

RISK MANAGEMENT IN THE COMMON AGRICULTURAL POLICY EXAMPLE OF MUTUAL FUNDS



**6 JUNE 2018
SAN PETERSBOURG**



ASNACODI
associazione nazionale condifesa

SUMMARY

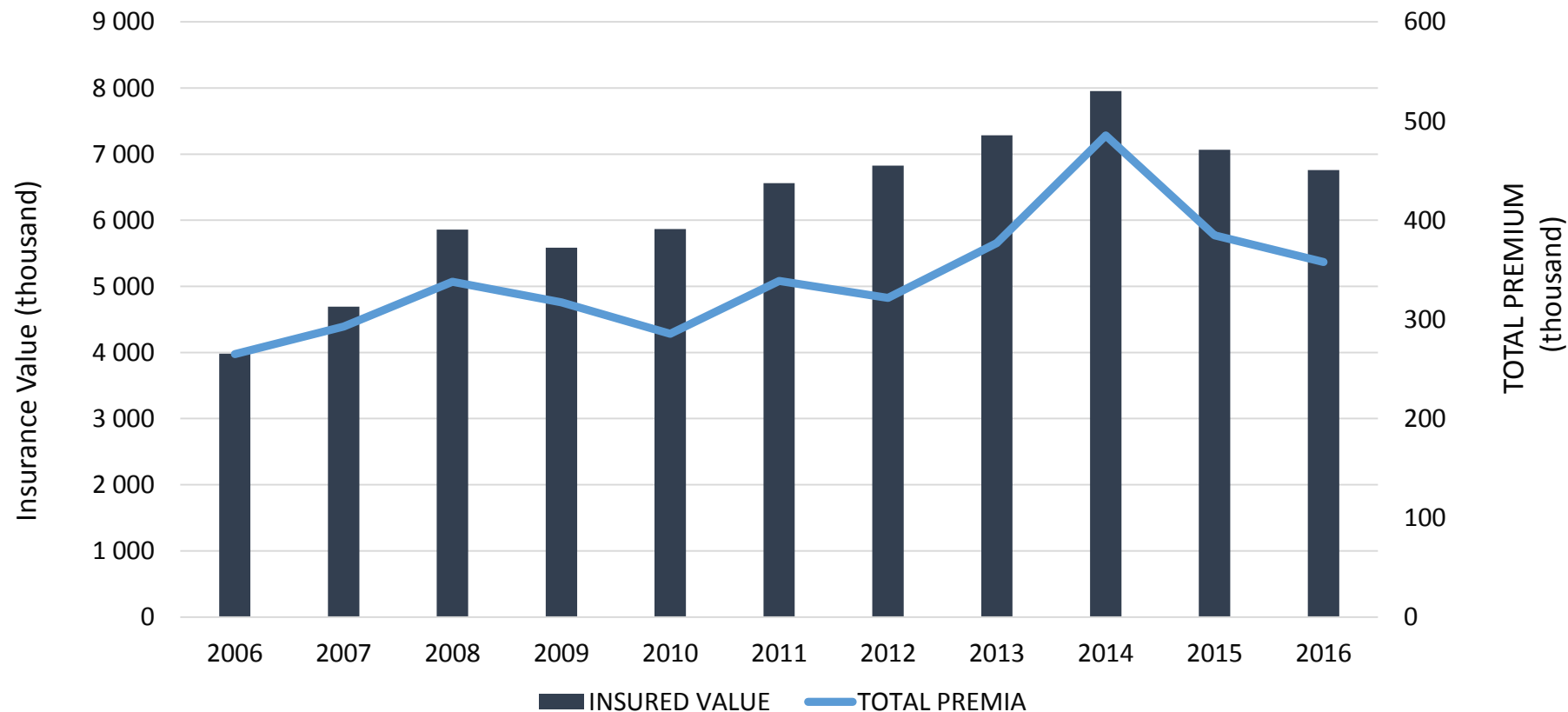
- DATA
- RISK MANAGEMENT TOOLS IN THE CAP
- EXPERIENCES OF MUTUAL FUNDS IN ITALY
- MANAGED BY CONDIFESA



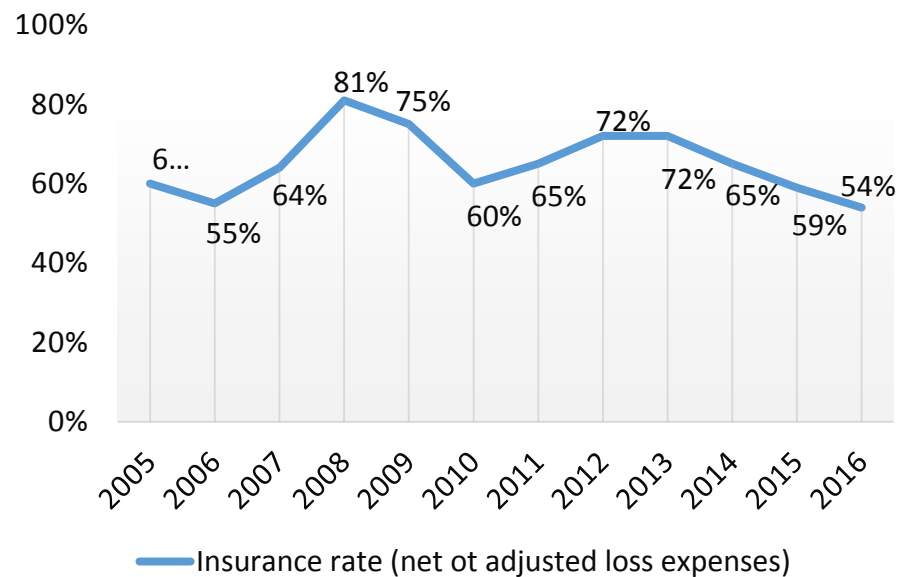
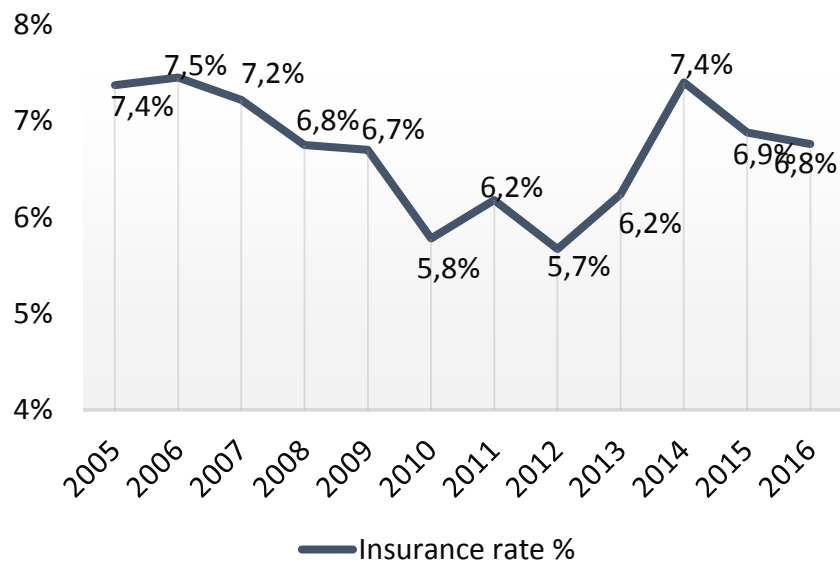
INSURANCE SUBSIDIZED CONTRACTS DATA IN ITALY

	MU	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	VARIATION 2006- 2017
INSURANCE CERTIFICATION	n.	216.171	241.857	272.082	233.668	217.072	210.207	214.711	215.842	206.395	176.109	166.552	157.654	-27,00%
INSURED VALUE	.000 €	3.982.341	4.690.900	5.858.133	5.586.167	5.865.181	6.559.088	6.826.557	7.282.590	7.951.793	7.064.075	6.758.842	7.009.557	76,01%
TOTAL PREMIA	.000 €	265.033	292.888	338.059	317.210	285.502	338.797	321.658	376.892	485.623	384.679	357.988	373.656	40,98%
COMPENSATIONS PAID	.000 €	145.975	184.626	272.711	234.781	169.259	215.824	231.022	268.254	316.362	216.696	180.830	494.215	238,56%

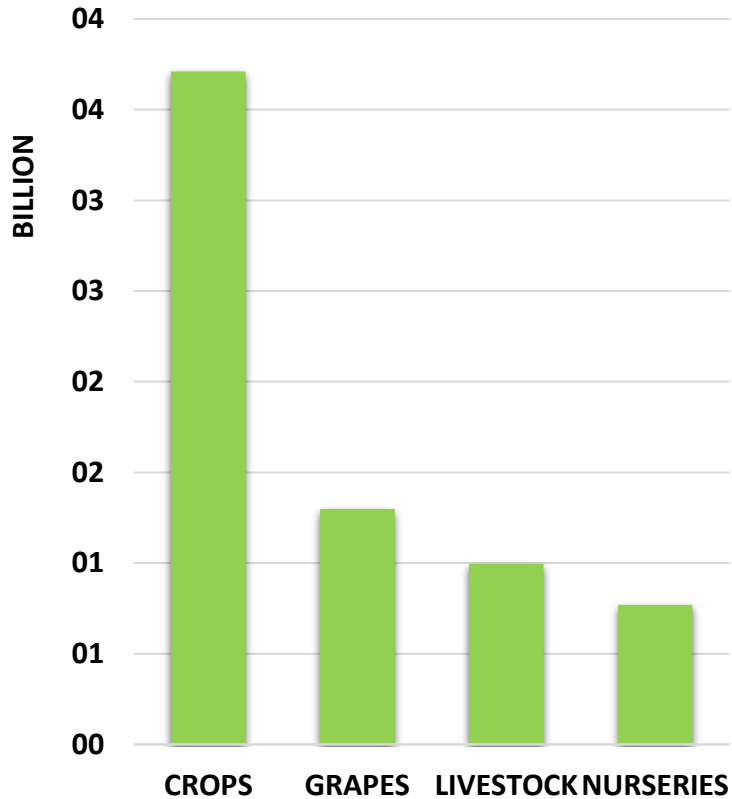
INSURANCE SUBSIDIZED CONTRACTS DATA IN ITALY



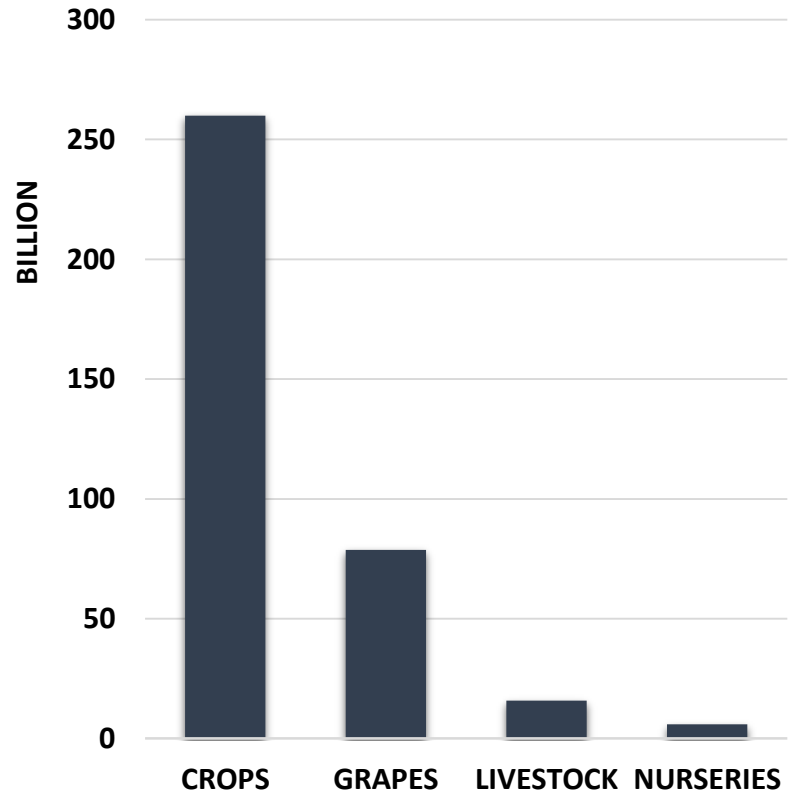
ITALIAN AGRICULTURAL INSURANCE - CROP POLICIES



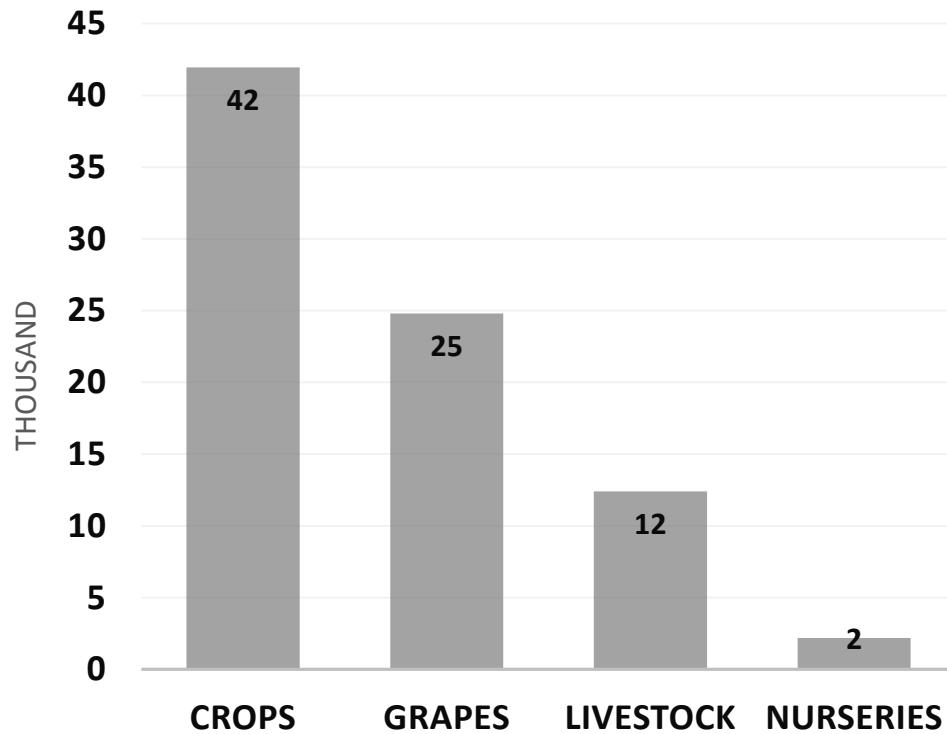
INSURED VALUE 2016



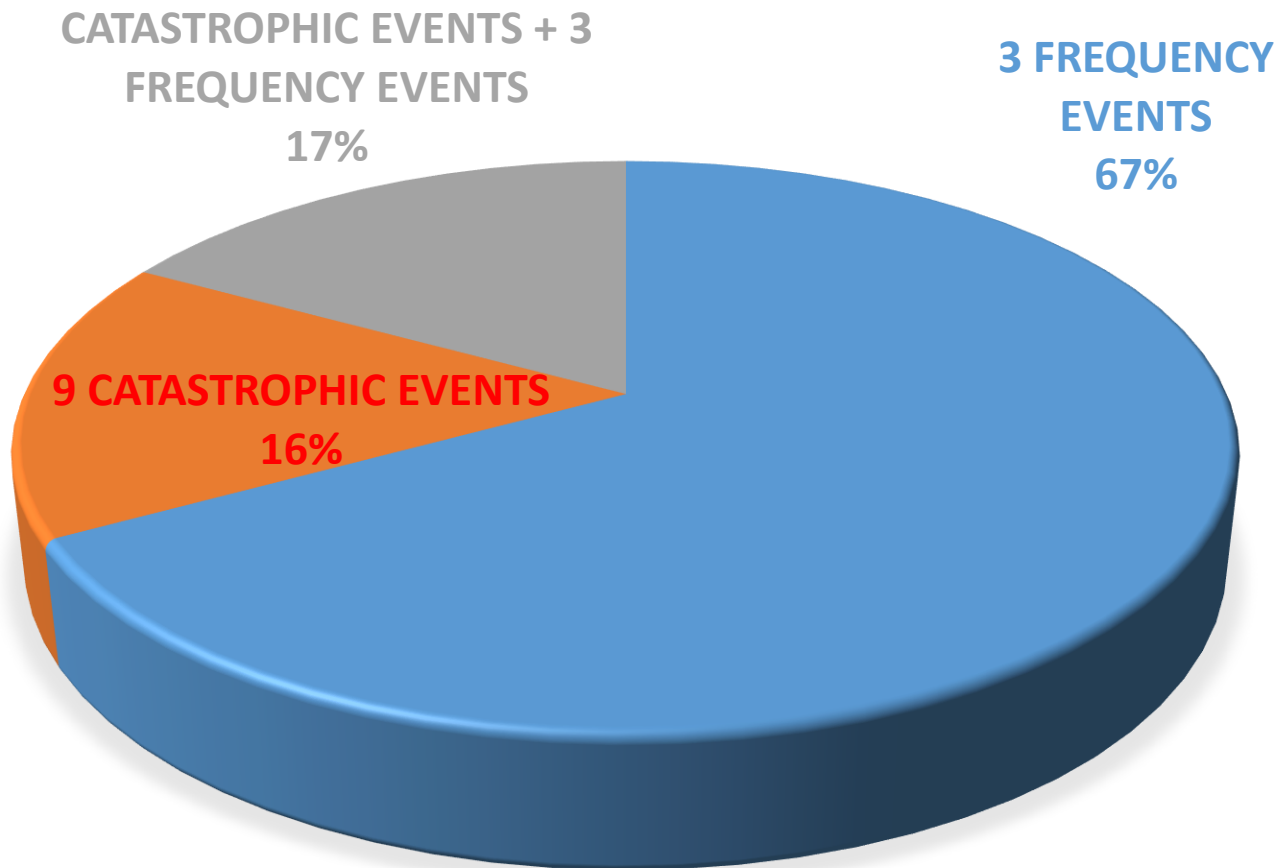
PREMIUM 2016



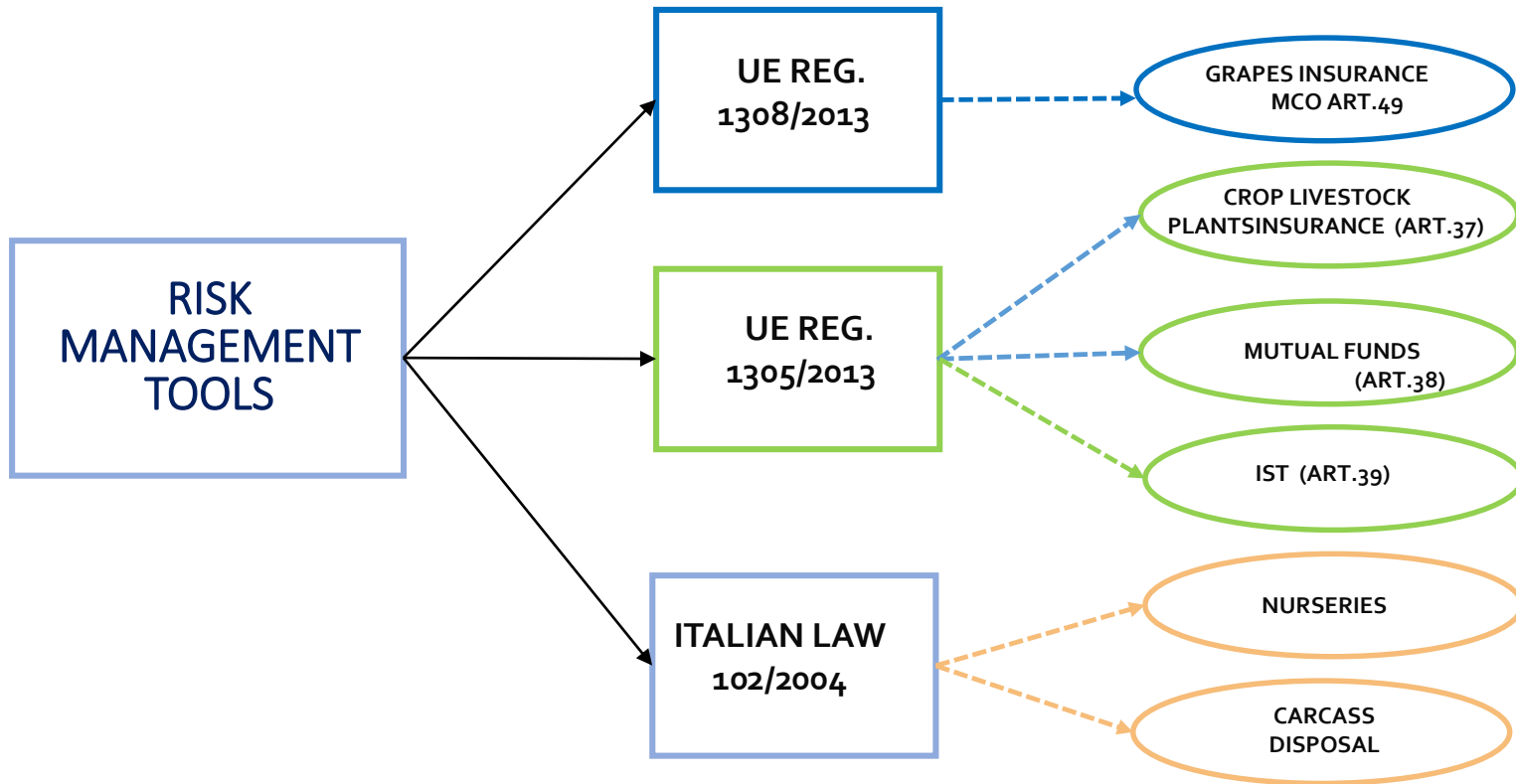
INSURED FARMERS 2016



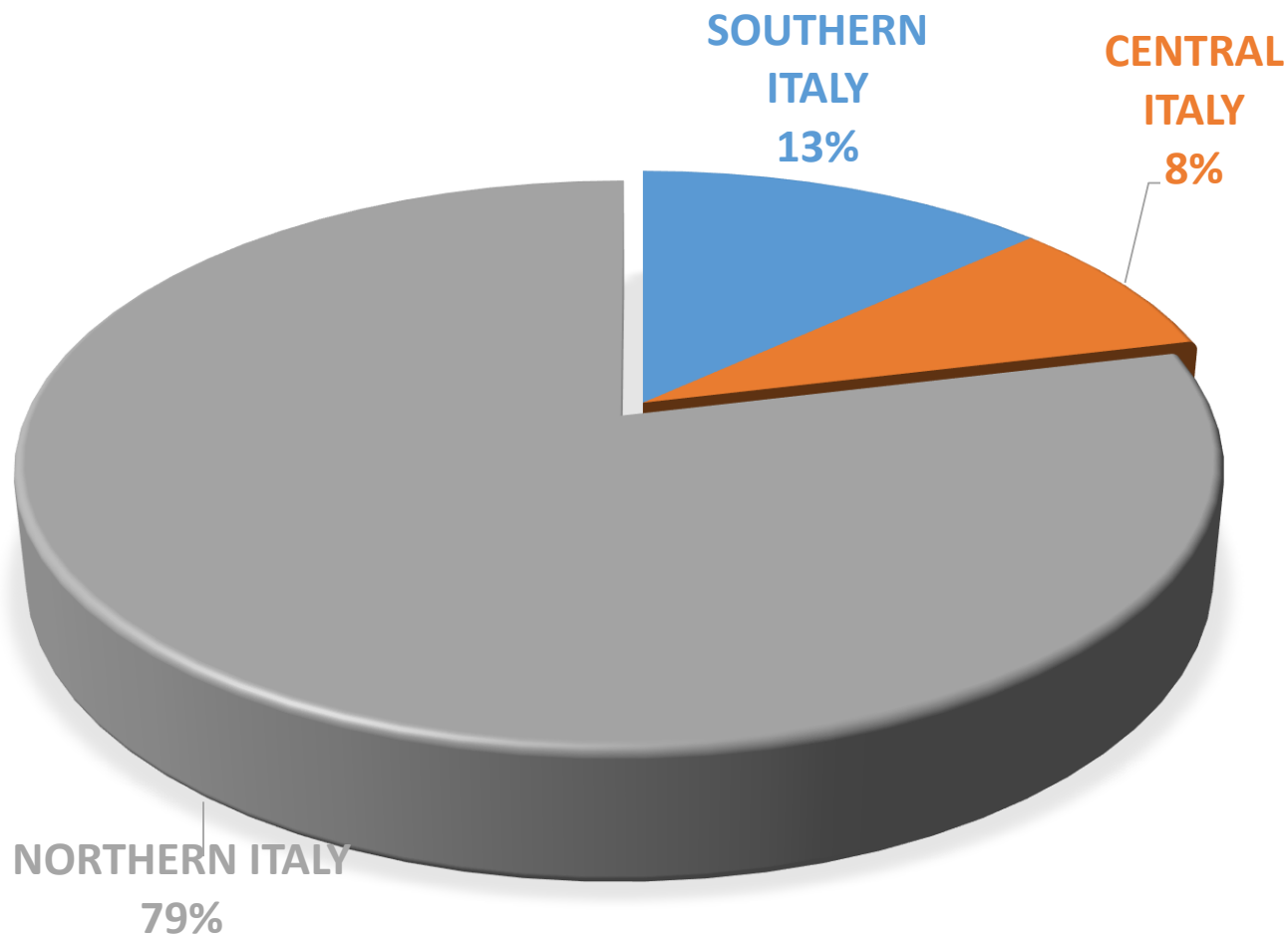
INSURED VALUE 2016 EVENTS COVERED



LEGISLATIVE FRAMEWORK



GEOGRAPHIC AREAS



BUDGET

RDF – NATIONAL COFINANCING

**RISK MANAGEMENT TOOLS ARE PART OF A
NATIONAL RURAL DEVELOPMENT PROGRAM**

RISK MANAGEMENT

1.535.534,479

72%



RISK MANAGEMENT TOOLS IN THE CAP

- 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 PAIED BY FUNDS TO ASSOCIATED FARMERS OR 70% OF THE CAPITAL STOCK OF THE FUND OR 70% OF ANNUAL CONTRIBUTION PAIED BY THE FARMERS
- EVENTS SHALL DESTROY MORE THAN 30% OF AVERAGE PRODUCTION OF FARMER (3/5 PRECEEDING YEARS)



INCOME STABILISATION TOOL

- FINANCIAL CONTRIBUTIONS TO MUTUAL FUND PROVIDING COMPENSATION TO FARMERS FOR A SEVERE DROP IN THEIR INCOME
- 70% OF THE COMPENSATION PAIED BY FUNDS TO ASSOCIATED FARMERS OR 70% OF THE FUND CAPITAL STOCK OR 70% OF THE ANNUAL CONTRIBUTION PAIED 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 PAIED BY FUNDS TO ASSOCIATED FARMERS OR 70% OF THE FUND CAPITAL STOCK OR 70% OF THE ANNUAL CONTRIBUTION PAIED 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 YELD 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: <ul style="list-style-type: none">• RESEEDING (UP TO € 250/HA)• YIELD REDUCTION (UP TO € 250/HA) BASED ON SOWING DELAY, CROP CHANGE• UP TO € 1000/HA FOR DIABROTICA DAMAGES



IST – TRENTO MUTUAL FUND



RISKS COVERED	<p>INCOME LOSS BIGGER THAN 30% OF AVERAGE</p> <p>INCOME FOLLOW EU REGULATION</p> <p>COSTS CALCULATED APPLYING STANDARD INDEXES</p> <p>INDEX : DATA PROCESSED BY SCIENTIFIC PUBLIC INSTITUTION OF AVERAGE COSTS OF EVERY PRODUCT – OFFICIAL DATA OF STANDARD FARM APPLYING GOOD CULTIVATION PRACTICES</p>
BENEFICIARIES	FARMERS ASSOCIATED TO CONDIFESA
RULES	<p>FARMERS PAY ANNUAL CONTRIBUTION TO CAPITAL STOCK OF THE FUND (RELATED TO RISKS, PRODUCTION, SURFACE OF THE FIELDS, ETC. OF THE SINGLE FARMER)</p> <p>THE ADHESION TO A COLLECTIVE INSURANCE MULTIRISKS POLICY IS MANDATORY</p> <p>SPECIFIC RULES OF BEST PRACTICES REQUIRED BY CONDIFESA</p>
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
grossi@asnacodi.it