

# **Agricultural Risk Management in a Market Oriented Economy The challenges for Syrian Agricultural Policy**

Under the first activity of the 2007 Agricultural Policy Forum of the National Agricultural Policy Center (NAPC) of the Ministry of Agricultural and Agrarian Reform, a seminar on the “Agricultural Risk Management in a Market Oriented Economy; The challenges for Syrian Agricultural Policy” was delivered by Dr. Carlo Cafiero, from the University of Naples Federico II, (Italy) on 23 January, at the NAPC premises.

Addressing the gathered assembly of specialists, policy makers and stakeholders, Dr. Cafiero introduced to the audience the most relevant issues concerning economic risk directly linked to agricultural activity, in order to highlight which challenges the Syrian economy might encounter during the rapidly evolving process of economic and political development that is taking place in the country.

Through discussion of theoretical aspects related to the concept of economic risk, and linking them to the conditions of agricultural production in a system of incomplete markets, the expert explored the extent to which possible private risk management instruments can be adopted by farmers. As well, he addressed some of the possible policy options that are available to assist farmers in facing their economic risk.

The discussion following the presentation touched on a wide range of issues, with specific reference to the issues of risk and Syrian agriculture. The questions covered a broad scope. The issues raised included those arising from the experience of Syrian livestock insurance, whose efforts the speaker commended. Further questions were raised with reference to water-related risk in Syria, Dr. Cafiero thus spoke of the need to develop appropriate methods (and technologies) to manage water-related risks. In addition, the issues of the impact of national and international partnership agreements in transition economies with reference to risk, the possible use and potential dangers of subsidies to promote use of market based risk management tools, the potential for hedging price risk on the global financial markets, and even the risk related to epidemics and pests hitting the agricultural sector, were all dealt with comprehensively by the speaker.

In conclusion, the lecturer remarked that perhaps one of the most effective ways to reduce part of the relevant risk in agriculture is through the provision of technical assistance to farmers and the provision of policy advice by relevant institutions.