

## **Analysis of Factors Used by Farmers to Manage Risk: A Case Study on Italian Farms**

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**Abstract :** The study analyses the strategies Italian farmers use to cope with the risks that face their production. We specifically explore the potential and the limitations of the economic tools for climatic risk management in agriculture of the Common Agricultural Policy 2014-2020, that foresees contributions for economic tools for risk management, in relation to farms' needs, exposure and vulnerability of agricultural areas to climatic risk. We consider at the farm level approaches to hedge risks in terms of the use of technical tools (agricultural practices, pesticides, fertilizers, irrigation) and economic/financial instruments (insurances, etc.). We develop cross-sectional and longitudinal analyses as well as analyses of correlation that underline the main differences between the way farms adapt their structure and management towards risk. The results show a preference for technical tools, despite the presence of important public aids on economic tools such as insurances. Therefore, there is a strong need for a more effective and integrated risk management policy scheme. Synergies between economic tools and risk reduction actions of a more technical, structural and management nature (production diversification, irrigation infrastructures, technological and management innovations and formation-information-consultancy, etc.) are emphasized.

**Keywords :** agriculture and climate change, climatic risk management, insurance schemes, farmers' approaches to risk management

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