

MUTUAL FUNDS

FACILITATING RISK MANAGEMENT VIA

THE FARMING COMMUNITY

PAOLA GROSSI

HOW THEY WORK.....

THE **MANAGEMENT COMMITTEE** IS COMPOSED OF FARMERS AND EXPERTS NOMINATED BY THE **GENERAL ASSEMBLY** OF THE BODY: IT HAS THE OPERATIONAL MANAGEMENT OF THE FUNDS - ALL INFORMATION ON THE WEBSITE OF THE MANAGING BODY: **MAXIMUM TRANSPARENCY** OF INFORMATION – COMPUTER DIGITIZATION FOR ALL COMMUNICATIONS WITH FARMERS MEMBERS, STAKEHOLDERS AND PUBLIC AGENCIES FOR CONTROL

THE REGULATIONS ADOPTED BY THE ASSEMBLY OF MEMBERS, ACCORDING TO THE MANDATORY FRAMEWORK OF RULES, ESTABLISH OPERATING RULES I.E: INITIAL AND ANNUAL **CONTRIBUTIONS** TO BE PAID BY MEMBERS, **EVENTS** COVERED, **DEDUCTIBLES**, THRESHOLDS, **COMPENSATION** CRITERIA, CRITERIA FOR **EXPERTISES** AND PANEL OF EXPERTS FOR THE DETERMINATION OF DAMAGE, **CLIMATIC PARAMETERS** AND ALL THE ELEMENTS PROVIDED FOR THE PURPOSE OF DETERMINING THE **COMPENSATION LIMITS**

THE FUND SHALL IN ANY CASE COMPENSATE AT MOST WITHIN THE AVAILABILITY OF THE CAPITAL GATHERED FROM FARMERS, FEADR OR SAVED FROM PREVIOUS YEARS.

HOW THEY WORK.....

FARMER SHALL SUBMIT THE APPLICATION WITH

- **OBLIGATION TO COMPLY WITH ESTABLISHED REGULATIONS AND RULES**
- **REMAIN A MEMBER FOR AT LEAST THREE YEARS**
- **PAY THE INITIAL AND ANNUAL ESTABLISHED RATES**
- **RESPECT GOOD AGRICULTURAL PRACTICES OF CULTIVATION OR BREEDING**

FARMER SHALL INDICATE

- **PRODUCTION (VEGETABLE-LIVESTOCK) (OLYMPIC AVERAGE) TO BE COVERED WITH THE VALUE OR AVERAGE INCOME**
- **INSURANCE POLICIES THAT COVER PRODUCTS**

FOR IST

INCOME = REVENUES (OF THE INDIVIDUAL FARMER) – COSTS (INDEXED) TRIGGER EVENT MANDATORY TO REGISTER A LOSS -15% AT NATIONAL LEVEL OR AT REGION LEVEL

IF IT COMPARES THE OPERATING INCOME (CURRENT YEAR) WITH THE AVERAGE INCOME (3-5 YEARS) AND FIND A LOSS >20%, THE FUND CAN COMPENSATE IN ACCORDANCE WITH THE REGULATIONS LOSSES MUST BE DETERMINED ON A UNIT BASIS INCOME X UNIT OR X QUANTITY OF PREDETERMINED PRODUCT (E.G. HECTAR OR 100KG)

PROS

- **GUARANTEES FOR RISKS NOT MANAGED BY INSURANCE COMPANIES**
- **SHARE GOOD PRACTICES&DATA BETWEEN FARMERS FOR MANAGE RISKS, NATURAL RESOURCES: COHESION AMONG FARMERS**
- **PROMOTING DIGITALISATION**
- **CREATION OF A PIGGY BANK LINKED TO THE MEMBERS OF THE FUND/TERRITORY**
- **CONTRIBUTED BY UE FINANCIAL SUPPORT AND BY FINANCIAL CONTRIBUTIONS PAID BY FARMERS MEMBERS**
- **MONITORING OF TERRITORIES, THE SOIL, USE OF NATURAL RESOURCES: TOOL TO INCREASE SUSTAINABILITY OF AGRICULTURAL ACTIVITY**
- **IMPROVE KNOWLEDGE&AWARENESS&CAPACITY BUILDING EVOLVED CONCEPT OF ENTREPRENEURSHIP AND EFFICIENCY**

CONS

- **DAMAGE COMPENSATION LIMITED BY THE AVAILABILITY CAPITAL COLLECTED BY MUTUAL FUND**
- **UE REGULATIONS BUREAUCRACY**

FARMERS MUST RESPECT GOOD AGRICULTURAL PRACTICES



CORRECT APPLICATION OF
PHYTOSANITARY TREATMENTS- USE
OF PHYTO BULLETINS



WRONG TREATMENTS



CORRECT MANAGEMENT OF THE
SUB-ROW AND GRASTING



ABANDONED VINEYARDS



COMPLIANCE WITH NATIONAL
AND REGIONAL REGULATIONS



GOLDEN FLAVESCENCE

1 ACTIVE DEFENCE:

2 PASSIVE DEFENCE:

3 COMBINE DEFENCE:

**SYNERGY
BETWEEN THE
DEFENSE TOOLS**

MUTUAL FUND

INSURANCE POLICIES

AGRONOMICAL KNOWLEDGE



5 FUNDS SFR2: FOR DAMAGE CAUSED BY ANIMAL AND PLANT DISEASES 2023: **15.423 FARMERS**

9 FUNDS IST: WHO EXPERIENCE SEVERE INCOME LOSSES DUE TO MARKET CRISES AND PRICES VARIABILITY (INCOME STABILISATION TOOL) 2023: **3.823 FARMERS**

(DATA SOURCE: Annual_Performance_Report Italy_CAP_Strategic_Plan, VERS.2023.0)

**INVOLVE EC – MS – EU CAP NETWORK – NATIONAL
NETWORKS – HORIZON PROJECTS**

**MUTUAL FUNDS DISSEMINATED AS SOCIAL INNOVATION VIA PRUDENT
HORIZON PROJECT SUGGESTING NUDGES TO REACH A MORE
SUSTAINABLE FARMING ACTIVITY**



PROPOSALS

**ENHANCE TECHNOLOGICAL APPLICATIONS TO FOSTER COOPERATION AMONG FARMERS
IMPROVE COORDINATION AMONG INVESTMENTS, CREDIT, AKIS AND RISKS MANAGEMENT
FACILITATE FARMERS ASSOCIATIONS AND COOPERATIVES TO SIMPLIFY BUREAUCRACY**

CONDIFESA VOLUNTARY ASSOCIATIONS SET UP BY FARMERS ESTABLISHED BY FARMERS THEMSELVES TO HELP THEM MANAGE RISKS

MUTUAL FUNDS FINANCIAL INSTRUMENTS PROVIDED FOR BY THE PAC- RURAL DEVELOPMENT FUND (FR02/FR03) MANAGED IN ITALY BY THE CONDIFESA – PROVIDE CONTRIBUTIONS TO ASSOCIATED FARMERS IF SEVERE DROP IN THEIR PRODUCTION CAUSED ABOVE ALL BY PLANT ANIMAL DISEASES OR DROP OF INCOME DUE TO MARKET CRISES INCURRED

OBJECTIVES OF MUTUAL FUNDS

ECONOMIC PROTECTION PROVIDING FINANCIAL SUPPORT TO THE INCOME OF FARMERS AFFECTED BY PLANT DISEASES/ MARKET CRISES REDUCING THE ECONOMIC IMPACT

SECTOR STABILITY CONTRIBUTE TO THE STABILITY OF THE AGRICULTURAL SECTOR BY PROMOTING AWARENESS AND CULTURE OF RISK MANAGEMENT

SUSTAINABILITY FOSTER SUSTAINABLE AGRICULTURAL PRACTICES, SUPPORTING THE RESILIENCE OF FARMS AND DAMAGE PREVENTION

REG.2115/2021 – ART. 76 MUTUAL FUNDS

SFR02-COMPENSATE FARMERS FOR **PRODUCTION DAMAGE** CAUSED BY ADVERSE WEATHER CONDITIONS, ANIMAL AND PLANT DISEASES (PLANT DISEASES AND EPIZOOTIC DISEASES) AND PARASITIC INFECTIONS

SFR03 – INCOME STABILISATION TOOL (IST) COMPENSATE FARMERS FOR LOSSES DUE TO SEVERE **DROPS IN INCOME** DUE TO MARKET CRISES AND VARIABILITY

MS SHALL DEFINE THE LEGAL FORM, RULES FOR THE ESTABLISHMENT AND MANAGEMENT – ANIWAY THEY HAVE **LEGAL PERSONALITY**

CONTRIBUTION: 30% OF CAPITAL STOCK PAID BY FARMERS/CONDIFESA – 70% OF CAPITAL STOCK OR OF COMPENSATION TO DAMAGED FARMERS CONTRIBUTED BY UE FEADR

MANAGING BODY: IT IS FORBIDDEN FOR INSURANCE COMPANIES TO BE INVOLVED IN THE MANAGEMENT OR CONTRIBUTION – AUTHORISATION BY THE AGRIMINISTRY REQUIRED AND THEY ARE ANNUALLY CONTROLLED - MANDATORY ADHESION FOR THREE-YEAR - **ECONOMIC AND FINANCIAL PLAN** AND FOR IST ALSO PRICING, DEMONSTRATING FINANCIAL SUSTAINABILITY OF THE FUND

FARMERS ADHERE **VOLUNTARY**

14 FUNDS: 5 FUNDS SFR02 - 9 IST

THANKS FOR YOUR ATTENTION

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