



Helping farmers adapt to climate change

The Life ADA project, launched in Italy in autumn 2020, provides practical support to the sector to face the challenges of climate change

Italy's economic losses from climate extremes are among the worst in the EU, according to the European Environment Agency. Predicted changes in climate over the next few decades will strongly influence the development of Europe's agricultural sector and its production dynamics.

Agricultural practices have always adapted to changes in weather. Yet, the scale of climate change, the increasing

frequency of extreme weather events, and the difficulty in predicting future climate scenarios present huge challenges to farmers. Climate change directly impacts agricultural yields, putting at risk farmers' revenue and their survival as viable businesses. This in, turn, threatens revenue throughout the entire value chain. There is an urgent need, therefore, to implement climate change adaptation strategies,

both at the farm and value chain level. Farmers, especially small and medium-sized operators, are highly exposed. They need to know which adaptative measures to implement locally.

Climate change also threatens how food quality requirements are maintained along the value chain. Specialized agriculture is predicated on quality assurance, often linked to the characteristics of a particular

territory. It is therefore highly exposed to climate risk. EU and Italian agriculture is characterised by a wide range of such high-value foods that boast high levels of quality in terms of food safety, and nutritional, cultural, and heritage value.

Consumer demand is pushing towards products with geographical indication (GI) or organic quality marks. Yet climate change could mean that many of these products may cease to exist, or will require new innovations in production to survive.

While insurance allows farmers to manage the economic risks of extreme events, the scale of climate change means many risks may be too expensive to insure. Insurers must play a triple role:

- as risk carriers, through the traditional role of risk transfer;
- as risk managers, to boost communities' resilience by fostering customers' capacity-building, and

From 2020 to 2023: the estimated impact of Life ADA



Lower emissions
-1% CO₂
-2% NH₃



Less consumption
-5% water consumption
-5% energy consumption



Improved resilience
+3% resilience of the population to floods
+17% sustainable management of agricultural areas

incentivizing virtuous risk reduction and adaptive interventions;
• as investors, to fund climate change adaptation.

Life ADA project

Those considerations have led UnipolSai Assicurazioni, Italy's leader in non-life insurance, to launch Life ADA (ADaptation in Agriculture). This innovative, multi-stakeholder project aims to transfer knowledge to farmers and producer organisations on climate scenarios, risk management and adaptive measures to enhance their capacity to tackle current and future climate risks.

A web-based tool will support farmers' decision-making processes in shaping efficient adaptation plans at both the farm and supply-chain level. The project will also support farmers' capacity to plan and invest in adaptive interventions by framing a coherent policy strategy at regional level. And, by building capacity on risk reduction, the project will foster insurer innovation in maintaining farmers' insurability in the long-term.

Life ADA will focus on three value chains:

- dairy (Parmigiano cheese)
- fruit and vegetables
- wine

Combined, these sectors represent 40% of Italy's agricultural revenue and almost 20% of the country's farmers.

UnipolSai Assicurazioni will coordinate the project, together with two scientific institutes (ARPAE and CREA-PB), two agricultural trade organisations (CIA Agricoltori Italiani and Legacoop Agroalimentare Nord Italia), a big data and innovation company (Leithà), an environmental NGO (Circolo Festambiente) and a region (Emilia-Romagna). The project is co-funded by the European Commission under the Life financial instrument.

Life ADA enters its pilot experimentation phase in Emilia-Romagna in autumn 2021. It will then be rolled out across Italy in 2022. The project runs until December 2023. ■

For more information, visit:
www.lifeada.eu/en/



SDSN and its publisher thank
UnipolSai Assicurazioni for its generous support
for this publication