
Food and Agriculture: Excessive Price Volatility [227]

Commitment [#227]

“We commit to mitigate the adverse effects of excessive price volatility for the most vulnerable through the development of appropriate risk-management instruments. These actions are detailed in the development section of this final Declaration.”

Cannes Summit Document

Assessment:

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina		0	
Australia		0	
Brazil			+1
Canada			+1
China	-1		
France			+1
Germany		0	
India			+1
Indonesia		0	
Italy			+1
Japan	-1		
Korea		0	
Mexico		0	
Russia			+1
Saudi Arabia	-1		
South Africa	-1		
Turkey			+1
United Kingdom	-1		
United States			+1
European Union		0	
Average Score		+0.15	

Background:

The G8 have continuously worked towards improving food security. The recent focus has been on the affect of excessive price volatility on food security. The negative impacts of excessive price volatility are felt most acutely by the poorest communities and by many producers. Over one billion people suffer from hunger and poverty because of fluctuating price trends, the economic crisis and underinvestment in agriculture.¹⁵⁷⁰ The importance of this commitment was underscored by the 2011 drought and subsequent food crisis in East Africa, which led to wide-sweeping crop failures, livestock death, and increasing food prices.¹⁵⁷¹

In 2008, the G8 created the Global Partnership for Agriculture, Food Security and Nutrition. It operates with three broad objectives: (1) to ensure coherent food security policies, (2) to collect

¹⁵⁷⁰ L’Aquila Joint Statement on Global Food Security: L’Aquila Food security Initiative (AFSI), G8 Information Centre (Toronto) 9 July 2009. Date of Access: 6 February 2012.

<http://www.g8.utoronto.ca/summit/2009laquila/2009-food.html>

¹⁵⁷¹ Cannes Summit Final Declaration, G20 Information Centre (Toronto) 4 November 2011. Date of Access: 6 February 2012. <http://www.g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html>

data regarding food production and security, and (3) to reverse the downward trend in financing for agriculture.¹⁵⁷²

In 2009, the G8 countries created the L'Aquila Food Security Initiative to address excessive price volatility. The G8 stressed the need for urgent action. They committed to partnering with vulnerable countries to help them develop sustainable food security strategies, as well as foster economic growth and social progress.¹⁵⁷³

At the 2010 Seoul Summit, the G20 leaders requested that the FAO, OECD and other international institutions create a joint report recommending policy options for agricultural reform. The report stressed the importance of designing effective risk management instruments and recommended that risk management instruments be flexible and market-based.¹⁵⁷⁴ In addition, the report recommended that the G20 support risk management services which include facilitation of commodity hedging, advisory services to strengthen in-country financial risk management capacity, disaster risk financing, and modernization of meteorological services.¹⁵⁷⁵ The G20 welcomed these recommendations at the 2011 Cannes Summit.¹⁵⁷⁶

In 2011, the World Bank in coordination with the G20 announced the Agricultural Price Risk Management (APRM) product. The APRM product will protect consumers and producers from price volatility and improve their access to hedging instruments.¹⁵⁷⁷ The G20 hope to expand the APRM product and have encouraged other international financial institutions to develop similar initiatives.¹⁵⁷⁸

Commitment Features:

To comply with this commitment, the member must take steps to support the development of risk-management instruments. The development section of the G20 Cannes final declaration lists commodity hedging, weather index insurances, contingent financing tools and the APRM product as risk management instruments to be supported.¹⁵⁷⁹ For the purposes of this report, “support”

¹⁵⁷² Financing food security: a private-sector agenda, G8 Information Centre (Toronto) 29 October 2012. Date of Access: 6 February 2012 <http://www.g8.utoronto.ca/newsdesk/cannes/g20cannes-thunell-en.html>

¹⁵⁷³ L'Aquila Joint Statement on Global Food Security: L'Aquila Food security Initiative (AFSI), G8 Information Centre (Toronto) 9 July 2009. Date of Access: 6 February 2012. <http://www.g8.utoronto.ca/summit/2009laquila/2009-food.html>

¹⁵⁷⁴ Price Volatility in Food and Agriculture Markets: Policy Responses, OECD (Paris) 2 June 2011. Date of Access: 6 February 2012. <http://www.oecd.org/dataoecd/40/34/48152638.pdf>

¹⁵⁷⁵ Price Volatility in Food and Agriculture Markets: Policy Responses, OECD (Paris) 2 June 2011. Date of Access: 6 February 2012. <http://www.oecd.org/dataoecd/40/34/48152638.pdf>

¹⁵⁷⁶ Action Plan on Food Price Volatility, G20 Information Centre (Toronto) 23 June 2011. Date of Access: 6 February 2012. http://agriculture.gouv.fr/IMG/pdf/2011-06-23_-_Action_Plan_-_VFinale.pdf

¹⁵⁷⁷ World Bank Group Announces New Instrument to Help Food Producers and Consumers in Developing Nations Deal with Volatile Prices, World Bank (Washington) 21 June 2011. Date of Access: 6 February 2012. <http://go.worldbank.org/T7EA0VLHG0>

¹⁵⁷⁸ Action Plan on Food Price Volatility, G20 Information Centre (Toronto) 23 June 2011. Date of Access: 6 February 2012. http://agriculture.gouv.fr/IMG/pdf/2011-06-23_-_Action_Plan_-_VFinale.pdf

¹⁵⁷⁹ Cannes Summit Final Declaration, G20 Information Centre (Toronto) 4 November 2011. Date of Access: 3 April 2012. <http://www.g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html>

refers to actions taken by the member to fund existing programs or risk management instruments, or develop programs and policies that create or expand risk management instruments.

Scoring Guidelines:

-1	Member cuts or does not support new or existing risk-management instruments.
0	Member declares intent to support new or existing risk management instruments.
+1	Member contributes to the support of new or existing risk-management instruments.

Lead Analyst: Vanessa Guidorizzi

Argentina: 0

Argentina has partially complied with the commitment to develop risk-management instruments.

In February 2012, the Government of Argentina began a program called Programa del Financiamiento Productivo del Bicentenario. This program will generate new financial tools enabling the execution of long-term investments in development initiatives.

On 7 March 2012, the Ministry of Agriculture implemented the Plan Estratégico Agroalimentario y Agroindustrial 2020 that aims to increase Argentinean food production. The Banco de la Nación Argentina will provide over ARS1.5 million in credit to support producers affected by drought. The Banco de la Provincia de Buenos Aires will contribute ARS800 million and Banco de la Pampa will contribute ARS200 million to the project.¹⁵⁸⁰

On 15 March 2012, PROSAP held a meeting discussing the acquisitions of risk management instruments for agricultural development projects.¹⁵⁸¹ The Government of Argentina plans to increase irrigation areas and develop a competitive seed sector.¹⁵⁸²

On 16 April 2012, the Programa de Servicios Agrícolas Provinciales (PROSAP) will extend offers for the purchase of Hydrometeorological Information System, linked to the Project called Proyecto de Optimización de la Infraestructura de Riego del Valle Bonaerense del Río Colorado — CORFO. PROSAP includes provision for insurance against floods and the improvement of information and support systems.¹⁵⁸³

¹⁵⁸⁰ Novertó Yauhar en la firma de convenios productivos para la provincia, Ministerio de agricultura, ganadería, y pesca (Buenos Aires, Argentina) 7 March 2012.

http://www.minagri.gob.ar/site/institucional/prensa/discurso_convenios.php

¹⁵⁸¹ Programa de Servicios Agrícolas Provinciales, Ministerio de Agricultura, Ganadería, y Pesca, Presidencia de la Nación (Buenos Aires). Date of Access: 1 March 2012.

<http://www.prosap.minagri.gob.ar/>

¹⁵⁸² San Juan: Llamado a Licitación Pública Nacional LPN para adquisición de bienes para los Proyectos Desarrollo de Áreas Bajo Riego de la Margen Sur del Río San Juan—Canal Céspedes—Sarmiento y Desarrollo Competitivo del Sector Semillero Provincial - BM-SJP-7597-014-B-01/11 y BM-SJP-7597-016-B-02/11 (San Juan). Date of Access: 1 March 2012.

<http://www.prosap.gob.ar/>

¹⁵⁸³ San Juan: Llamado a Licitación Pública Nacional LPN para adquisición de bienes para los Proyectos Desarrollo de Áreas Bajo Riego de la Margen Sur del Río San Juan—Canal Céspedes—Sarmiento y Desarrollo Competitivo del Sector Semillero Provincial - BM-SJP-7597-014-B-01/11 y BM-SJP-7597-016-B-02/11 (San Juan). Date of Access: 1 March 2012.

<http://www.prosap.gob.ar/>

The Argentinean government has organized many other programs related to technique-finance and training assistance. The Instituto Nacional de Tecnología Agropecuaria (INTA)¹⁵⁸⁴ provides information on safeguards and best practices for those involved in agricultural production.

The Argentinean National Bank provides credit to support agricultural producers in financial need.¹⁵⁸⁵

Thus, the Government of Argentina is awarded a score of 0 for its plans to implement programs supporting the development of risk-management instruments.

Analyst: Angela Zhang

Australia: 0

The Australian government has partially complied with the commitment to support risk management instruments.

In a presentation made on 7 March 2012, the Australian Bureau of Agricultural and Resource Economics and Sciences recommended development of risk management tools. These tools included: (1) computer based decision support systems; (2) multi-peril crop insurance; (3) new financial products such as weather derivatives and crop yield simulation insurance.¹⁵⁸⁶

In 2008, the government of Australia committed AUS34.4 million dollars over four years to the FarmReady Program.¹⁵⁸⁷ FarmReady aims to enable producers to adapt to the impacts of climate change through skills training and studies of best practices.¹⁵⁸⁸ A portion of the funds is meant to improve “the adoption of risk management and business management skills.”¹⁵⁸⁹ However, funds were not specifically allocated to risk management instruments. FarmReady ends on 30 June 2012.¹⁵⁹⁰

For its intent to support risk management instruments, Australia is awarded a 0.

Analyst: Vanessa Guidorizzi

Brazil: +1

Brazil has complied with its commitment to support risk-management instruments for its increased funding of weather insurance policies.

¹⁵⁸⁴ ¿Qué es el INTA?, Instituto Nacional de Tecnología Agropecuaria (Buenos Aires). Date of Access: 1 March 2012. <http://inta.gob.ar/sobre-el-inta/que-es-el-inta>

¹⁵⁸⁵ Líneas de Crédito para el Sector Agropecuario, Banco de la Nación Argentina (Buenos Aires) 1 March 2012. Date of Access: 1 March 2012. http://www.bna.com.ar/agro/ag_creditos.asp

¹⁵⁸⁶ Farm risk management in a changing climate, Department of Agriculture, Fisheries and Forestry (Canberra City) 7 March 2012. Date of Access: 29 April 2012. http://www.daff.gov.au/data/assets/pdf_file/0006/2135643/Kim-Ritman-Climate-Change.pdf

¹⁵⁸⁷ Budget 2011-2012, Australian Government The Treasury (Parkes) 10 May 2011. Date of Access: 7 April 2012. http://cache.treasury.gov.au/budget/2011-12/content/download/ms_rural_and_regional.pdf

¹⁵⁸⁸ FarmReady, Department of Agriculture, Fisheries and Forestry (Canberra City) Date of Access: 8 April 2012. <http://www.farmready.gov.au/about.html>

¹⁵⁸⁹ Budget 2011-2012, Australian Government The Treasury (Parkes) 10 May 2011. Date of Access: 7 April 2012. http://cache.treasury.gov.au/budget/2011-12/content/download/ms_rural_and_regional.pdf

¹⁵⁹⁰ FarmReady, Department of Agriculture, Fisheries and Forestry (Canberra City) Date of Access: 8 April 2012. <http://www.farmready.gov.au/about.html>

In 2011, the Brazilian government distributed BRL\$65.17 billion for agricultural investments as part of the Plano Agrícola e Pecuário. The program committed total of BRL\$123.23 billion between 2011 and 2012.¹⁵⁹¹ The program focuses on improving data matrices and storage, and creating sustainable agricultural practices. A portion of the funds is allocated to insurance premium subsidies and to guaranteeing a minimum trading price for producers.¹⁵⁹²

On 30 October 2011, the agricultural ministers of BRICS agreed to create a mechanism to facilitate the exchange agricultural data and to improve food security information systems. They also created a Working Group.¹⁵⁹³ The ministers will meet to discuss improvements to agricultural policies at the Delhi conference on 29 March 2012.

The Brazilian Ministry of Agriculture stated that applications for agricultural insurance had almost doubled from 2010 to 2011.¹⁵⁹⁴ In 2011, federal government premiums covering adverse effects of extreme weather on crops totalled BRL\$253.5 million.¹⁵⁹⁵

Thus, Brazil has been awarded a score of +1 for its promotion of risk management instruments in combating excessive price volatility.

Analyst: Vanessa Guidorizzi

Canada: +1

Canada has fully complied with its commitment to support new or existing risk-management instruments in this compliance cycle.

On 6 February 2012, Minister of Industry Christian Paradis and Minister of State (Agriculture) Pierre Corbelle announced that the Growing Forward initiative has invested \$114.3 million in the agri-food sector.¹⁵⁹⁶ Minister Paradis said, “Growing Forward is a flexible framework that better meets local needs, thereby helping farmers here in Quebec build a more profitable and sustainable

¹⁵⁹¹ Financiamento rural soma R\$ 65,1 bilhões até janeiro de 2012, Ministério da Agricultura, Pecuária e Abastecimento (Brasília) 2 February 2012. Date of Access: 8 April 2012. <http://www.agricultura.gov.br/politica-agricola/noticias/2012/02/financiamento-rural-soma-rs-65-bilhoes-ate-janeiro-de-2012>

¹⁵⁹² Financiamento rural soma R\$ 65,1 bilhões até janeiro de 2012, Ministério da Agricultura, Pecuária e Abastecimento (Brasília) 2 February 2012. Date of Access: 8 April 2012. <http://www.agricultura.gov.br/politica-agricola/noticias/2012/02/financiamento-rural-soma-rs-65-bilhoes-ate-janeiro-de-2012>

¹⁵⁹³ Joint Declaration of the Second Meeting of BRICS Ministers of Agriculture and Agrarian Development, BRICS Information Centre (Toronto) 30 October 2011. Date of Access: 25 February 2012. <http://www.brics.utoronto.ca/docs/111030-agriculture.html>

¹⁵⁹⁴ Governo desembolsa R\$ 253,5 mi para subvenção do seguro, Ministério da Agricultura, Pecuária e Abastecimento (Brasília) 2 February 2012. Date of Access: 1 March 2012. <http://www.agricultura.gov.br/politica-agricola/noticias/2012/02/governo-desembolsa-rs-253-mi-para-subvencao-do-seguro>

¹⁵⁹⁵ Governo desembolsa R\$ 253,5 mi para subvenção do seguro, Ministério da Agricultura, Pecuária e Abastecimento (Brasília) 2 February 2012. Date of Access: 1 March 2012. <http://www.agricultura.gov.br/politica-agricola/noticias/2012/02/governo-desembolsa-rs-253-mi-para-subvencao-do-seguro>

¹⁵⁹⁶ Growing Forward: Harvesting Success, Agriculture and Agri-Food Canada (Quebec City) 6 February 2012. Date of Access: 5 March 2012. http://www.agr.gc.ca/cb/index_e.php?s1=n&s2=2012&page=n120206

agricultural sector through innovation, proactive risk management and competitiveness.”¹⁵⁹⁷ Growing Forward provides disaster relief funding, a loan guarantee program, and income support in case of losses.¹⁵⁹⁸

Growing Forward will expire on 31 March 2013. Federal, provincial, and territorial governments have begun to construct a successor framework for Growing Forward. ‘Growing Forward 2’, to be implemented from April 2013 until 2018, is intended to help the agriculture industry “to help the industry position itself to profit from the opportunities and meet the challenges of 2020.”¹⁵⁹⁹

On 22 March 2012, the Ministry of Agriculture and Agri-Food Canada announced its expansion of coverage for flooding and excess moisture. The Unseeded Acreage Benefit now provides coverage for irrigated land up to \$100 per unfertilized acre and \$175 per fertilized acre. The revised policy provides greater protection against the risk of wet cropland.¹⁶⁰⁰

Canada has been awarded a score of +1 for supporting risk management instruments.

Analyst: Cynthia Foley

China: -1

China has not complied with its commitment to support the development of risk-management instruments.

In April 2011, the China Insurance Regulatory Commission (CIRC) encouraged insurers to start trials for weather-index insurance for agriculture.¹⁶⁰¹ However, no further announcement or development has been recorded since November 2011 by the same agency.¹⁶⁰²

On 6 November 2011, the International Conference on Climate Change and Food Security took place in Beijing, China with the support and endorsement from Chinese Academy of Agricultural Sciences. Topics discussed include: (1) food security and (2) the adverse influence of weather

¹⁵⁹⁷ Growing Forward: Harvesting Success, Agriculture and Agri-Food Canada (Quebec City) 6 February 2012. Date of Access: 5 March 2012.

http://www.agr.gc.ca/cb/index_e.php?s1=n&s2=2012&page=n120206

¹⁵⁹⁸ Business Risk Management Suite, Agriculture and Agri-Food Canada (Ottawa). Date of Access: 5 March 2012. <http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1200408916804&lang=eng>

¹⁵⁹⁹ Growing Forward 2: 2013-2018, Agriculture and Agri-Food Canada (Ottawa). Date of Access: 5 March 2012. <http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1294780620963&lang=eng>

¹⁶⁰⁰ Governments enhance crop insurance with excess moisture coverage for 2012, Agriculture and Agri-Food Canada (Edmonton) 22 March 2012. Date of Access: 21 April 2012. http://www.agr.gc.ca/cb/index_e.php?s1=n&s2=2012&page=n120322

¹⁶⁰¹ China encouraging trials of weather-index insurance for agriculture, China Insurance Regulatory Commission (Beijing) 11 April 2012. Date of Access: 5 March 2012. <http://www.circ.gov.cn/web/site0/tab40/i161693.htm> and <http://www.artemis.bm/blog/2011/04/21/china-encouraging-trials-of-weather-index-insurance-for-agriculture/>

¹⁶⁰² Press releases, China Insurance Regulatory Commission (Beijing) 5 March 2012. Date of Access: 5 March 2012. <http://www.circ.gov.cn/web/site0/tab456/>

conditions on crop production. However, the conference failed to discuss financial risk management mechanisms.¹⁶⁰³

In December 2011, Zhang Ping, minister in charge of the National Development and Reform Commission, declared that by end 2011, government subsidies for agricultural products will increase and the minimum purchase price will remain high. This is consistent with the government's policy in the last two years to increase budgetary spending on projects related to agriculture, rural areas, and farmers.¹⁶⁰⁴ In December 2011, Premier Wen Jiabao acknowledged the importance of increased subsidies for modernizing agriculture and enhancing agricultural development.¹⁶⁰⁵

On 27 December 2011, top officials of China's State Council stated in China Daily that rising production costs and changing weather conditions are on the country's agenda. Increasing subsidies for farmers through 2012 were noted. They were expected to top RBM367 billion.¹⁶⁰⁶

On 3 February 2012, Wang Shouchen, Deputy Governor of Jilin province, one of the top agricultural production areas in the country, announced further subsidies and guaranteed pricing for agricultural products.¹⁶⁰⁷

On 7 February 2012, China's central bank, People's Bank of China (PBOC) stated its intention to extend further credits for agriculture.¹⁶⁰⁸

On 15 February 2012, Chinese trade delegation led by China's Vice President Xi Jin Ping signed a purchase agreement for crops valued at USD6 billion.¹⁶⁰⁹ This is expected to push down agricultural prices in China.

On 1 March 2012, the PBOC announced its financial support for water projects in the country. This support is directed towards the future of the agriculture.¹⁶¹⁰ Drought faced in arable lands in

¹⁶⁰³ ICCCFs Recommendations, International Conference on Climate Change and Food Security (Beijing) 5 March 2012. Date of Access: 5 March 2012. <http://icccfs.ifpri.info/>

¹⁶⁰⁴ Fiscal rural spending to exceed 1t yuan, China Daily USA (Beijing) 29 December 2011. Date of Access: 5 March 2012. http://www.chinadaily.com.cn/usa/business/2011-12/29/content_14346585.htm

¹⁶⁰⁵ Wen stresses agriculture, farmers' rights, China Daily USA (Beijing) 29 December 2011. Date of Access: 5 March 2012. http://www.chinadaily.com.cn/usa/epaper/2011-12/28/content_14341665.htm

¹⁶⁰⁶ China stresses stable grain production, China Daily USA(Beijing) 27 December 2011. Date of Access: 5 March 2012. http://www.chinadaily.com.cn/usa/business/2011-12/27/content_14334856.htm

¹⁶⁰⁷ Jilin aims to keep farm incomes growing, China Daily USA (Beijing) 4 February 2012. Date of Access: 5 March 2012. http://www.chinadaily.com.cn/usa/china/2012-02/04/content_14536402.htm

¹⁶⁰⁸ More credit to agriculture, affordable homes, China Daily USA (Beijing) 7 February 2012. Date of Access: 5 March 2012. http://www.chinadaily.com.cn/usa/business/2012-02/07/content_14555538.htm

¹⁶⁰⁹ China signs U.S. soy deals, set for record purchase, Reuters (New York) 15 February 2012. Date of Access: 5 March 2012. <http://www.reuters.com/article/2012/02/16/us-usa-china-soybeans-idUSTRE81F0AE20120216>

southwestern province of Yunnan attracted further attention for water projects. Qin Guangrong, secretary of the Yunnan Provincial Committee announced in February 2012 the government's plan to invest RMB500 million on water projects. These projects were identified as crucial for productive agriculture production.¹⁶¹¹

On 5 March 2012, China's Premier Wen Jiabao announced that agriculture sector will receive further subsidies in 2012.¹⁶¹²

On 14 April 2012, various state agencies and academies met for a technical conference in Fuzho. Risk in agricultural sector was the topic of the conference. Participants discussed: (1) early warning systems for agricultural production, (2) production monitoring, (3) food security, (4) risk analysis.¹⁶¹³

On 20 June 2012, a conference on agricultural risk and agricultural insurance will take place at the Central University of Finance and Economics in Beijing. The conference is sponsored by the China Institute for Actuarial Science and will bring together international leaders in agricultural risk management.¹⁶¹⁴

The Chinese government provided subsidies and credits mitigating price volatility. However, since the government failed to declare intent to support or enact risk management instruments, China has received a score of -1.

Analyst: Ugur Poyraz

France: +1

France has fully complied with its commitment to develop risk-management instruments.

In July 2011, France created le Fonds national de gestion des risqué en agriculture (FNGRA). FNGRA's purpose includes (1) compensation for losses caused by animal or plant disease, (2) financing for repairs of damages to farms, and (3) insuring the agricultural sector against adverse weather and natural disasters.¹⁶¹⁵ On 23 January 2012, the regulations for implementing FNGRA

¹⁶¹⁰ China encourages financial support for water projects, China Daily USA (Beijing) 1 March 2012. Date of Access: 5 March 2012. http://www.chinadaily.com.cn/china/2012-03/01/content_14734736.htm

¹⁶¹¹ Only drops of hope in drought lands, China Daily USA (Beijing) 5 March 2012. Date of Access: 21 February 2012. http://www.chinadaily.com.cn/usa/epaper/2012-02/21/content_14658121.htm

¹⁶¹² China ups domestic spending as economy slows, Associated Press (New York) 5 March 2012. Date of Access: 5 March 2012. <http://www.chron.com/business/article/China-calls-for-boost-in-domestic-consumption-3380605.php>

¹⁶¹³ National agricultural monitoring and early warning method and Technical Conference held in Fuzhou, Agricultural Information Institute (Beijing) 24 March 2012. Date of Access: 30 April 2012. http://aia.caas.net.cn/Z_Show.asp?ArticleID=1558

¹⁶¹⁴ Call for Paper submissions, International Agricultural Risk, Finance, and Insurance Conference (Beijing) 29 March 2012. Date of Access: 29 April 2012. <http://www.cias.edu.cn/iarfic/index.html>

¹⁶¹⁵ Assurance récolte- Calamités agricoles, Ministère de l'agriculture, de l'alimentation, de la pêche, de la ruralité et de l'aménagement du territoire (Paris) 23 July 2011. Date of Access: 6 April 2012. <http://agriculture.gouv.fr/assurance-recolte-calamites>

were amended to simplify insurance distribution and to better correspond to European Union programs.¹⁶¹⁶ Amendments were also intended to streamline distribution of services.

For the improvement of weather index insurance, France has been awarded a score of +1.

Analyst: Nikki Vukasovic

Germany: 0

Germany has partially complied with the commitment to support risk management instruments.

In April 2011, Germany commissioned a report on risk and crisis management in agriculture. The recommendations included: (1) establishing a long-term subsidization of agricultural insurance for adverse weather; (2) introducing a state drought fund; (3) amending laws regarding direct payment and income stabilization for agricultural producers; (4) regulating the commodity futures markets; and (5) organizing a physical food reserve.¹⁶¹⁷ The Government has yet to act on these measures.

Following the Cannes Summit, Minister of Agriculture and Consumer Protection Ilse Aigner stated the need for transparency in the markets and stricter regulations of commodity futures.¹⁶¹⁸

The Global Forum for Food and Agriculture (GFFA) took place from 19-21 January 2012 in Berlin. Minister Aigner expressed her concern over the effects of climate change on the agricultural sector and global food security.¹⁶¹⁹ Aigner stated that her goal at the GFFA was to address the role of women in the agriculture.¹⁶²⁰

The German government has declared its intent to support risk management instruments. Thus, Germany is awarded a score of 0.

Analyst: Vanessa Guidorizzi

India: +1

India has fully complied with its commitment to support risk management instruments.

¹⁶¹⁶ Décret n° 2012-81, Legifrance (Paris) 23 January 2012. Date of Access: 7 April 2012. <http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000025195693&dateTexte=&categorieLien=id>

¹⁶¹⁷ Scientific Advisory board for Agricultural Policy: Risk and crisis management in agriculture, Federal Ministry of Food, Agriculture and Consumer Protection (Berlin) April 2011. Date of Access: 7 April 2012. http://www.bmelv.de/SharedDocs/Downloads/EN/Ministry/RiskAndCrisisManagementAgriculture.pdf?__blob=publicationFile

¹⁶¹⁸ Aigner: “We need more transparency in the markets”, Federal Ministry of Food, Agriculture and Consumer Protection (Berlin) 4 November 2011. Date of Access: 6 April 2012. <http://www.bmelv.de/SharedDocs/Pressemitteilungen/EN/2011/236-AI-G20-Cannes-Mehr-Transparenz-auf-den-Maerkten.html>

¹⁶¹⁹ Preface of the Federal Minister for Food, Agriculture and Consumer Protection, Federal Ministry of Food, Agriculture, and Consumer Protection (Berlin) 19 January 2012. Date of Access: 8 April 2012. <http://www.gffa-berlin.de/en/vorwort-des-bundesministeriums.html>

¹⁶²⁰ Preface of the Federal Minister for Food, Agriculture and Consumer Protection, Federal Ministry of Food, Agriculture, and Consumer Protection (Berlin) 19 January 2012. Date of Access: 8 April 2012. <http://www.gffa-berlin.de/en/vorwort-des-bundesministeriums.html>

India's National Agriculture Insurance Scheme (NAIS) is the world's largest crop insurance program.¹⁶²¹ NAIS aims to lower risk in agricultural production by providing coverage to farmers in the event of "natural calamities, pests and diseases."¹⁶²² Between 2011 and 2012, the Indian government is piloting a modified NAIS with private sector involvement. The changes to NAIS are designed to offer more timely claims settlements, more accurate subsidy rates and reduced basis risk.¹⁶²³

The Indian government has partnered with the Indian Council of Agricultural Research combat excessive price volatility. The purpose of the partnership is to (1) reform agricultural systems to improve global competitiveness; (2) promote preparedness for drought and flood; (3) strengthen institutional capacity for developing competitive and sustainable production; and (4) promote innovative growth in the agricultural sector.¹⁶²⁴ Between 2010 and 2012, weather advisory system was established and national plant protection schemes were modified.¹⁶²⁵

Thus, India receives a score of +1.

Analyst: Vanessa Guidorizzi

Indonesia: 0

Indonesia has partially complied with its commitment to support the development of risk-management instruments.

In March 2012, the Deputy Chairman of the Indonesian Chamber of Commerce and Industry Franky Oesman Widjaja promoted innovation for the Indonesian agricultural sector. He intends to create innovative financing strategies to protect small farmers from the effects of climate change and increase productivity of exportable commodities.¹⁶²⁶

On 23 February 2012, the Indonesian Bureau of Meteorology Climatology and Geophysics purchased 14 automatic weather machines only designed and used for agricultural purposes. The government intends to increase agricultural output and foresee the risks regarding to the climate issues.¹⁶²⁷

¹⁶²¹ National Agricultural Insurance Scheme, India AGRO Industry (Uttar Pradesh) 2012. Date of Access: 9 April 2012. <http://india.gov.in/outerwin.php?id=http://www.agriculture-industry-india.com/agro-programme-schemes/credit3.html>

¹⁶²² National Agricultural Insurance Scheme, India AGRO Industry (Uttar Pradesh) 2012. Date of Access: 9 April 2012. <http://india.gov.in/outerwin.php?id=http://www.agriculture-industry-india.com/agro-programme-schemes/credit3.html>

¹⁶²³ Improving Farmers' Access to Agricultural Insurance in India, World Bank (Washington) March 2012. Date of Access: 9 April 2012. http://www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/2012/03/06/000158349_20120306082945/Rendered/PDF/WPS5987.pdf

¹⁶²⁴ Vision 2030, Indian Council of Agricultural Research (New Delhi) January 2011. Date of Access: 9 April 2012. <http://www.icar.org.in/files/ICAR-Vision-2030.pdf>

¹⁶²⁵ Natural Disasters and Crop Protection, Indian Government (New Delhi) February 2011. Date of Access: 9 April 2012. <http://india.gov.in/citizen/agriculture/index.php?id=29>

¹⁶²⁶ Can Indonesia feed the world?, Globe Asia (Jakarta) 6 March 2012. Date of Access: 29 April 2012. <http://www.thejakartaglobe.com/interviews/can-indonesia-feed-the-world/502949>

¹⁶²⁷ Automatic Weather Stations to be Installed in Indonesia, EnviroTech (Charlottesville) 23 February 2012. Date of Access: 9 March 2012. http://www.envirotech-online.com/news/air-monitoring/6/casella/automatic_weather_stations_to_be_installed_in_indonesia/18845/

On 2 March 2012, Minister of Agriculture Dr. Ir Suswono announced that Indonesia would not import rice in the coming year if the Indonesian State Logistics Agency (BULOG) fulfils its mandate. This will prevent price volatility and food shortages.¹⁶²⁸ BULOG's active involvement does not provide any financial tools to farmers. Risk-management mechanisms are only comprised of the release of previously mass-purchased harvests to the market.¹⁶²⁹

On 4 March 2012, BULOG announced that it was forming a taskforce that will monitor rice prices and rice harvest in various centres for possible price volatility.¹⁶³⁰

On 7 March 2012, Deputy Minister of Agriculture, Dr. Rusman Heryawan requested further support from the Ministry of Trade to support Ministry of Agriculture on issues such as: (1) stock management, (2) facilitation of an auction market, (3) development of better financial controls, (4) import duties, (5) diversification of commodities and (6) quality control.¹⁶³¹

As the government has declared its intent to support risk management instruments in the future, Indonesia receives a score of 0.

Analyst: Ugur Poyraz

Italy: +1

Italy has fully complied with its commitment to support new or existing risk-management instruments in this compliance cycle.

On 28 February 2012, Minister of Agriculture and Forestry Mario Catania, at a workshop entitled "Credit and Agriculture: New Opportunities for Business," announced the creation of new tools to provide easy access to farmers. The institute created the financial tools, the Reinsurance Fund and Credit Access Guarantees, for Agricultural Market Studies (ISMEA).¹⁶³² ISMEA also offers a Co-Reinsurance Group that forms a consortium of insurance companies and reinsurance groups to co-reinsure against natural disasters. The Credit and Agriculture workshop provided training in

¹⁶²⁸ No Rice Imports for 2012, Says Indonesian Agriculture Minister, Oryza News (Jakarta) 2 March 2012. Date of Access: 9 March 2012. <http://oryza.com/Rice-News/14458.html>

¹⁶²⁹ BULOG Bring Rice Closer to the Disaster-Prone Locations (Jakarta) 8 November 2011. Date of Access: 9 March 2012. <http://www.bulog.co.id/eng/berita/37/2808/10/11/2011/BULOG-Bring-Rice-Closer-to-the-Disaster-Prone-Locations.html>

¹⁶³⁰ Divre Sumut Bentuk Satgas Pantau Harga Padi Pasca Panen, Bureau of General and Public Relations (Jakarta) 4 March 2012. Date of Access 09 March 2012. <http://www.bulog.co.id/berita/37/3161/10/3/2012/Divre-Sumut-Bentuk-Satgas-Pantau-Harga-Padi-Pasca-Panen.html>

¹⁶³¹ Wamentan Minta Dukungan Kemendag Untuk Tumbuhkan Sektor Pertanian Sumber Berita, Bureau of General and Public Relations (Jakarta) 9 March 2012. Date of Access 09 March 2012. <http://www.deptan.go.id/news/detail.php?id=949>

¹⁶³² Credit, Catania: New Tools for Italian Agriculture, Ministry of Agriculture and Forestry (Rome) 28 February 2012. Date of Access: 5 March 2012. <http://www.politicheagricole.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/4701>

the use of these tools.¹⁶³³ Mario Catania stated that these instruments will help farmers to navigate markets as they exist today.¹⁶³⁴

Italy has been awarded a score of +1 for supporting risk management instruments.

Analyst: Cynthia Foley

Japan: -1

Japan has not complied with the commitment to develop risk management instruments to combat agriculture price volatility.

Since the 2011 earthquake, the Japanese Ministry of Agriculture has focused on recovery efforts and ensuring food safety.¹⁶³⁵ The government is planning measures to be taken in case of future earthquakes and strengthening their emergency response capacity.¹⁶³⁶

In 2012, the Japanese government has stated its agricultural policy will focus improving the agricultural sector by: (1) developing sustainable practices; (2) promoting of material circulation by agriculture, forestry and fisheries; (3) liaising between rural and urban areas; and (4) proactive efforts between agricultural producers and consumers.¹⁶³⁷

Thus, Japan is awarded a score of -1.

Analyst: Nikki Vukasovic

Korea: 0

The Republic of Korea has partially with its commitment to support new or existing risk management instruments in this compliance cycle.

Since 2010, the Korean government has addressed excessive price volatility. Varied purchase methods including diversification of import sources, futures trading, and a system for management fund use to support private international agriculture development were created.¹⁶³⁸

In 2011, the government has provided special tax exemptions to support restructuring in the agricultural sector.¹⁶³⁹ The government is developing a supply and demand stabilization system

¹⁶³³ Financial Instruments, Institute for Agricultural Market Studies (Rome). Date of Access: 5 March 2012. <http://www.ismea.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/1>

¹⁶³⁴ Credit, Catania: New Tools for Italian Agriculture, Ministry of Agriculture and Forestry (Rome) 28 February 2012. Date of Access: 5 March 2012.

<http://www.politicheagricole.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/4701>
¹⁶³⁵ Road to recovery, Prime Minister of Japan and His Cabinet (Tokyo) March 2012. Date of Access: 9 April 2012. http://www.kantei.go.jp/foreign/incident/pdf/road_to_recovery_1.pdf

¹⁶³⁶ Road to recovery, Prime Minister of Japan and His Cabinet (Tokyo) March 2012. Date of Access: 9 April 2012. http://www.kantei.go.jp/foreign/incident/pdf/road_to_recovery_1.pdf

¹⁶³⁷ Principles of the Environmental Policy in Agriculture, Forestry and Fisheries (Tokyo) 2012. Date of Access: 9 April 2012. <http://www.maff.go.jp/e/pdf/outlinee.pdf>

¹⁶³⁸ Policy- Food, Ministry of Food, Agriculture, Forestry and Fisheries (Gwacheon). Date of Access: 6 April 2012.

http://english.mifaff.go.kr/eng/list.jsp?group_id=1002&menu_id=1027&link_menu_id=&division=H&board_kind=&board_skin_id=&parent_code=1002&depth=1&tab_yn=N

by strengthening proactive handling of items related to supply and demand instability, improving agriculture forecasts and expanding cultivation areas.¹⁶⁴⁰

The government is aiming to stabilize food prices. By 2015, Korea seeks to (1) improve agricultural product safety control levels by reinforcing animals and plant quarantines, (2) establish a regulatory foundation to nurture the agricultural product industry, (3) reinforce food industry promotion support through creation of metropolitan food clusters, production expansion, semi-finished supply facilities, preprocessed food supplies for producers, (4) set the target food supply rate and use it as an extended agricultural administration index, and (5) create an Agricultural Credit Insurance.¹⁶⁴¹

Thus, for its intent to support risk management instrument, Korea receives a score of 0.

Analyst: Nikki Vukasovic

Mexico: 0

The Government of Mexico has partially complied with its commitment to develop risk-management instruments.

In September 2010, La Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación (SAGARPA) invested in the Strategic Project of Apoyo al Ajuste de Carga Animal en Agostaderos 2012 with an investment of 562MDP to support its livestock sector in the states affected by drought.¹⁶⁴² SAGARPA is engaged in a program linked to the strengthening of tropical crops, by investing MXP251 million.¹⁶⁴³

¹⁶³⁹ Agricultural achievements and key promotional tasks of 2012, Ministry for Food, Agriculture, Forestry and Fisheries (Gwacheon) 5 April 2012. Date of Access: 7 April 2012.

http://english.mifaff.go.kr/eng/list.jsp?id=27567&pageNo=1&NOW_YEAR=2012&group_id=1001&menu_id=1020&link_menu_id=1020&division=B&board_kind=G&board_skin_id=G1&parent_code=1001&link_url=&depth=1&code=&link_target_yn=&menu_introduction=&menu_name=&popup_yn=&reference=&tab_yn=N

¹⁶⁴⁰ Agricultural achievements and key promotional tasks of 2012, Ministry for Food, Agriculture, Forestry and Fisheries (Gwacheon) 5 April 2012. Date of Access: 7 April 2012.

http://english.mifaff.go.kr/eng/list.jsp?id=27567&pageNo=1&NOW_YEAR=2012&group_id=1001&menu_id=1020&link_menu_id=1020&division=B&board_kind=G&board_skin_id=G1&parent_code=1001&link_url=&depth=1&code=&link_target_yn=&menu_introduction=&menu_name=&popup_yn=&reference=&tab_yn=N

¹⁶⁴¹ Policy- Foodstuff, Ministry of Food, Agriculture, Forestry and Fisheries (Gwacheon). Date of Access: 6 April 2012.

http://english.mifaff.go.kr/eng/list.jsp?group_id=1002&menu_id=1026&link_menu_id=1092&division=H&board_kind=&board_skin_id=&parent_code=1002&depth=1&tab_yn=Y

¹⁶⁴² Apoya SAGARPA 285mil Unidades Ganaderas para Mitigar Estiaje, Secretaria de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación (México, D.F.) 1 March 2012. Date of Access: 3 March 2012.

<http://www.sagarpa.gob.mx/saladeprensa/boletines2/paginas/2012B148.aspx>

¹⁶⁴³ Fortalecen Competitividad de Cultivos Tropicales, Secretaria de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación (Hueytamalco, Pue.) 29 February 2012. Date of Access: 3 March 2012. <http://www.sagarpa.gob.mx/saladeprensa/boletines2/paginas/2012B145.aspx>

In December 2011, Mexico proposed to analyze policies to mitigate the adverse effects of price volatility and strengthen food security. Also, the Mexican government is engaged in fighting against climate change and the promotion of sustainable development.¹⁶⁴⁴

In February 2012, SAGARPA invested MXP500 million to modernize irrigation in the agricultural sector.¹⁶⁴⁵ SAGARPA signed an agreement with agricultural producers, which disclosed Los Lineamientos Específicos de Operación del Proyecto Estratégico de Tecnificación de Riego 2012.¹⁶⁴⁶ The project will increase crop yields, and promote production of food and raw materials.¹⁶⁴⁷

In anticipation of the Los Cabos Summit, the Mexican presidency released a report on food security. The report reiterates the importance of addressing excessive price volatility. Mexico committed to: (1) investing in research and development through agricultural extension; (2) fostering private-public investments in agrifood and redirecting public investments; (3) sustainable development; (4) the use of risk management instruments.¹⁶⁴⁸ The Government of Mexico is developing a “risk atlas to prepare actions to respond to climate-related contingencies.”¹⁶⁴⁹

The Mexican invested in the agricultural sector to increase production and mitigate price volatility. The government has also declared intent to support or enact risk management instruments, Mexico has received a score of 0.

Analyst: Angela Zhang

Russia: +1

Russia has fully complied with its commitment to support risk-management instruments aimed at mitigating the adverse effects of excessive price volatility.

Russian authorities have contributed towards the support of existing risk-management instruments in agricultural sector.

¹⁶⁴⁴ Mexico on the G20 importance. The Economic Observer. 11 April 2012. Access date: 1 May 2012. <http://www.eeo.com.cn/ens/2012/0411/224310.shtml>

¹⁶⁴⁵ Impulsan Tecnificación de Riego en el Sector Agrícola, Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación (México, D.F.) 22 February 2012. Date of Access: 3

March 2012. <http://www.sagarpa.gob.mx/saladeprensa/boletines2/paginas/2012B123.aspx>

¹⁶⁴⁶ Acuerdo por el que se dan a conocer los Lineamientos Específicos de Operación del Proyecto Estratégico de Tecnificación de Riego 2012, Secretaría de Gobernación (México, D.F.) 22 February 2012. Date of Access: 3 March 2012.

http://www.dof.gob.mx/nota_detalle.php?codigo=5234868&fecha=22/02/2012

¹⁶⁴⁷ Impulsan Tecnificación de Riego en el Sector Agrícola, Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación (México, D.F.) 22 February 2012. Date of Access: 3

March 2012. <http://www.sagarpa.gob.mx/saladeprensa/boletines2/paginas/2012B123.aspx>

¹⁶⁴⁸ Food Security: A G20 Priority The Input of Mexico’s Experiences, Institute for Agriculture and Trade Policy (Washington) April 2012. Date of Access: 2 May 2012.

<http://www.iatp.org/files/Mexican%20G20-Food%20Security%20Discussion%20Paper.pdf>

¹⁶⁴⁹ Food Security: A G20 Priority The Input of Mexico’s Experiences, Institute for Agriculture and Trade Policy (Washington) April 2012. Date of Access: 2 May 2012.

<http://www.iatp.org/files/Mexican%20G20-Food%20Security%20Discussion%20Paper.pdf>

On 30 December 2011, the Russian Government adopted the procedure of providing subsidies from the federal budget to partially cover agricultural producers' costs of insuring their crops.¹⁶⁵⁰

On 22 March 2012,¹⁶⁵¹ Russian Government prolonged the term of providing benefits to agricultural producers. These benefits include, inter alia, financial assistance to agricultural producers in loans repayment. Loans can be used to producers to repay insurance premium.¹⁶⁵²

Russia has taken actions to contribute to the support of existing risk-management instruments. Thus, it has been given a score of +1 for full compliance with the commitment.

Analyst: Andrey Shelepov

Saudi Arabia: -1

The Saudi Arabian government has not complied with its commitment to support risk management instruments.

The Government of Saudi Arabia has an increasing growth in agriculture, and announced at the beginning of 2012 its highest budget to date. USD16 billion was allocated to the agricultural sector.¹⁶⁵³ The budget allowance goes to new investments in creating wheat silos, spreading wheat storage facilities and building mills to fulfill the nation's growing needs.¹⁶⁵⁴

In 2012, the Saudi government intends to launch agricultural investment and production programs outside of the kingdom.¹⁶⁵⁵ They are "seeking to start projects and reap opportunities in Sudan, Egypt, Ethiopia, Brazil, Uruguay, Argentina, Philippines, Turkey, Ukraine, Vietnam, Kazakhstan and others."¹⁶⁵⁶ As a first stage to the projects that will be implemented in 2012, the government announced \$6 million projects in the Eastern Province and \$16 million projects in the Al-Ahsa area.¹⁶⁵⁷

¹⁶⁵⁰ Russian Government Resolution of 30 December 2011 No. 1234 On the provision and distribution of subsidies from the federal budget to the budgets of the Russian Federation regions on compensating the costs of agricultural producers for agricultural crops, perennial plants crops and perennial plantings hedging, Russian Ministry of Agriculture 15 March 2012. Date of Access: 31 March 2012. <http://www.mcx.ru/documents/document/show/18164.285.htm>.

¹⁶⁵¹ Resolution of 22 March 2012 No. 230, Government of Russia (Moscow) 22 March 2012. Date of Access: 31 March 2012. <http://government.ru/gov/results/18553/>.

¹⁶⁵² Russian authorities have extended the program of co-financing interest payments on loans to producers in agriculture and aquaculture, Russian Ministry of Agriculture 28 March 2012. Date of Access: 31 March 2012. <http://www.mcx.ru/news/news/show/5376.285.htm>.

¹⁶⁵³ Increased Governmental Spending and Investment Diversification, Saudi Agriculture (Riyadh, KSA). Date of Access: 3 March 2012. http://www.saudi-agriculture.com/get_pagecontent.php?appearpage=Saudi_Agri_2012_Market_Insights&show_id=185&submenu='Market%20Insights'&menu_id=1&menu_text='Market%20Insights'&page=1

¹⁶⁵⁴ Increased Governmental Spending and Investment Diversification, Saudi Agriculture (Riyadh, KSA). Date of Access: 3 March 2012. http://www.saudi-agriculture.com/get_pagecontent.php?appearpage=Saudi_Agri_2012_Market_Insights&show_id=185&submenu='Market%20Insights'&menu_id=1&menu_text='Market%20Insights'&page=1

¹⁶⁵⁵ Saudi Arabian Agricultural Sector in 2012, Saudi Agriculture (Riyadh, KSA). Date of Access: 9 April 2012. <http://www.saudi-agriculture.com/pdf/Brochure.pdf>

¹⁶⁵⁶ Saudi Arabian Agricultural Sector in 2012, Saudi Agriculture (Riyadh, KSA). Date of Access: 9 April 2012. <http://www.saudi-agriculture.com/pdf/Brochure.pdf>

¹⁶⁵⁷ Saudi Arabian Agricultural Sector in 2012, Saudi Agriculture (Riyadh, KSA). Date of Access: 9 April 2012. <http://www.saudi-agriculture.com/pdf/Brochure.pdf>

Saudi Arabia has a state investment company in charge of the agriculture focusing on food safety, disposing of a budget of USD 800 million, where on 24 April 2012 Bulgaria joined in the king of Saudi Arabia's agricultural investment initiative.¹⁶⁵⁸

The Government of Saudi Arabia increased development in agriculture. However, they have not supported the development of risk management instruments. Thus, Saudi Arabia has been awarded a score of -1.

Analyst: Angela Zhang

South Africa: -1

South Africa has not complied with its commitment to support risk management instruments.

Between 2011 and 2012, the South African government contributed ZAR750 million towards food security, job creation and poverty alleviation through programs like the Micro-agricultural Financial Institutions of South Africa (Mafisa).¹⁶⁵⁹ Mafisa provides access to finance for farmers, especially beneficiaries of the land restitution, redistribution and land tenure reform programs.¹⁶⁶⁰

A Food Security Policy for South Africa will be adopted between 2012 and 2013 with the strategic goal to improve South Africa's adequacy and stability of access to safe and nutritious food at both a national and household level.¹⁶⁶¹ This policy calls for increased and better-targeted public spending in social programs, education and health services, and public works programs, as well as a re-prioritization of government procurement on food to provide markets for community food production initiatives.¹⁶⁶²

From 2012 to 2013, the Sustainable Household Food Security Programme will be implemented to improve the production systems of subsistence and smallholder producers in the agriculture, forestry and fishery sector to achieve food security livelihoods and facilitate the provision of inputs, implements and infrastructure support.¹⁶⁶³ The program includes a subprogram for sector capacity development through facilitating and supporting education and training skills, promoting the development of centres of excellence on skills training and developing, managing and

¹⁶⁵⁸ Bulgaria to be joined in big initiative of Saudi Arabia's king for investments in agriculture. Focus Information Agency (Bulgaria) 24 April 2012. Date of Access: 1 May 2012.

<http://www.focus-fen.net/index.php?id=n276448>

¹⁶⁵⁹ Comprehensive Agricultural Support Programme, Department of Agriculture, Forestry and Fisheries (Pretoria) 2011. Date of Access: 9 April 2012.

<http://www.nda.agric.za/doaDev/topMenu/DoAProgrammes/CASP.htm>

¹⁶⁶⁰ Comprehensive Agricultural Support Programme, Department of Agriculture, Forestry and Fisheries (Pretoria) 2011. Date of Access: 9 April 2012.

<http://www.nda.agric.za/doaDev/topMenu/DoAProgrammes/CASP.htm>

¹⁶⁶¹ Strategic Plan 2012/2013-2016/2017, Department of Agriculture, Forestry and Fisheries (Pretoria) 2012. Date of Access: 9 April 2012.

<http://www.nda.agric.za/docs/stratplan2012/201213-201617.pdf>

¹⁶⁶² Strategic Plan 2012/2013-2016/2017, Department of Agriculture, Forestry and Fisheries (Pretoria) 2012. Date of Access: 9 April 2012.

<http://www.nda.agric.za/docs/stratplan2012/201213-201617.pdf>

¹⁶⁶³ Strategic Plan 2012/2013-2016/2017, Department of Agriculture, Forestry and Fisheries (Pretoria) 2012. Date of Access: 9 April 2012.

<http://www.nda.agric.za/docs/stratplan2012/201213-201617.pdf>

coordinating the sector transformation policy and strategy in line with the government objectives for the departments.¹⁶⁶⁴

South Africa has invested in various agricultural programs, but has not supported the development of risk management instruments. Thus, South Africa is awarded a score of -1.

Analyst: Vanessa Guidorizzi

Turkey: +1

Turkey has fully complied with its commitment to support the development of risk-management instruments.

In 2010, the Turkish government created the Agricultural Insurance Pool (TARSIM). TARSIM promotes agricultural commodity insurance protecting farmers from adverse weather conditions.¹⁶⁶⁵ In 2011, the number of farmers benefiting from TARSIM's insurance policies increased by as much as 58%. The president of the department, Dr. Karak Ramandan, expects a similar growth through 2012.¹⁶⁶⁶ The government the latest renewal for commodity insurance applications was in March 2012.¹⁶⁶⁷¹⁶⁶⁸

On 28 December 2011, government extended the agricultural risks and incidents that TARSIM will insure. Turkish Government allowed TARSIM to collaborate freely with Turkish State Meteorological Service to assess risks and to further enlarge the scope of agriculture insurances.¹⁶⁶⁹

From 15-19 February 2012, delegates from 65 countries attended the International Food and Agricultural Congress in Antalya, Turkey. Turkish ministries discussed the agricultural impact assessment of climate change and government financed agriculture financing and credits.¹⁶⁷⁰

¹⁶⁶⁴ Strategic Plan 2012/2013-2016/2017, Department of Agriculture, Forestry and Fisheries (Pretoria) 2012. Date of Access: 9 April 2012.

<http://www.nda.agric.za/docs/stratplan2012/201213-201617.pdf>

¹⁶⁶⁵ Subsidized agricultural insurance in Turkey (TARSIM), Trebol (Turkey) 2010. Date of Access: 9 April 2012.

<http://www.mapfre.com/mapfrere/docs/html/revistas/trebol/n54/articulo2En.html>

¹⁶⁶⁶ Tarımda poliçe sayısı yüzde 58 arttı, TARSİM Tarım Sigortaları Havuzu (Ankara) 1 March 2012. Date of Access: 5 March 2012.

http://www.tarsim.org.tr/trsmWeb/basinHaberDetay.jsp?_yil_=2012&_ay_=3&_docid_=4149

¹⁶⁶⁷ Tarsim Poliçe Kabul Tarihleri Uzatıldı, Haberyurdum 9 February 2012. Date of Access: 5 March 2012. <http://www.haberyurdum.com/tarsim-police-kabul-tarihleri-uzatildi-19989n/>

¹⁶⁶⁸ Fındığı sigortalatmak için üreticiye son şans, TARSİM Tarım Sigortaları Havuzu (Ankara) 1 March 2012. Date of Access: 5 March 2012.

http://www.tarsim.org.tr/trsmWeb/basinHaberDetay.jsp?_yil_=2012&_ay_=3&_docid_=4156

¹⁶⁶⁹ Tarım Sigortaları Havuzu Tarafından Kapsama Alınacak Riskler, Ürünler ve Bölgeler ile Prim Desteği Oranlarına İlişkin Karar, Resmi Gazete (Ankara) 28 December 2012. Date of Access 05 March 2012.

<http://www.resmigazete.gov.tr/main.aspx?home=http://www.resmigazete.gov.tr/eskiler/2011/12/20111228.htm&main=http://www.resmigazete.gov.tr/eskiler/2011/12/20111228.htm>

¹⁶⁷⁰ International Food, Agricultural and Gastronomy Congress, Tarım Federasyonu (Ankara) 15 February 2012. Date of Access 05 March 2012. <http://www.tarimvegidakongresi.org/>

On 22 February 2012, the Turkish government provided additional low-interest credits for the agricultural businesses.¹⁶⁷¹ These credits were provided as contingent financial tools, enabling businesses to increase productivity, expanded own operations and for any other reason that would have endangered agricultural businesses. Similarly on 28 January 2012, head of Central Union of Turkish Agricultural Credit Cooperatives (TACC), biggest agricultural government agency in Turkey, declared that his agency aims to provide TRY4.5 billion more credit to agricultural businesses through 2012.¹⁶⁷²

In March 2012, various local councils and municipalities invited all agricultural producers to participate to publicly-funded insurance schemes.¹⁶⁷³ The Central Union of Turkish Agricultural Credit Cooperatives' regional manager for the city of Samsun, Mesut Atav underlined the risks that agricultural producers could face and restated the importance of agricultural insurance.¹⁶⁷⁴ He also announced that financial support from the government could be used towards the insurance initiatives, making them significantly more affordable.¹⁶⁷⁵

On 18 April 2012, specialists and bureaucrats of the Turkish Banking Regulation and Supervision Agency participated at a conference on agricultural financing convened by the European Bank for Reconstruction and Development. The major topics discussed were: (1) agricultural risk management, (2) financial support for agriculture, and (3) agricultural credits. Private and public organizations found a venue to share information.¹⁶⁷⁶

In April, representatives from Sekerbank, a private banking institution, and TARSIM announced their collaboration for some insurance policies protecting agricultural producers for unforeseen incidents. One provision of the new policies is increasing flexibility for insurance payments. For example, agricultural producers may defer their payments until after the completion of their harvests.¹⁶⁷⁷

¹⁶⁷¹ T.C. Ziraat Bankası A.Ş. ve Tarım Kredi Kooperatiflerince Tarımsal Üretime Dair Düşük Faizli Yatırım ve İşletme Kredisi Kullandırılmasına İlişkin Karar, Resmi Gazete (Ankara) 22 February 2012. Date of Access: 5 March 2012.

<http://www.resmigazete.gov.tr/main.aspx?home=http://www.resmigazete.gov.tr/eskiler/2012/02/20120222.htm&main=http://www.resmigazete.gov.tr/eskiler/2012/02/20120222.htm>

¹⁶⁷² Çiftçilere 4.5 milyar lira kredi, Anadolu Ajansı (Ankara) 28 January 2012. Date of Access: 5 March 2012. <http://www.finansgundem.com/haber/Ciftcilere-4-5-milyar-lira-kredi/80418>

¹⁶⁷³ Çiftçilere 'tarım sigortası yaptırın' çağrısı, HBR Haber (Ankara) 30 April 2012. Date of Access: 30 April 2012. <http://www.hbrhaber.com/yerel/ciftcilere-tarim-sigortasi-yaptirin-cagrisi-h3962.html>

¹⁶⁷⁴ Devlet Destekli Tarım Sigortası'nda son başvuru günü 10 Mart, F5 Haber (Ankara) 5 March 2012. Date of Access: 29 April 2012. <http://www.f5haber.com/samsun/devlet-destekli-tarim-sigortasi-nda-son-basvuru-gunu-haberi-69017/>

¹⁶⁷⁵ Devlet Destekli Tarım Sigortası'nda son başvuru günü 10 Mart, F5 Haber (Ankara) 5 March 2012. Date of Access: 29 April 2012. <http://www.f5haber.com/samsun/devlet-destekli-tarim-sigortasi-nda-son-basvuru-gunu-haberi-69017/>

¹⁶⁷⁶ Türkiye'de Tarımın Finansmanı Tüm Yönleriyle Ele Alındı, Girişim Haber (Ankara) 24 April 2012. Date of Access: 29 April 2012. <http://www.girisimhaber.com/post/2012/04/24/Turkiyede-Tarimin-Finansmani-Tum-Yonleriyle-Ele-Alindi.aspx>

¹⁶⁷⁷ Tarım sigortası ödemeleri hasat zamanına erteleniyor, Haber Pro (Ankara) 3 April 2012. Date of Access: 29 April 2012. <http://aydin.haber.pro/haber-Tarim-sigortasi-odemeleri-hasat-zamanina-erteleniyor-44256.html>

The Turkish Government has improved its weather index insurance policies and contingent financial tools. Thus, Turkey is awarded a score of +1.

Analyst: Ugur Poyraz

United Kingdom: -1

The United Kingdom has not complied with the commitment to support risk management instruments.

In November 2011, the UK government published Guidelines for Environmental Risk Assessment and Management. The Guidelines include examples of good practice case studies to assess and manage risks faced by the United Kingdom.¹⁶⁷⁸

In December 2011, the Department of Environment, Food and Rural Affairs distributed GBP100 thousand to protect farmlands from flooding.¹⁶⁷⁹ The funds were awarded to 12 projects to install new equipment and improve facilities.¹⁶⁸⁰

In 2012, the Future Options Programme (FOP) as part of the Strategic Improvement Plan (SIP) was announced. FOP will improve “underlying processes and data to make Rural Payment Agency’s foundation more solid and the outputs may not be very visible to its customers during the life of the SIP itself.”¹⁶⁸¹ FOP will take effect from 2014-2017.¹⁶⁸²

The National Adaptation Programme is currently in development. The Programme will allow the government to plan responses to climate change and adverse weather.¹⁶⁸³

The UK government has funded many new programs in the agricultural sector but has not directly supported risk management instruments. Thus, the United Kingdom receives a score of -1.

Analyst: Vanessa Guidorizzi

United States: +1

The United States has fully complied with its commitment to support new or existing risk-management instruments.

¹⁶⁷⁸ Environmental Risk, Department for Environment, Food and Rural Affairs (London) 14 November 2011. Date of Access: 9 April 2012.

<http://www.defra.gov.uk/environment/quality/risk/>

¹⁶⁷⁹ £100000 fund to help farmers protect wildlife and manage flood risk, Department for Environment, Food and Rural Affairs (London) 28 December 2011. Date of Access: 6 April 2012. <http://www.defra.gov.uk/news/2011/12/28/100000-fund-to-help-farmers-protect-wildlife-and-manage-flood-risk/>

¹⁶⁸⁰ £100000 fund to help farmers protect wildlife and manage flood risk, Department for Environment, Food and Rural Affairs (London) 28 December 2011. Date of Access: 6 April 2012. <http://www.defra.gov.uk/news/2011/12/28/100000-fund-to-help-farmers-protect-wildlife-and-manage-flood-risk/>

¹⁶⁸¹ RPA launches five-year plan, Department for Environment, Food and Rural Affairs (London) 9 February 2012. Date of Access: 6 April 2012. <http://www.defra.gov.uk/news/2012/02/09/rpa-improvement-plan/>

¹⁶⁸² RPA launches five-year plan, Department for Environment, Food and Rural Affairs (London) 9 February 2012. Date of Access: 6 April 2012. <http://www.defra.gov.uk/news/2012/02/09/rpa-improvement-plan/>

¹⁶⁸³ Developing the National Adaption Programme, Department for Environment, Food and Rural Affairs (London) 2012. Date of Access: 6 April 2012. <http://engage.defra.gov.uk/nap/>

On 6 March 2012, Agriculture Secretary Tom Vilsack announced 19.7 million of financial and technical assistance to repair damage caused by natural disasters. Funds are made available through the Natural Resources Conservation Service's (NRCS) Emergency Watershed Protection (EWP) program and are intended to encourage locally driven, large scale, landscape conservation.¹⁶⁸⁴ Vilsack said, "A strong safety net is important to the long-term success of American communities. To keep America's lands safe for the public, and ensure continued strong growth in the rural economy, USDA responds to disasters across the country, ranging from record floods and droughts to tornadoes, with direct support through disaster assistance programs."¹⁶⁸⁵ In partnership with local sponsors like municipal or country governments, the NRCS pays up to 75% of construction costs while the remaining 25% is obtained by local sponsors.¹⁶⁸⁶ It is essentially an insurance initiative against natural disasters with both private and public sector involvement.

The United States has been awarded a score of +1 for supporting risk-management instruments.

Analyst: Cynthia Foley

European Union: 0

The European Union has partially complied with its commitment to support risk management instruments.

On 11 April 2012, the representative from the delegation of the European Union as the United Nations said that the international community should support systems such as the Agricultural Market Information System (AMIS) implemented by the Food and Agriculture Organization (FAO), as well as risk management tools.¹⁶⁸⁷

In 2012, the Common Agricultural Policy (CAP) celebrated its fiftieth anniversary. In 2011, CAP accounted for 47% of the EU's total budget.¹⁶⁸⁸ Dacian Ciolos, Commissioner for Agriculture and Rural Development stated that 2012 will be a year to focus on reforms to CAP and "new concerns

¹⁶⁸⁴ USDA Provides Disaster Recovery Assistance in 20 States, United States Department of Agriculture (Washington D.C.) 6 March 2012. Date of Access: 11 March 2012.
http://www.usda.gov/wps/portal/usda/usdahome?contentid=2012/03/0084.xml&navid=NEWS_RELEASE&navtype=RT&parentnav=LATEST_RELEASES&edeployment_action=retrievecontent

¹⁶⁸⁵ USDA provides disaster recovery assistance in 20 states, US Department of Agriculture (Washington DC) 6 March 2012. Date of Access: 7 April 2012
<http://www.usda.gov/wps/portal/usda/usdahome?contentid=2012/03/0084.xml&contentidonly=true>

¹⁶⁸⁶ USDA provides disaster recovery assistance in 20 states, US Department of Agriculture (Washington DC) 6 March 2012. Date of Access: 7 April 2012
<http://www.usda.gov/wps/portal/usda/usdahome?contentid=2012/03/0084.xml&contentidonly=true>

¹⁶⁸⁷ Experts Stress Need for Political Will to End Excessive Speculation in Commodity Markets as General Assembly Holds Thematic Debate on Price Volatility, United Nations General Assembly (New York) 11 April 2012. Date of Access: 28 April 2012.
<http://www.un.org/News/Press/docs/2012/ga11223.doc.htm>

¹⁶⁸⁸ CAP plans don't get to heart of challenges, Department of Environment, Food and Rural Affairs (London) 14 November 2011. Date of Access: 7 April 2012.
<http://www.defra.gov.uk/news/2011/11/14/cap-devolved-administrations/>

such as climate change and the sustainable use of natural resources.”¹⁶⁸⁹ CAP’s current risk management strategies operate through the single Common Market Organization (sCMO), a system of direct payments and rural development programs. sCMO provides EU subsidized agricultural insurance, mutual funds and development programs for farmers.¹⁶⁹⁰ CAP has devolved some risk management tools to members and market instruments, such as forward contracts and derivatives markets.¹⁶⁹¹

In 2013, CAP will be renegotiated. The EU aims to improve the availability of risk management tools, especially prevention tools and tools related to price risks, through a more decentralized approach.¹⁶⁹² The options presented for future risk management tools in the EU are: (1) extending the current framework for insurances and mutual funds, (2) income stabilization tools, and (3) a crisis fund.¹⁶⁹³

Thus, for declaring intent to improve the availability of risk management tools, the European Union receives a score of 0.

Analyst: Vanessa Guidorizzi

¹⁶⁸⁹ Launching the 50th Anniversary of the Common Agricultural Policy, European Commission (Brussels) 23 January 2012. Date of Access: 9 April 2012.

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/12/36&type=HTML>

¹⁶⁹⁰ Impact Assessment: Common Agricultural Policy towards 2020, European Commission (Brussels) 12 October 2011. Date of Access: 9 April 2012.

http://ec.europa.eu/agriculture/analysis/perspec/cap-2020/impact-assessment/annex6_en.pdf

¹⁶⁹¹ Impact Assessment: Common Agricultural Policy towards 2020, European Commission (Brussels) 12 October 2011. Date of Access: 9 April 2012.

http://ec.europa.eu/agriculture/analysis/perspec/cap-2020/impact-assessment/annex6_en.pdf

¹⁶⁹² Impact Assessment: Common Agricultural Policy towards 2020, European Commission (Brussels) 12 October 2011. Date of Access: 9 April 2012.

http://ec.europa.eu/agriculture/analysis/perspec/cap-2020/impact-assessment/annex6_en.pdf

¹⁶⁹³ Impact Assessment: Common Agricultural Policy towards 2020, European Commission (Brussels) 12 October 2011. Date of Access: 9 April 2012.

http://ec.europa.eu/agriculture/analysis/perspec/cap-2020/impact-assessment/annex6_en.pdf