

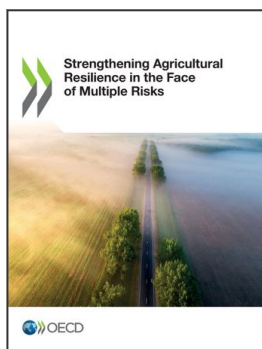
Foreword

Managing risk is inherent in agriculture. Producers – and the sector as a whole – are confronted with production risk due to fluctuations in weather, market risk due to price volatility, financial risk resulting from the need to borrow funds to finance operations, and institutional or political risks from changes in policy. But even for a sector accustomed to risks and employing measures to manage them, farmers and other actors continue to be confronted with new and unknown risks that threaten farm businesses, supply chains, and even food security, eliciting emergency responses from governments and sector actors seemingly caught off-guard. At this writing, the largest global pandemic in more than a century, COVID-19, has disrupted the sector in unexpected ways, cutting off producers from seasonal labourers, affecting the wellbeing of workers in food processing plants, and even virtually shutting down certain supply chains as lockdowns severely curtailed restaurant and hospitality sectors.

As disruptive as the pandemic has been to lives and livelihoods, it has not occurred in a vacuum. Rather, it occurred amidst a myriad of other “unprecedented” shocks. Long established trade relationships are fraying, cutting off producers from their traditional markets and leaving them in search of new customers. Farmers are also dealing with production conditions affected by climate change, including prolonged and intensifying drought, torrential rainfall, and a warming spring that affects plant flowering. The economic impact of natural hazards continues to rise, including from powerful typhoons in Southeast Asia, more active Atlantic hurricane seasons, and historic wildfires in Australia and even the Arctic. Meanwhile, plant and animal disease risks have arisen that threaten whole sectors – African Swine Fever has decimated pig populations throughout Asia, orange producers in Florida face citrus greening, and olive growers in Italy are fighting the spread of *Xylella fastidiosa*. In response to these events, governments have marshalled emergency assistance packages, as traditional risk management tools seem to fall short. Given this environment, what is the way forward for risk management policy, and indeed, the sector as a whole?

In the face of this constantly shifting risk landscape, this report argues that a new approach to agricultural risk management is needed. Rather than relying only on tools that allow producers merely to deal with the impacts of risk, stakeholders need to implement measures and strategies that will make the sector more resilient to risk – by coping with the impacts of adverse events, adapting to changing circumstances, and transforming operations when the current system is no longer sustainable. This approach will require a reconceptualisation of agricultural risk management policy frameworks, with increased focus on both the manner in which risk management policies and approaches are developed, as well as expanded responsibilities for stakeholders and a prioritisation of investments that build resilience capacities both on-farm and for the sector as a whole.

The report is composed of two parts. Part I contains the background information exploring the concept of resilience, discusses the relevant bodies of literature, and uses the identified concepts to integrate resilience into agricultural risk management policy frameworks. The identified themes are explored further in Part II of this report, which contains four country case studies describing how these concepts are currently manifest in existing production systems and policy frameworks. In order to highlight concrete examples, each of these case studies focuses on a specific risk: drought in Australia, natural disasters in Canada, and animal and plant health risks in Italy and the Netherlands.



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