
BUDGET
RDF – NATIONAL COFINANCING

RISK MANAGEMENT TOOLS ARE PART OF A NATIONAL RURAL DEVELOPMENT PROGRAM

| RISK MANAGEMENT | 1,535,534,479 | 72% |
CONTRIBUTION ON CROP INSURANCE COVERED DAMAGES CAUSED BY ADVERSE CLIMATIC EVENTS, ANIMAL AND PLANT DISEASES

70% OF INSURANCE COST

PRODUCTION LOSS (QUANTITY AND QUALITY) >20% OF THE AVERAGE PRODUCTION OF INDIVIDUAL FARMER
FINANCIAL CONTRIBUTION TO MUTUAL FUNDS

• DAMAGES CAUSED BY ADVERSE CLIMATIC EVENTS, ANIMAL AND PLANT DISEASES, ENVIRONMENTAL ACCIDENTS

• 70% OF COMPENSATIONS PAID BY FUNDS TO ASSOCIATED FARMERS OR 70% OF THE CAPITAL STOCK OF THE FUND OR 70% OF ANNUAL CONTRIBUTION PAID BY THE FARMERS

• EVENTS SHALL DESTROY MORE THAN 30% OF AVERAGE PRODUCTION OF FARMER (3/5 PRECEDING YEARS)
INCOME STABILISATION TOOL

• FINANCIAL CONTRIBUTIONS TO MUTUAL FUND PROVIDING COMPENSATION TO FARMERS FOR A SEVERE DROP IN THEIR INCOME

• 70% OF THE COMPENSATION PAID BY FUNDS TO ASSOCIATED FARMERS OR 70% OF THE FUND CAPITAL STOCK OR 70% OF THE ANNUAL CONTRIBUTION PAID BY THE FARMERS TO THE FUND

• MANDATORY REQUIREMENT: THE DROP OF INCOME EXCEEDS 30% OF THE AVERAGE ANNUAL INCOME OF THE INDIVIDUAL FARMER
SPECIFIC SECTOR INCOME STABILISATION TOOL

• FINANCIAL CONTRIBUTIONS TO MUTUAL FUND PROVIDING COMPENSATION TO FARMERS FOR A SEVERE DROP IN THEIR INCOME

• 70% OF THE COMPENSATION PAID BY FUNDS TO ASSOCIATED FARMERS OR 70% OF THE FUND CAPITAL STOCK OR 70% OF THE ANNUAL CONTRIBUTION PAID BY THE FARMERS TO THE FUND

• MANDATORY REQUIREMENT: THE DROP OF INCOME EXCEEDS 20 % OF THE AVERAGE ANNUAL INCOME OF THE INDIVIDUAL FARMER
# MAIZE MUTUAL FUND – VENETO MUTUAL FUND

| RISKS COVERED | LOWER PLANT YIELD DUE TO:  
|              | ADVERSE WEATHER CONDITIONS (I.E. DROUGHT, FLOODING, FREEZING COLD)  
|              | SOIL PESTS (E.G. WIREWORMS, BLACK CUTWORMS)  
|              | DISEASES (FUSARIUM - ROTTEN ROOTS - DIABROTICA)  
|              | WILD FAUNA |
| BENEFICIARIES | FARMERS ASSOCIATED TO CONDIFESA |
| RULES | IMPLEMENTATION OF GOOD CULTIVATION PRACTICES;  
|       | IMPLEMENTATION OF DIRECTIVE 128/2009/EC;  
|       | FOLLOW SPECIFIC RULES OF BEST PRACTICES REQUIRED BY VENETO REGION |
| COSTS | € 3-5/HA (INCLUDING FLOODING, EXCESSIVE RAINFALL, FROST, DROUGHT, PEST RISK) |
| COMPENSATION | UP TO € 500/HA INCLUDING:  
|              | • RESEEDING (UP TO € 250/HA)  
|              | • YIELD REDUCTION (UP TO € 250/HA) BASED ON SOWING DELAY, CROP CHANGE  
|              | • UP TO € 1000/HA FOR DIABROTICA DAMAGES |
| **RISKS COVERED** | INCOME LOSS BIGGER THAN 30% OF AVERAGE INCOME FOLLOW EU REGULATION COSTS CALCULATED APPLYING STANDARD INDEXES INDEX: DATA PROCESSED BY SCIENTIFIC PUBLIC INSTITUTION OF AVERAGE COSTS OF EVERY PRODUCT – OFFICIAL DATA OF STANDARD FARM APPLYING GOOD CULTIVATION PRACTICES |
| **BENEFICIARIES** | FARMERS ASSOCIATED TO CONDIFESA |
| **RULES** | FARMERS PAY ANNUAL CONTRIBUTION TO CAPITAL STOCK OF THE FUND (RELATED TO RISKS, PRODUCTION, SURFACE OF THE FIELDS, ETC. OF THE SINGLE FARMER) THE ADHESION TO A COLLECTIVE INSURANCE MULTIRISKS POLICY IS MANDATORY SPECIFIC RULES OF BEST PRACTICES REQUIRED BY CONDIFESA |
| **COSTS** | FUND COULD STIPULATE AN INSURANCE POLICY TO COVER SUBSIDIES PAID TO FARMERS (NOT CONTRIBUTED) |
| **COMPENSATION** | MAXIMUM 70% OF THE REAL LOSS NET OF PUBLIC CONTRIBUTION, INSURANCE COMPENSATION |
THANK YOU FOR YOUR ATTENTION
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