

**PRIN: RESEARCH PROJECTS OF RELEVANT NATIONAL INTEREST – Call 2020  
Prot. 20205L79R8**

# **“Towards a holistic approach to Sustainable Risk management in agriculture” Sus-Risk**



## **Policy Brief Feasibility of innovative crisis measures and RM tools envisaged by the new CAP**

**Deliverable D4.2**

Document Title	Policy Brief	Author	Principal investigator: Samuele Trestini Research team: Samuele Trestini, Elisa Giampietri, Alice Stiletto
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## **ABSTRACT FOR POLICY BRIEF ( 300 Words)**

### **Background**

The post-2020 Common Agricultural Policy (CAP) introduced the AgriCat scheme within the Italian Strategic Plan for the CAP (Tarangioli et al., 2023) to provide national coverage for catastrophic risks (frost, drought, and flood) in a context of reduction in direct payments (Pierangeli et al., 2023). According to ISMEA (2023), extreme weather events in 2022 resulted in economic losses of approximately €5.62 billion for Italian farms. However, AgriCat has faced significant operational challenges in its initial years (2023 and 2024), limiting its effectiveness and accessibility to compensation for farmers.

### **Topic**

This policy brief evaluates the performance and feasibility of the AgriCat program, particularly its ability to support farmers dealing with catastrophic risks like severe weather events.

### **Objectives**

The primary objectives are to quantify the income risks that farms face through an analysis of FADN data, evaluate the effectiveness of AgriCat in responding to covered risks, and assess the opportunity to revise the functioning of AgriCat from first to second risk coverage. This dual approach aims to provide a comprehensive understanding of the financial vulnerabilities within the agricultural sector and how well AgriCat addresses these challenges.

### **Main Findings**

Initial findings indicate that, despite its potential usefulness, many farmers encountered difficulties with the claims process, leading to delays and confusion regarding compensation, especially concerning its ability to compensate economic losses. Reports suggest that numerous claims related to damages from severe weather in 2023 remain unresolved, with many applications rejected due to bureaucratic inefficiencies. Additionally, uncertainty regarding compensation levels and public support has further reduced reliance on complementary insurance instruments, exacerbated by rising insurance premiums (Arata et al., 2023). ISMEA (2024) data shows a notable decline in the number of insured farms, indicating a loss of confidence in the system.

### **Policy Implications**

To enhance the reliability and accessibility of the AgriCat scheme, policymakers must address these shortcomings. Recommendations include simplifying the claims process, increasing transparency in decision-making, and expanding outreach efforts to ensure all eligible farmers are aware of their options. Furthermore, revising AgriCat's structure to include second risk coverage could improve its effectiveness in mitigating income risks for farmers. By improving these aspects, AgriCat could better fulfill its intended purpose of providing financial security against catastrophic agricultural risks and contribute to a more resilient agricultural sector in Italy.

## References

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