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## Chapter I

# The Agri-Food System

### *Agriculture in the international economic scenario*

In 2013, the product, all over the world, has been characterized by a slowdown in the economic activity, with some weak signals of strengthening in the main developed countries, and a growth lower than the last five-year period in the emerging economies. The deceleration of the emerging economies – China, India and Brazil – has been mainly triggered by the strong slow down of the investment spending as well as by the weakening of the foreign demand.

In 2013, the international trade of goods and services continued to increase (+3%). The price index of the main raw materials has decreased by 1.6%. The petroleum price has fluctuated around a value, quite high, of about 104.1 dollar per barrel.

In the European Union the product experienced a stalemate (+0.1%), whereas in the Euro zone it decreased by 0.4%. The economic activity is somewhat increased in Germany and France (respectively +0.4% and +0.3%), whereas it continued in decreasing in Spain and Italy, although to a lesser extent compared to 2012.

The Italian GDP is decreased by 1.8% at basic prices and in the chain indexes, once again due to the contraction of the final consumption (-2.7%), as a consequence of the uncertainty and the lack of confidence, as well as of the shortage in cash. The weakness of the domestic demand has led to a remarkable decrease in imports (-5.5%); conversely, there has been an increase in the foreign demand, as confirmed by the indices of the turnover and orders in the industry sector. Almost all of the productive sectors have registered a drop in the value added, marking a decrease of 3% in the industry and 1.2% for the services.

In 2013, the FAO index for the food prices has had an average value of 209.9 (average 2000-2004=100) boosted by the strong increase in the prices of the dairy

products and by the decrease of the prices for cereals. The worldwide cereal production has reached 2,518 million tons (+9%) thanks to the recovery of maize in the US after the dried period in 2012, and to the harvesting of grain in the countries of the Commonwealth of Independent States (CSI). The rice production has experienced instead a modest increase. The worldwide production of oil seeds has reached the record level of 482 million tons thanks to the excellent result of the soya cultivations in South America. The worldwide supply of oils and fats is increased thanks to the increased yields in oil and to the constant growth of the palm-oil. International prices have undergone a reduction due to the greatest supply of cereal-based animal feeds. The worldwide production of sugar is increased, thus reaching 182 million tons, with a decrease in the EU, in the U.S. and in the Russian Federation, offset by an increase in Thailand, India and South Africa. The meat production is increased by 1.4%. The decrease in the costs of the animal feeds has fostered the decrease in the prices of poultry meat, whereas the prices of the other categories remained unchanged (beef meat and goat meat) or, in the case of the pig meat, they increased. The worldwide production of milk has registered an increase (+0.6%), mainly ascribable to the trend of the productions in Asia and Latin America. A moderate increase of the sales, both in volume and in value, has been registered in the fish sector, divided between a reduction of 0.6% of the fish captured and an increase of 5.4% of aquaculture.

According to the FAO estimates, 842 million people are undernourished, in the 2012-2014 period; from 2008 on, the number of the undernourished people is decreased by 17% from 1990 to 1992.

In the EU-28, the value of the agricultural output, at basic prices, has experienced a modest growth (+1.2%) due to a substantial increase in prices (+6.9%) and to a reduction in the quantities (-3.2%). The spending for intermediate consumption is therefore increased by 1.8% because of an increase of prices (+4.9%) and a reduction of quantities (-1.5%). The value added, remained unchanged, has amounted to 39.3% of the total value of the agricultural output.

In the EU-28, the real income of agriculture per worker, in 2013, expressed by the Eurostat indicator A, is decreased by roughly 1.2%, with much remarkable decreases in some countries (France, Estonia and Croatia). About 83% of income is generated by the EU-15, whereas 50% of the labor force resides in the new countries.

The value of the vegetable productions is decreased by 2.1%, whereas animal productions are increased by 2.5% due to the increase in prices (+3.8%), compared to a slight reduction of volume (-0.5%). Prices are increased in all sectors, with highest increases for cereals (+10%), oil seeds (+8.8%), wine (+8.8%) and vegetables (+6.2%). The decrease in the quantities produced has involved mainly wine (-15.7%), potatoes (-14.1%), fruit, cereals and oil seeds (-7%).

The prospects for 2014 have pointed out a cereal harvesting which exceeds the average for the second year in a row, a recovery in the production of meat and still high prices for milk despite the good results of the deliveries

### *Current trends in Italian agriculture*

Unlike the other sectors, the agricultural one has shown a positive trend, thus reversing the trend triggered in the previous year, although with a modest change (+0.6%). Consequently, the economic sector relating to agriculture, forestry and fishing has achieved a marginal, nonetheless effective, strengthening of its relative weight in the overall national economy, rising to 2.3% (table 1.1).

In 2013, it has been detected a worsening of the conditions in the labor market, thus leading to a decrease of the employment in terms of annual work units employed, which has affected to a greater extent also the agricultural sector (-4.2%), by damaging above all the areas with a higher concentration of employees in the primary sector, and mainly women. Conversely, in terms of AWU (annual work unit) the decrease has been less accentuated (-1.7%). Therefore, the agricultural sector has registered a remarkable improvement of productivity (+9%), with a value added per AWU exceeding 31,300 euro, thus softening the structural gap between agriculture and the rest of economy.

The overall value of the production for the agricultural, forestry and fishing sectors, at current values, has little exceeded 55,000 million euro (at basic prices), with an increase of 3.3% over the previous year, that at chain indices has led, instead, to a slight decrease (-0.4%). At the same time, the value added has exceeded 30,000 million euro (+5.6%); nonetheless, the variation to the net of the prices has little exceeded the zero.

The positive trend is ascribable exclusively to agriculture, in its narrow sense, with a production value of over 52,500 million euro (+3.6%) (table 1.2). In real terms there has been, nonetheless, a slight decrease (-0.3%), due to the bad weather conditions which have caused a drop in the vegetable production, in addition to a decrease in the animal production. Conversely, the fishing sector has shown a sharp setback, as a consequence of the progressive re-sizing process which is affecting the sector from several years on; at last, an unchanged situation has been detected for the forestry sector, despite the relevance of its national wooded heritage, which has continued in maintaining a marginal incidence, thus testifying the scarce use of the present management for economic purposes.

In 2013, the national agricultural production is derived, for more than the half, from crops (52.8%), and, for one third, from the breeding (33.4%). In par-

ticular, at current values, the agricultural crops are increased by 5.4%, with the positive contribution of the tree crops (+12.9%) and the fodder crops (+4.1%), whereas more diversified has been the trend for the herbaceous crops (+0.1%), whose substantial unchanged situation has been the consequence of sizeable re-sizing of cereals, legumes, flowers and plants, which have been offset, to a greater extent, by the increases experienced by potatoes, vegetables and industrial crops. More homogeneous it has been, instead, the trend in the livestock sector (+1%), with a decrease that has involved only eggs and no-food products. In terms of chain indices there has been a widespread recession, with positive trends only for the industrial productions, wine and fruit productions and eggs.

Particularly positive it has been, instead, the dynamic in the support activities to agriculture (+3.5%) and of the secondary activities (+2.8%), whose joined weight on the production value has reached 14.6%, thus strengthening the consolidation process ongoing for almost a decade (table 1.3).

The year 2013 experienced a significant turnaround in the trend of the implicit prices of the purchased products and of the products sold by farmers, thus favoring these latest with almost two percentage points. For the second year in a row, agriculture did not limit the inflation process but it did improve the terms of trade, which now exceeds the parity value.

### *Trade in the agri-food sector*

In terms of foreign trade, the year 2013 shows a slight recovery of the Italian economic system. The total trade balance, which became positive during 2012, continues improving, by increasing of over three times and exceeding 30 billion euro, and also the normalized balance has increased from 1.4% in 2012 to 4.1%. The dynamic highlights a resistance of the exports compared to a decrease in the imports (-5.5% over 2012). The agri-food sector strengthens its role in comparison with total exchanges, as occurred also in the latest years, boosted by lively dynamics both in terms of sales, with an increase of 4.7%, and in terms of purchases (+2.8%) Table 1.4).

The positive trend in exports has been detected mainly in the first semester of the year, whereas in the second part of the year the sales abroad suffer a slowdown; conversely, imports reach a peak in the central period of the year, reaching then the same starting levels at the end of the year. Also the appreciation of the euro has a positive incidence on the trend of trade, that in the total exchanges suffers a loss of competitiveness of the Italian products, mainly in the euro-area markets, whereas for the agri-food sector, as already noticed, it does not seem to have remarkable consequences.

The reference area for the Italian commercial exchanges is mainly represented by the EU-28 area, with an unchanged situation in terms of shares over the previous year, that is with 67% of exports and 71% of imports. Compared to 2012, the sales have increased by 3.7% and the purchases by 2.7%. Among the other foreign markets recipients of the Italian agri-food products, a share of 10% is addressed to North America, mainly to the US, one percentage point less compared to 2012; a share of 8% is purchased by other non-Mediterranean European countries, and a share of 7% by the non-Mediterranean Asian countries.

The EU, North America and the EEA countries represent the areas towards whom the export share, on the total of exchanges, is much remarkable, by swinging between 11% and 14%. Concerning the procurement markets, 8% comes from the non-Mediterranean Asian countries, a figure which has remained unchanged since 2012, 7% comes from South America, with Brazil as our first supplier. In terms of import, the shares of the agri-food products to the total of the exchanges have reached 29% for the southern-eastern Asian countries, and up to 42% for the southern America's countries.

By analyzing the contribution of the main components of the agri-food system, the primary sector continues to experience a positive trend, as in the previous year, with a value of the normalized balance unchanged and equal to -35.7%, with imports increasing by 2.6% and exports by 2.2%. Even more accentuated is the trend experienced by the food and beverage industries, whose normalized balance improves again in 2013, reaching 1.5%, thanks to the increase in the exports of 5.3%, compared to a more modest increase of the imports (+3%) (table 1.5).

The sales abroad are driven by the traditional "Made in Italy" products, thus confirming the competitive advantage based on the traditional high quality products, both fresh and processed, although with a weaker trend in 2013, mainly for the processed products, for which the value of the normalized balance amounts to 65.2%, worsened of 11.6 percentage points compared to 2012. Also the normalized balance of our traditional agricultural products decreases by 3%, falling down to 59%.

### *Farm enterprises*

In the European context, the farms (1,620,884) surveyed by the 6th Italian Agriculture Census, in 2010, represent 13% in the EU-27 and, with over 12.8 million hectares, they cover just 7% of the UAA of the EU-27. These farms employ 953,790 work units, equal to 10% of the total European work units. The Italian farms have an economic size of 49.5 million euro of standard output (SO), equal to 16% of the SO of the EU-27 (table 1.6).

In 2013, the number of the farms enrolled in the register of the enterprises of the Chamber of Commerce amounts to 762,066 units located for 45% in the southern regions, and for 38% in the northern regions. This figure is progressively decreased starting from 2009 to 2013.

The share of young owners continues in being still small, just 4% of the owners of sole proprietorships. The age group which is more represented is that of the owners aged between 60 and 69 (43%). 30% of the enterprises enrolled is run by women, whereas the enterprises with foreign owners amount to 2%.

In Italy, family plays an important role for the farm enterprises, despite the decrease in the number of the family members (2.5 as average). The census figures have highlighted that when increasing the economic size of farms, the profitable extra-farm activities decrease. The presence of young people depends on the farm economic size. This tendency is clear mainly in the professional enterprises, where a family member works full time. Professional enterprises, run by owners aged less than 40 years, have an area exceeding the average and they achieve greatest results, also in terms of use of labor force per hectare.

About 1.3 million farms reserve their products to self-consumption. Out of this number well 445,498 earmark all of the farm production to the family consumption, while 51% of the enterprises make use of less than the half of the value of the final output for self-consumption. The marketing of the agricultural products is much spread in the North, with about 85% of farms selling their products. In the central and southern regions, on the contrary, about half of the enterprises didn't sell their products. On the whole, only 17% of enterprises distribute their own products through direct sales.

The latest figures of the FADN survey in Italy, relating to the accounting year 2012, have registered an average production value of about 58,300 euro per farm, arising from agricultural and related activity and inclusive of public aid, of which about 47% is used to pay the factors of extra-enterprise consumption, the services provided by outside contractors, and the amortizations. The net value added (NVA), obtained by subtracting intermediate consumption and amortizations, amounts to 30,894 euro, whereas the net income (NI), considered as the payment for the owner and his family for the productive factors and the business risk, amounts to roughly to 21,700 euro (table 1.7).

On average, one hectare of land ensures a production value of about 3,800 euro, and a value added of about 2,000 euro, nonetheless the productivity and profitability of the land factor have shown remarkable differences among the different systems, altitude zones and geographical areas. In particular, confirming the trend of the previous years, the enterprises located in the northern regions and in the lowlands, have highlighted, in 2012, productive levels higher than the national average. Even more than the land factor, the work factor shows a high

variability in relation to the municipality, altitude zone and the type of farm. The enterprises in the North show a productive work value which is almost double the South, managing to achieve over 33,400 euro of net value added per work unit. The enterprises in the lowlands generate a value added per worker of about 31,600 euro/total work unit, decisively higher than the national average, while the enterprises located in the mountains and on the hills show a figure well below the national average.

### *Food industry*

Food industry has managed to overcome the negative trend experienced by the other economic sectors: the sector's turnover has reached 132 billion euro, in slight increase compared to 2012 (+1.5% at current values), nonetheless continuing the positive trend lasting from 12 years on. Exports represent, once again, the main income item of the sector, with an increase of 5.9% over 2012.

The index of the industrial production, calculated by ISTAT, relating to the food, drink and tobacco industries has shown a decrease of 1%, falling down to a value of 96.5, in line with the negative trend highlighted in the last three-year period. However, the food and the beverage sectors have experienced differentiated trends; in the first case, the index change is very modest in the last year (-0.6%), while it has been much more strong in the two previous years; in the beverage sector, on the contrary, there has been a sharp decrease during the last year (-3.6%) following the increase in 2011 and the substantial stalemate in 2012 (table 1.8).

In the food sector the products that, in 2013, have shown the highest increase rates have been the toasted biscuits, biscuits, and prepackaged patisserie (+5.8%), tea and coffee (+3.5%) and pasta (+2.1%). Conversely, particularly negative rates have been detected for sugar (-15.7%), prepackaged meals (-10.5%), production of oils and fats (-7.4%), as well as the processing and conservation of fish products (-4.5%).

The drink sector has experienced a sizeable increase in the production of fermented beverages non-distilled (+23.2%) and distillation and blending of spirits (+2.3%), while there has been a remarkable decrease for soft drinks and mineral waters (-5.7%), and wines (-4.5%).

The value added of the food, beverage and tobacco industries is increased by 2.2%, at current values, whereas it is decreased by 1.1% at chain indices. As a consequence, the incidence of the value added of the food industry on that of the primary sector decreases, since it has fallen down to 76.4%, while it increases the incidence on the manufacturing sector (11.9%). In particular, the value added of

the manufacturing sector experiences a decrease both at current values (-1.2%) and at chain indices (-2.8%). Also in terms of workers, in such a difficult work context, the food sector has contributed in containing the loss of job places, by maintaining its employment levels (448,000 workers, -0.4%), unlike what has happened in the other economic sectors (-3.2% in the primary sector and -2% in the total economy).

The trend for the active enterprises (+1.1% compared to 2012) confirms the positive elements of the sector, when compared with the contraction experienced by the manufacturing industry (-2.1%). According to the figures released by Infocamere-Movimprese, the active food enterprises amount to 56,940, out of 64,380 enterprises enrolled in the register of the Chambers of Commerce. In the beverage sector these figures are well below, since they amount to 4,040 enrolled enterprises and 3,309 active enterprises (table 1.9).

In range of the fifteen greatest groups it has been detected an increase of the turnover mainly in the period between 2012 and 2013; only in five cases have been detected negative variations, while in two cases the increase has exceeded 5%. The analysis of the 25 greatest enterprises has placed three Italian firms at the top of the ranking with a high reputation as Ferrero, whose turnover in 2013 has amounted to 2,697 million euro, Barilla, with a turnover of 2,368 million euro, and Gesco-Amadori, with 1,499 million euro. Among these first ten enterprises, well five belong to foreign groups, thus showing the remarkable international presence, through direct investments, which continues to characterize our productive reality.

### *The economic organization of producers*

The number of cooperatives active in the agriculture, forestry and fish sectors, equal to 8,578 in 2013, is sharply reduced during the latest four years (-9.1%). Nonetheless, the role of the agri-food cooperatives remains remarkably important within the Italian cooperative system, by having an incidence of 13% and representing the second sector after the building sector. Also the incidence of the cooperation on the food sector is important, to which it contributes with a share of 24% of the total turnover. The value added produced by the agricultural cooperatives represents 2.2% of the value produced by the whole cooperative system.

More than 2/3 of cooperatives in the sector do not exceed 2 million euro and just 2% exceeds 40 million euro. The figures released by the Census about industry and services in 2011, show the important role played by the cooperative system in the Italian agriculture, also in terms of employment: more than 1/3 of workers in the agricultural services is employed in cooperative enterprises.

The data of the representative centrals, referred to 2013, confirm the negative trends about the number of adhering cooperatives, and about the number of partners. Also the turnover is decreasing, except for that relating to Fedagri-Confindustria which shows an increase of 1.1%.

The producers' organizations, not related to fruit and vegetables, recognized in Italy amount to 160, down by 9 organizations over the previous year. The dairy sector represents the first sector for its number of producers' organizations, with an overall number of 43 organizations, of which 12 in Sardinia. The olive sector, which is second for its number of producers' organizations, concentrates 30 organizations, of which over 2/3 in Puglia.

By analyzing the average economic size by sector, the biggest organizations are those working in the livestock sector and especially those specializing in pig-meat and poultry-meat, with an average turnover of about respectively 38 million euro and 30 million euro. Worthy of note is also the economic size of the unique organization recognized in Italy for the sector of chard and sucrose, the so-called Co.Pro.B., with a turnover of over 33 million euro. The average turnover of the producers' organizations working in other livestock sectors, such as the cow and dairy sectors, amounts to about 23 million euro. The average economic size for the other sectors is sharply inferior, with values amounting to 10 million euro for the producers' organizations relating to wine and cereals.

In terms of physical size, expressed as number of partners, the leader organizations are those in the olive sector, with a social basis sharply higher than that of other sectors, with over 8,000 partners per organization. Very high is also the physical size for the unique producers' organization relating to chard and sucrose, with over 5,000 partners. The other sector with over 1,000 units is that related to the cereal sector. It should be also pointed out that the dairy sector has a social size sharply inferior to that of other sectors, with less than 250 units, although it is the first sector for its total value of turnover, and besides being among the first five sectors due to its average economic size.

As of 30 September 2014, in the fruit and vegetable sector (table 1.11) are enrolled 286 producer organizations and 15 organizations of producer organizations. Despite the decrease in the number of producer organizations at the South, if compared to 31 March 2013, half of the organizations of fruit and vegetable producers is concentrated in the southern area. The northern area confirms its role of primary importance due to the presence of the associations of producer organizations (APO): in fact, the APOs recognized have amounted to 11, thanks to the acknowledgement of two new realities, the APO Italy, in Emilia Romagna, and the APO of the Italian Producers in Veneto. Worthy of note is the acknowledgement of the second APO in the South, Campania, the so-called APO Serena.

The bargaining in the Italian agri-food system shows a quite fragmented fra-

mework, mainly in terms of contracts used, which are only in some cases ascribable to the discipline regulating the supply chain's agreements and of the framework contracts introduced by the legislative Decree n. 102/2005. The year 2013 has experienced an increase of the contracts in some productive sectors – as in the case of the agri-energies and of the durum wheat supply chain – , accompanied by a spread of such activity in new sectors as in the case of the seed sector. Furthermore, it has been detected a renewal of traditional agreements which regulate, since a long time, the relationships between the agricultural producers and industry in the sector relating to the fruit and vegetables (industry tomatoes and potatoes), the chard and sucrose sector, and some specific sectors relating to the production of wines. Completely different is the situation experienced by the dairy sector, which is still very fragmented, regulated by a relationship system which is not structured and not properly represented by the components involved.

### *Distribution and consumption*

In 2013 it has continued the contraction of the family incomes due to widespread decrease of the purchasing power and of the decrease of the real earnings. These trends have led to a decrease in consumption, both at current values and at constant values. The spending for food and non-alcoholic drinks is decreased by 0.9% at current values and by 3.5% at chain indices. The different trend in the food spending, both at current values and at chain indices, is ascribable to the increase in prices (+2.4%), which has shown a double speed compared to the general level of prices (+1.2%).

The difficulties of the domestic market are well explained by the degree of confidence by the Italian consumers, down since 2012, which has led to a real change in the consumption habits, also in the food spending, traditionally anti-cyclical. While purchasing food products, the Italian people prefer, ever more, cheaper goods and goods in promotion, by choosing every time different selling sizes, looking for the best purchasing conditions. The quantities purchased reduce (also through the purchasing of smaller packages), and a greater attention is paid to the expiry date of products.

The analysis of the spending by food sectors has shown the relevance of some products in the setting up of the Italian food basket, with a concentration on four main classes: meat (23.2%), bread and cereals (16.6%), milk, cheese and eggs (13.3%), vegetables, potatoes and fruit (18.2%). Within the food sectors, the trends have all suffered a downward trend, although with different degrees. In particular, the categories suffering the most the contraction are those relating to drinks (-3.6%) and meat (-3.2%). In a downward trend is the consumption of cow meat

(-12.4%), olive oil (-6.3%), cheeses (-5.5%), beer (-5.3%), wine (-4.8%) and mineral water (-4.5%). In an upward trend is, instead, the consumption of poultry meat (+2.4%), eggs (+7.3%) and milk (+1.8%), so as to get a protein balance.

Despite a context of saving, it still persists an attention towards quality and differentiation in consumption. There has been an increase in the purchasing of both organic products, and of wellness and healthy products, such as the vitamin supplements, that is those products aimed at fostering the assumption of vitamins, minerals and proteins. There is a widespread diffusion of good practices and healthy lifestyles related to specific diets with vegetables and vegan products. In an upward trend are also the products related to specific diets, such as the gluten-free products and those which replace wheat.

The change in the consumers' behavior has led to a strategic re-thinking of the distribution sector, now more careful to prices and to the best relationship between quality and price. These strategies have allowed to partially contain the effects of the crisis, with the value of the sales, in the great organized distribution, little below compared to the levels registered in 2012 (-0.4%). The small selling surfaces have instead shown a greater suffering, thus marking a decrease of the selling value by 3%. The modern distribution continues in experiencing a slowdown in the development of hypermarkets and supermarkets (-0.5%). Discounts are increasing in all municipalities, although more contained compared to 2012, both in terms of selling points, and of total land used (table 1.12). In terms of strategies, the big national distribution is mainly concentrated in the development of private label products, and in the sale of products in promotion. In 2013, the products in promotion have reached the highest peak in the sale points of the big organized distribution (28.5%), involving also some Italian products of excellence, as the PDO and PGI labels (table 1.13).

Tab. 1.1 - Agriculture in the Italian economy<sup>1</sup>

	2010	2011	2012	2013
<b>% change in value added at factor cost (chained values)</b>				
Total economy	1,8	0,6	-1,9	-1,8
- agriculture <sup>2</sup>	0,4	1,9	-2,7	0,6
- industry in the narrow sense	6,6	1,1	-3,0	-3,0
- food, beverage and tobacco industries	3,0	4,0	2,2	-1,1
- services	1,0	0,9	-1,4	-1,2
<b>% share of agriculture out of overall value added<sup>3</sup></b>	<b>2,0</b>	<b>2,1</b>	<b>2,2</b>	<b>2,3</b>
Value added at factor cost per labour unit (euros)				
Total economy	58.348	59.363	58.941	59.960
- agriculture 1	24.531	27.525	28.735	31.352
- industry in the narrow sense	66.878	67.625	66.376	66.916
- food, beverage and tobacco industries	58.247	56.213	58.883	60.908
- services	<b>60.675</b>	<b>61.484</b>	<b>60.807</b>	<b>61.649</b>
<b>% share of agricultural employment out of total employment<sup>4</sup></b>	<b>5,3</b>	<b>5,1</b>	<b>5,0</b>	<b>5,0</b>
% change in consumer price index				
- food products	0,2	2,4	2,5	2,4
- total (entire Italian community)	1,5	2,8	3,0	1,2
% change in producer price index				
- food products	0,9	5,0	3,9	2,2
- total	3,1	5,1	4,2	-1,3
% share of trade in agro-food products out of total trade				
- exports	8,3	8,1	8,2	8,6
- imports	9,7	9,9	10,2	11,1
Normalized trade balance				
- agro-food products	-11,6	-12,9	-9,3	-8,3
- total products	-4,3	-3,3	1,4	4,1
<b>% change in terms of trade (import/export)</b>				
<b>of agro-food products</b>	<b>-1,9</b>	<b>-6,0</b>	<b>0,9</b>	<b>5,5</b>

<sup>1</sup> National accounting figures have been thereof processed, based on the 2010 Istat review. They are different from those in the annex and the remaining tables of the chapter, because they were not available while writing.

<sup>2</sup> Agriculture, forestry and fishery.

<sup>3</sup> At factor costs (current prices).

<sup>4</sup> In terms of labour units.

Source: ISTAT and the Bank of Italy.

Tab. 1.2 - *Production and value added to basic prices in Italian agriculture by product category and by geographical area - current prices*  
(million euros)

	North-west			North-east			Centre			South		
	2013	distrib. %	% change 2013/12	2013	distrib. %	% change 2013/12	2013	distrib. %	% change 2013/12	2013	distrib. %	% change 2013/12
<b>Crops</b>	4.662	39,5	9,1	6.899	46,5	9,9	4.171	55,6	3,6	12.455	67,7	6,2
Field crops	2.300	19,5	-12,9	3.235	21,8	-7,5	2.081	27,7	-1,8	6.577	35,7	4,8
-Cereals	1.261	10,7	-19,8	1.465	9,9	-0,3	654	8,7	-17,1	1.237	6,7	6,0
-Dried leguminous vegetables	12	0,1	-23,7	9	0,1	88,8	27	0,4	-4,4	47	0,3	-7,0
-Potatoes and vegetables	496	4,2	1,9	1.313	8,9	9,2	1.068	14,2	9,2	4.760	25,9	6,0
-Industrial	76	0,6	9,3	314	2,1	-56,7	150	2,0	16,8	80	0,4	5,5
Flowers and potted plants	456	3,9	-8,7	133	0,9	-19,1	181	2,4	-6,7	453	2,5	-7,6
Forage crops	692	5,9	3,0	496	3,3	-18,7	198	2,6	7,6	325	1,8	-2,5
Woody crops	1.214	10,3	26,5	3.168	21,4	13,1	1.892	25,2	9,9	5.553	30,2	8,4
-Wine and grape-related products	654	5,5	31,9	1.316	8,9	24,4	625	8,3	10,5	1.751	9,5	19,0
-Olive-related products	32	0,3	29,7	7	0,0	-29,0	261	3,5	19,0	1.433	7,8	2,3
-Citrus	0	0,0	-21,6	0	0,0	-	1	0,0	-10,0	1.189	6,5	1,7
-Fruits	340	2,9	35,2	1.698	11,4	2,1	261	3,5	39,1	994	5,4	11,7
-other tree	188	1,6	0,1	147	1,0	66,7	744	9,9	-0,5	186	1,0	-1,8
	0	0,0	-	0	0,0	-	0	0,0	-	0	0,0	-
<b>Livestock Farming</b>	6.324	53,6	0,8	5.863	39,5	31,2	2.043	27,2	1,3	3.327	18,1	0,3
Livestock food products	6.324	53,6	0,8	5.862	39,5	31,2	2.040	27,2	1,3	3.320	18,0	0,3
-Meat	3.784	32,1	0,1	3.622	24,4	26,8	1.321	17,6	1,0	2.015	11,0	-0,9
-Milk	2.143	18,2	2,2	1.674	11,3	32,0	513	6,8	3,2	941	5,1	3,6
-Eggs	385	3,3	-0,8	558	3,8	63,7	197	2,6	-1,1	356	1,9	-0,7
-Honey	11	0,1	4,9	9	0,1	79,2	9	0,1	8,5	8	0,0	-5,3
Non-foodstuff livestock products	1	0,0	3,4	1	0,0	40,5	3	0,0	1,5	7	0,0	-5,3
	0	0,0	-	0	0,0	-	0	0,0	-	0	0,0	-
<b>Agriculture-Related Activities 1</b>	1.048	8,9	3,7	1.670	11,3	42,5	1.042	13,9	3,7	2.905	15,8	3,4
	0	0,0	-	0	0,0	-	0	0,0	-	0	0,0	-
<b>Production of goods and services</b>	11.579	98,1	0,1	14.431	97,3	15,2	7.255	96,7	3,0	18.687	101,6	4,7
(+) Ancillary activities 2	343	2,9	3,2	610	4,1	45,3	387	5,2	2,8	242	1,3	2,0
(-) Ancillary activities 2	119	1,0	1,5	211	1,4	41,2	136	1,8	2,7	529	2,9	2,8
<b>Production from the agricultural sector</b>	11.803	100,0	0,2	14.830	100,0	15,9	7.507	100,0	3,0	18.400	100,0	4,7
<b>Intermediate consumption (including Sifim)</b>	6.546	55,5	0,4	7.415	50,0	50,3	3.073	40,9	-0,5	7.055	38,3	0,5
<b>Value added in the agricultural sector</b>	5.257	44,5	0,1	7.415	50,0	-6,9	4.434	59,1	5,5	11.346	61,7	7,5

<sup>1</sup> With the adoption of the ATECO 2007, which is derived from the Nace Rev.2, the term of Service Activities is denominated Business Support Activities to agriculture and post-harvest

<sup>2</sup> Ancillary activities are considered to be activities carried out within the agricultural sector, and which therefore are not separable, namely holiday-farms, the processing of milk, fruit and meat, which are indicated by the (+) sign, and activities carried out by other sectors of economic activity within the framework of cultivation and livestock rearing (for example, by shops), as indicated by the (-) sign.

Source: ISTAT.

Tab. 1.3 - Associated and ancillary activities in agriculture - output at current prices

	2005	2011	2012	2013	Distrib. % 2013	% change 2013/12 at current prices	Chained values (2005)
(million of euros)							
<b>Activities Concerning Agriculture-Related Services</b>							
Agricultural contracting and the hiring of agricultural machines and equipment	2.116,5	2.522,3	2.706,3	2.820,8	42,3	4,2	2,3
Harvesting, initial processing <sup>1</sup>	1.682,9	2.137,0	2.190,1	2.223,9	33,4	1,5	-0,7
Seed conservation	244,5	209,6	236,8	275,6	4,1	16,4	3,4
Maintenance of soil in order to keep it in good agricultural and ecological conditions	512,6	821,0	851,9	892,4	13,4	4,8	2,0
New crops and plantations	221,7	235,2	251,5	247,1	3,7	-1,7	4,0
Livestock raising-related service activities <sup>2</sup>	191,7	199,8	204,4	204,8	3,1	0,2	-1,3
<b>Total</b>	<b>4.949,8</b>	<b>6.124,9</b>	<b>6.441,0</b>	<b>6.664,6</b>	<b>100,0</b>	<b>3,5</b>	<b>1,2</b>
<b>Ancillary Activities</b>							
Meat processing	321,5	317,8	315,2	323,8	20,5	2,7	-0,3
Fruit processing	33,5	47,7	46,2	52,9	3,3	14,5	5,4
Milk processing	232,4	301,4	295,0	303,7	19,2	2,9	-1,1
Holiday farms	525,3	922,5	882,9	902,5	57,0	2,2	2,3
<b>Total</b>	<b>1.112,7</b>	<b>1.589,4</b>	<b>1.539,3</b>	<b>1.582,9</b>	<b>100,0</b>	<b>2,8</b>	<b>1,2</b>

<sup>1</sup> It does not include agricultural products processing.<sup>2</sup> Excluding veterinary services.

Source: ISTAT.

Tab. 1.4 - *Trend in the overall Italian agro-food trade*

(current million euros)

	2009	2010	2011	2012	2013
Imports					
TOTALS	297.609	367.390	401.428	380.292	359.454
<b>agro-food</b>	31.640	35.495	39.595	38.690	39.756
<b>AF1/totals (%)</b>	<b>10,6</b>	<b>9,7</b>	<b>9,9</b>	<b>10,2</b>	<b>11,1</b>
Exports					
TOTALS	291.733	337.316	375.904	390.182	389.835
<b>agro-food</b>	25.166	28.113	30.516	32.132	33.645
<b>AF1/totals (%)</b>	<b>8,6</b>	<b>8,3</b>	<b>8,1</b>	<b>8,2</b>	<b>8,6</b>
Balance					
Total	-5.876	-30.073	-25.524	9.890	30.381
<b>agro-food</b>	-6.474	-7.382	-9.079	-6.558	-6.111
<b>non agro-food</b>	<b>599</b>	<b>-22.691</b>	<b>-16.445</b>	<b>16.447</b>	<b>36.491</b>
Normalized balance (%)					
Total	-1,0	-4,3	-3,3	1,3	4,1
agro-food	-11,4	-11,6	-12,9	-9,3	-8,3
non agro-food	0,1	-3,5	-2,3	2,4	5,4

<sup>1</sup>AF = agro-food

Source: INEA, Foreign trade of agro-food products. 2013 Report.

Tab. 1.5 - *Agro-food balance by origin and destination: structure by sectors - 2013*

	Million euros		Structure %		% change 2013/12 (current prices)	
	import.	esport.	import.	esport.	import.	esport.
Products of the primary sector for direct food consumption	4.292	4.439	10,8	13,2	10,1	5,0
Raw materials for the food industry	5.042	169	12,7	0,5	1,5	-21,4
Products of the primary sector redeployed	1.714	765	4,3	2,3	-5,5	-1,9
<b>Other products of the primary sector</b>	<b>1.615</b>	<b>627</b>	<b>4,1</b>	<b>1,9</b>	<b>-2,6</b>	<b>-3,5</b>
<b>Total primary sector</b>	<b>12.664</b>	<b>5.999</b>	<b>31,9</b>	<b>17,8</b>	<b>2,6</b>	<b>2,2</b>
Products of the food industry for direct food consumption	16.171	23.666	40,7	70,3	2,0	5,0
Products of the food industry redeployed in the food industry	5.967	2.200	15	6,5	1,3	5,6
Products of the food industry for the primary sector	1.488	515	3,7	1,5	6,6	21,5
<b>Other food industry products</b>	<b>2.874</b>	<b>795</b>	<b>7,2</b>	<b>2,4</b>	<b>10,4</b>	<b>6,8</b>
<b>Total food and drink industry</b>	<b>26.562</b>	<b>27.389</b>	<b>66,8</b>	<b>81,4</b>	<b>3</b>	<b>5,3</b>
<b>Total agro-food</b>	<b>39.756</b>	<b>33.645</b>	<b>100,0</b>	<b>100,0</b>	<b>2,8</b>	<b>4,7</b>

Source: INEA, Foreign trade of agro-food products, 2013 Report.

Tab. 1.6 - *Features of agricultural firms by owner's age categories - 2010*

	Age category					Total
	up to 29	30-39	40-59	60-69	70 and over	
Professional firms						
FIRMS (%) <sup>1</sup>	8,2	17,0	47,7	15,7	11,5	262.121
Average agricultural land (ha)	30,0	26,7	21,9	15,2	12,2	21,2
Average standard production (000 euro)	172,3	147,4	110,8	60,4	44,8	106,6
Average working days per hectare	10,1	11,4	13,6	18,6	23,1	13,9
Non professional firms						
FIRMS (%) <sup>1</sup>	7,4	11,7	41,4	20,1	19,3	1.341.536
Average agricultural land (ha)	5,5	5,5	4,4	3,9	4,0	4,4
Average standard production (000 euro)	56,2	16,6	8,5	8,3	7,2	12,7
Average working days per hectare	21,7	18,2	16,9	17,4	14,1	17,1

<sup>1</sup> The total is the number of firms.

Source: ISTAT, 6° censimento generale dell'agricoltura, 2010.

Tab. 1.7 - *Gross production, net value added and average net income by location, altitude, economic size and type of farming (TF) - 2012*

	Gross farm income (GFI)	Net value added (NVA)	Net Income (NI)	NVA/GFI	NI/GFI	PUBLIC SUBSIDIES/ NVA
	euro			%		
Geographical area						
North	90.524	44.503	31.773	49,2	71,4	18,4
Centre	55.268	28.186	19.495	51,0	69,2	22,1
South	38.895	23.089	15.978	59,4	69,2	22,4
Altitude						
Mountain	44.785	25.735	18.779	57,5	73,0	23,2
Hill	45.954	25.412	18.369	55,3	72,3	20,6
Plain	83.044	41.474	28.028	49,9	67,6	19,6
Economic size						
Small	18.751	10.022	6.856	53,5	68,4	26,1
Medium-small	43.290	24.403	17.462	56,4	71,6	23,9
Medium	75.654	41.914	29.155	55,4	69,6	22,6
Medium-big	212.267	114.887	81.540	54,1	71,0	18,9
Big	906.138	420.804	296.663	46,4	70,5	12,5
Type of farming						
Arable	50.029	25.675	17.338	51,3	67,5	37,8
Fruit, vegetable and flowers	151.673	76.297	47.307	50,3	62,0	1,1
Permanent crops	35.657	22.465	15.663	63,0	69,7	13,5
<b>Grazing livestock</b>	<b>102.406</b>	<b>49.187</b>	<b>38.389</b>	<b>48,0</b>	<b>78,0</b>	<b>25,7</b>
Granivorous	482.335	177.653	127.709	36,8	71,9	5,6
POLYCULTURE	51.005	27.857	19.194	54,6	68,9	23,6
ITALY	58.304	30.894	21.700	53,0	70,2	20,5
% CHANGE 2012/2011	4,8	-1,2	0,6	-5,7	1,8	6,2

Source: INEA, FADN database 2012.

#### NOTES

Public Subsidies: considering the aid granted during the year.

GFI: Gross Farm Income is the sum of sales, public subsidies for operating expenses, self-consumption, payments in kind, redeployments, fixed assets, the value of production for processing, balance of the value of inventory of products and revenues from related activities.

NVA: Net Value Added is the result of the difference between GFI and current production costs and depreciation.

NI: Net Income is the difference between NVA and fees which pertain to factors of non farming production.

Tab. 1.8 – Trends in Italian food industry production (base 2010 = 100)

	Average			% Change	
	2011	2012	2013	2012/11	2013/12
<b>Manufacturing</b>	<b>100,72</b>	<b>94,07</b>	<b>91,34</b>	<b>-6,60</b>	<b>-2,90</b>
<b>Food, beverage and tobacco industry</b>	<b>98,05</b>	<b>97,46</b>	<b>96,45</b>	<b>-0,60</b>	<b>-1,03</b>
<b>Food industries</b>	<b>98,58</b>	<b>97,85</b>	<b>97,32</b>	<b>-0,74</b>	<b>-0,55</b>
Production, Processing and Preservation of meat and derivatives	99,53	99,67	98,94	0,14	-0,73
Processing and Preservation of fish and derivatives	110,08	99,69	95,24	-9,44	-4,46
Processing and Preservation of fruit and vegetables	99,95	96,59	96,71	-3,36	0,12
Production of oils and animal/vegetable fats	96,58	89,60	82,97	-7,22	-7,40
Dairy industry	100,08	99,58	97,62	-0,50	-1,97
Processing of grains and starch products	98,09	97,55	95,90	-0,55	-1,69
Bakery products	96,45	95,58	97,62	-0,91	2,14
- bread and fresh confectionery	92,02	89,29	89,33	-2,96	0,04
- toasted biscuits, sweet biscuits and pre-packaged confectionery	101,90	103,21	109,21	1,28	5,81
- pasta, couscous and similar	100,71	101,79	103,88	1,08	2,05
Other food products	99,24	100,27	98,33	1,03	-1,94
- sugar	71,11	73,33	61,79	3,12	-15,73
- cocoa, chocolate, sweets and confectionery	97,61	102,04	104,07	4,54	1,98
- tea and coffee	98,18	100,49	103,99	2,36	3,48
- flavourings and spices	107,68	114,14	113,47	6,00	-0,59
- prepackaged food	94,94	97,58	87,34	2,78	-10,50
- baby food and diet food	98,91	100,98	99,39	2,09	-1,57
Manufactured food for animals	95,90	96,83	97,09	0,97	0,27
<b>Beverage industry</b>	<b>101,82</b>	<b>101,81</b>	<b>98,17</b>	<b>-0,01</b>	<b>-3,58</b>
Distilled alcoholic beverages	97,38	98,84	101,07	1,51	2,25
Wine from grapes	103,33	101,38	96,87	-1,89	-4,45
Other non-distilled fermented beverages	143,74	140,19	172,65	-2,47	23,15
Beer	103,23	106,04	105,03	2,73	-0,96
Mineral waters and other bottled waters	101,66	101,98	96,14	0,32	-5,73

Source: based on data from ISTAT.

Tab. 1.9 – *Distribution of food and manufacturing industries in Italy by regions - 2013*

	Food industries				Manufacturing industries		Food/manufacturing industries (%)
	food	beverage	total	% incidence	2013	% incidence	
Piedmont	3.800	332	4.132	6,9	39.761	7,7	10,4
Valle d'Aosta	121	13	134	0,2	856	0,2	15,7
Lombardy	5.750	271	6.021	10,0	101.277	19,7	5,9
Liguria	1.753	53	1.806	3,0	10.630	2,1	17,0
Trentino-Alto Adige	610	123	733	1,2	7.682	1,5	9,5
Veneto	3.311	337	3.648	6,1	54.414	10,6	6,7
Friuli Venezia Giulia	729	81	810	1,3	9.718	1,9	8,3
Emilia-Romagna	4.791	177	4.968	8,2	46.447	9,0	10,7
Tuscany	2.911	144	3.055	5,1	47.882	9,3	6,4
Umbria	868	49	917	1,5	7.987	1,6	11,5
Marche	1.651	76	1.727	2,9	20.207	3,9	8,5
Lazio	3.620	112	3.732	6,2	30.051	5,8	12,4
Abruzzo	1.930	138	2.068	3,4	12.375	2,4	16,7
Molise	557	13	570	0,9	2.242	0,4	25,4
Campania	6.765	405	7.170	11,9	40.091	7,8	17,9
Apulia	4.756	370	5.126	8,5	27.437	5,3	18,7
Basilicata	858	37	895	1,5	3.982	0,8	22,5
Calabria	3.319	110	3.429	5,7	12.453	2,4	27,5
Sicily	6.955	352	7.307	12,1	28.970	5,6	25,2
Sardinia	1.885	116	2.001	3,3	10.805	2,1	18,5
<b>Total</b>	<b>56.940</b>	<b>3.309</b>	<b>60.249</b>	<b>100,0</b>	<b>515.267</b>	<b>100,0</b>	<b>11,7</b>

Source: based on Infocamere-Movimprese data.

Tab. 1.10 - *Producers' organizations (PO) in non-fruit and vegetables sector recognized on 31/08/2013, average value of the marketed production and number of members per organization*

Sector	PO NUMBER	AVERAGE VMP (000 EURO)	AVERAGE N. OF MEMBERS
Energy crops	2	1.173	7
Bees and honey	2	1.037	38
Birds	4	30.279	16
Beetroot-related sugar	1	33.457	5.102
Cattle	6	23.244	211
Cereals-rice-oil	13	11.259	1.552
Flowers and plants	1	4.771	20
Dairy	43	22.305	247
Olives	30	3.437	8.050
Potatoes	18	4.021	232
Labelled organic products	3	352	47
Sheeps and goats	2	-	90
Pigs	5	38.440	135
Seeds	5	3.129	178
Tobacco	19	7.743	311
Wine and grapes	6	9.403	703

Source: MIPAAF.

Tab. 1.11 - *Producers' organizations (PO) and Associations of Producers' organizations (APO) in fruit and vegetable sector recognised on 30/09/2014*

	PO	APO
Piedmont	7	1
Lombardy	21	2
Independent Prov. Trento	5	1
Independent Prov. Bolzano	3	-
Friuli Venezia Giulia	2	-
Veneto	19	2
Emilia-Romagna	27	5
<b>North</b>	<b>84</b>	<b>11</b>
Tuscany	3	-
Marche	4	-
Lazio	38	2
<b>Centre</b>	<b>45</b>	<b>2</b>
Abruzzo	12	-
Campania	27	2
Molise	1	-
Basilicata	7	-
Apulia	34	-
Calabria	22	-
Sicily	43	-
Sardinia	11	-
<b>South</b>	<b>157</b>	<b>2</b>
<b>Total</b>	<b>286</b>	<b>15</b>

Source: MIPAAF.

Tab. 1.12 - Number and surface of the large retail chains by geographical area

	North-west			North-east			Centre			South			Italy		
	2013	% change 2013/12		2013	% change 2013/12		2013	% change 2013/12		2013	% change 2013/12		2013	% change 2013/12	
<b>Supermarkets</b>															
Number	1.773	-0,8		1.823	0,6		1.979	-0,1		2.739	-1,2		8.314	-0,4	
Surface (sq. m)	1.709.756	-0,6		1.665.787	1,5		1.773.915	0,5		2.078.621	-1,3		7.228.079	-0,1	
Average surf. (sq. m.)	964	0,2		914	0,9		896	0,6		759	-0,2		869	0,4	
Sur. /1.000 inhab.	108	-0,6		146	1,5		134	0,5		110	-1,3		122	-0,1	
<b>Hypermarkets</b>															
Number	354	-0,6		210	2,4		158	0,6		136	-7,5		858	-0,8	
Surface (sq. m)	1.845.551	-1,0		946.027	1,2		704.129	-1,6		709.370	-6,9		4.205.077	-1,7	
Average surf. (sq. m.)	5.213	-0,4		4.505	-1,2		4.457	-2,3		5.216	0,6		4.901	-0,9	
Sur. /1.000 inhab.	117	-1,0		83	1,2		53	-1,6		37	-6,9		71	-1,7	
<b>Superettes</b>															
Number	1.303	-2,2		1.034	-4,1		1.508	-1,0		2.984	1,2		6.829	-0,8	
Surface (sq. m)	367.342	-2,5		289.106	-4,7		427.278	-1,0		841.776	1,3		1.925.502	-0,9	
Average surf. (sq. m.)	282	-0,4		280	-0,7		283	0,0		282	0,1		282	-0,1	
Sur. /1.000 inhab.	23	-2,5		25	-4,7		32	-1,0		44	1,3		32	-0,9	
<b>Discounts</b>															
Number	1.130	1,3		987	1,9		1.170	3,1		1.407	4,9		4.694	2,9	
Surface (sq. m)	690.224	3,0		617.751	3,6		705.717	3,8		833.213	6,9		2.846.905	4,4	
Average surf. (sq. m.)	611	1,7		626	1,7		603	0,7		592	1,8		606	1,5	
Sur. /1.000 inhab.	44	3,0		54	3,6		53	3,8		44	6,9		48	4,4	
<b>Super+hyper Total</b>															
Number	2.127	-0,7		2.033	0,8		2.137	0,0		2.875	-1,5		9.172	-0,5	
Surface (sq. m)	3.555.307	-0,8		2.611.814	1,4		2.478.044	-0,1		2.787.991	-2,8		11.433.156	-0,7	
Average surf. (sq. m.)	1.672	0,0		1.285	0,6		1.160	0,0		970	-1,4		1.247	-0,2	
Sur. /1.000 inhab.	226	-0,8		228	1,4		187	-0,1		147	-2,8		192	-0,7	
<b>Overall total</b>															
Number	4.560	-0,7		4.054	-0,2		4.815	0,4		7.266	0,8		20.695	0,2	
Surface (sq. m)	4.612.873	-0,4		3.518.671	1,3		3.611.039	0,5		4.462.980	-0,4		16.205.563	0,2	
Average surf. (sq. m.)	1.012	0,3		868	1,5		750	0,1		614	-1,2		783	0,0	
Sur. /1.000 inhab.	293	-0,4		307	1,3		273	0,5		235	-0,4		273	0,2	

Source: dati Nielsen elaborati per Il Sistema agro-alimentare dell' Emilia-Romagna. Rapporto 2013..

Tab. 1.13 - Number and sales area of modern food retailing in Italy, by main brands -2013

	Percentage (%)	Food retailers (n)	2013/12 change (n)	Surface (mq)	% change 2013/12
Centrale Italiana	21,4	3.996	-640	3.465.376	-9,5
- Coop	10,9	1.266	-345	1.761.832	-8,9
- Despar	4,1	876	-347	670.609	-24,9
- Sigma	5,4	1.804	51	867.420	3,6
- <b>Il gigante</b>	1	50	1	165.515	0,9
Esd Italia	11,7	2.171	-14	1.898.233	1,1
- Selex	9,8	1.790	-2	1.588.451	1,6
- Agorà	1,9	381	-12	309.782	-1,5
Centrale Auchan-Crai	10,1	2.066	-1	1.634.433	-0,5
- Auchan	8	1.264	55	1.292.389	1,6
- <b>Crai</b>	2,1	802	-56	342.044	-7,7
Conad	9,9	2.333	39	1.608.902	3,0
Centrale Finiper	6,3	1.508	-49	1.024.127	-2,8
- Sisa	3,6	1.179	46	587.252	3,1
- Coralis	0,3	97	-44	47.300	-27,8
- Finiper	2,4	232	-51	389.575	-7,0
<b>Centrale Aicube</b>	5,8	1.533	143	940.950	7,2
- Pam	3,8	814	-16	610.211	-2,3
- Interdis	2	719	159	330.739	30,6
Carrefour	5,8	902	-61	933.210	-4,2
Lidl	2,7	564	4	434.551	1,1
Esselunga	2,6	143	0	417.380	1,7
<b>Standa/Rewe</b>	2,2	454	-28	363.652	-9,4
<b>C3</b>	2,4	441	52	387.643	8,1
<b>Bennet</b>	2,3	70	1	376.990	0,7
<b>Lombardini</b>	1,3	332	-25	214.921	-7,2

Source: MIPAAF.

# Factors of Production in Agriculture

### *The land market*

Land market continues to undergo a downward trend also in 2013. According to farmers, interviewed during the annual survey carried out by INEA's regional offices, the price for agricultural lands in Italy is decreased by roughly 0.4% over the previous year. The most remarkable decrease has been detected in the North-East, where the high average value of prices (over 40,000 euro/hectare) has suffered a decrease of 1%, nonetheless, the situation is particularly weak also in the southern regions, where the stagnation of prices is already evident from many years on (tab. 2.1)<sup>1</sup> (mettere uno in apice). The mountainous areas have highlighted a greater decrease (-1.4%) compared to the areas located in the lowlands (-0.5%), mainly due to the decrease in prices in Trentino-Alto Adige (North-East), where the widespread presence of vineyards and fruit trees of high quality represents a peculiar situation and an extraordinary event compared to the other mountainous areas. For the second year in a row, the negative sign characterizes 11 regions out of 20. Considering the inflation, real prices are decreased by 1.6%, thus confirming a trend which goes on since 2005.

The land value little exceeds 20,000 euro per hectare, as national average, with remarkable differences between the lands located in the lowlands, generally more appreciated by the market thanks to their fertility, and the lands located in the marginal areas of the mountains where the scarce economic convenience reduces prices<sup>1</sup>.

The demand for land is particularly weak because of the economic crisis, whe-

<sup>1</sup> Due to a constant reviewing of the historical series of the land values, the statistics of this paragraph are not comparable to what related in the previous Yearbooks. For an updating on the estimation method used, and to get better details on the data of the land values please consult the web pages about the land market ([www.inea.it/mercato-fonsiario](http://www.inea.it/mercato-fonsiario)).

reas the supply finds difficult to get in line with the new prices, thus waiting for an improvement of the economic cycle. Substantially, it is confirmed the scarce buying-and-selling activity that, in line with what occurred in the city real estate market, has registered a sharp decrease in the latest years. The new reform of the common agricultural policy doesn't seem to have triggered remarkable effects on the land values, since the changes in the aid mechanisms involve mainly the relationships between owners and lodgers. If anything, it should be noticed how, despite the attempt aimed at intensifying the support to the small-sized enterprises, the perspectives for a widespread decrease of aid are accentuating the exit from the sector of the weakest enterprises, with a consequent increase in the supply of lands.

The persisting economic weakness and the carefulness which continues in characterizing the credit activities don't encourage investor's expectations, who sometimes act only as savers rather than thinking of investing in enterprise. That's why there is no chance for prices to experience an economic upturn in the short period.

According to the last ISTAT Census, in Italy, the agricultural land rented, including that one given for free, amounts to 38% of the total UAA (4.9 million hectares), with an increase of 60% over 2000 (table 2.2). The expansion has involved all the regions, even though, to a greater extent, the South where the surface area is more than doubled (114%). The increase of rental is largely ascribable to the sizeable reduction in the number of enterprises, decreased from about 2.4 million in 2000, to the current 1.6 million. The owners who have ceased their activity have preferred to rent out their lands, or give them as an extended loan, rather than sell their property.

The persisting negative economic cycle and the consequent difficulty in accessing to credit, along with the uncertainties linked to the launch of the new CAP, continue in representing the main determinants in the choice of resorting to rental in order to enlarge the enterprise's surface areas. Nonetheless, it should also be considered the low willingness in selling by many owners, who continue in considering land as a safe haven, that's why they prefer giving land for rent. In particular, the wait for the entrance into force of the new CAP is having different effects on the rental market. In fact, if on the one side in the northern regions the operators have pointed out a decrease in the duration of contracts, on the other side in the southern regions, despite an increase in the enrollment of contracts, it has been detected a stalemate in the use of rental, since businessmen and land owners fear to loose the right in having assigned the titles for aid.

For the future, the negotiations and the rental rates are expected to increase, mainly for specific productive sectors and for particular localizations, besides for the stagnation in the buying and selling activity as a consequence of the cash

crisis; while the uncertainty for the launch of the new CAP and the still unclear framework about the possible exceptions, at a national level, will continue in fostering contractual renewals and new negotiations for short times. The Stability Law 2014 (Law 147/2013) has deeply changed the regime of the tax reliefs envisaged in the case of buying and selling activity of agricultural lands, although it persists a substantial difference of tax break between direct farmers and professional agricultural businessmen on one side, and all the other categories of buyers on the other side. They have been maintained the tax reliefs for the small agricultural ownership, envisaged since 2010, for the direct cultivators and the professional agricultural businessmen, agricultural companies included. These categories can buy agricultural lands and buildings of pertinence with a cadastral tax of 1% on the price of the buying and selling activity, besides enjoying of the mortgage and cadastral taxes established at a price of 200 euro/each.

Among the various attempts aimed at re-launching the stagnant land market they should be pointed out the many initiatives fostering the release of State's lands. The main reason of this action is represented by a more efficient use of the public lands, by new private owners, and the re-launch of a stagnant land market, besides the need of increasing the incomes to cope with public debt.

"Lega delle Cooperative" has tried to set up a "database of the land" aimed at enhancing the match between supply and demand, but it doesn't seem to have reached yet concrete results. Similar initiatives, perhaps more feasible, are being carried out also by regional administrations which are setting up a complete and updated inventory of the lands and of the farm enterprises, both of private and public property, which can be put at disposal of third parties, however, at least by now, just through rental or grant.

It is, nevertheless, to be hoped that a systematic recognition of the situation of the State-owned lands allows to know the features of these public goods. All the legislation refers to preliminary surveys and, since they are represented by lands located in marginal areas and characterized by a scarce productivity, this information is crucial in order to define a proper destination of use for productive and recreational aims.

### *Credit and investments in agriculture*

The inadequate credit the banks are providing to all economic sectors, even to the agricultural sector, is confirmed by the latest figures released by the Bank of Italy. These figures have shown a substantial stability in the consistency of the use of credit (table 2.3); a clear contraction of the long-term loans, already reduced during 2012 (table 2.4), and a contextual increase of credit granted for the current operations; an increase of the credit suffering by the enterprises (table 2.5).

The general economic cycle has a negative influence on the dynamic of credit, but the structural weaknesses of the agricultural sector worsen the effects of the containment of credit. As it is shown by the ratio between credit use and agricultural value added, according to which at each euro corresponds 1.3% of granted loan, the primary sector is characterized by a high need of external financial resources, necessary for activating the productive processes. A higher dependence of external financing highlights a greater exposure of the agricultural sector compared to any type of credit restraint.

In terms of supply, in 2013, there are more disadvantageous conditions of access. For the interest rates, the values of the weighted APR for the agricultural sector, commissions and expenditures included, are sharply higher than the other sectors; these differences become even more remarkable during 2013, despite the implementation of nominal rates in line with those exercised for the other productive sectors (table 2.6).

Furthermore, the stricter European rules (Agreements of Basilea) in the measures of rating adopted by banks have influenced negatively the credit merit for most of the enterprises, so that, in the actual difficult situation, banks require greater and more expensive warranties, even for those enterprises with good productive capacities and perspectives of growth. In the period between January and December 2013, it has been detected an increase of direct warranties required (bank guaranty, co-warranties, etc.) released by the Fund of public warranties to the agricultural enterprises, managed by the Society for the management of funds of public warranties for the agricultural sector (SGFA). These ones have reached an overall amount of over 122 million euro, with an increase of 22% over the previous year.

Nevertheless, the ratio between gross suffering and credit use points out a gradual and constant worsening during the latest years. In 2013, this ratio for the agricultural sector gets worse, compared to 2012, thus exceeding one percentage point, and triggering a danger cycle according to which illiquid enterprises, but solid, are brought to bankruptcy, from which it follows a worsening of the bank accounts, through the channel of the suffering, and therefore further restraints to credit.

The different types of credit, also at a territorial level, highlight difficulties for the long-term loans, mainly for the

areas of the Centre-South of Italy. The dynamic of the long-term loan is negatively influenced by the reduced spending on investments by the agricultural enterprises; these ones are decreased by 4% in 2013 over the previous year, thus confirming the negative trend started since 2012, year which has experienced a contraction of about 10% of the gross fixed investments (table 2.7).

In coherence with such dynamics it has been detected higher attention of the public operator in granting the loan to the agricultural enterprises, whose success is confirmed also by more favorable credit terms.

### *Technical inputs*

During 2013, the costs of the productive factors for the agricultural enterprises are increased, although to a less extent (+0.8%), exceeding the threshold of 24 billion of current euro. The increase of costs is mainly ascribable to the increase of the level of prices (+2.7%), since the quantities consumed are decreased by 1.9%. The relative breakdown of costs remains essentially unchanged compared to 2012, with animal feeds detaining the most relevant share (29%) and even on the rise, followed by energy (13.8%) and re-deploys (10.3%).

The Italian animal feeding sector has registered a feeble decrease of productions, both in physical terms (-1.6%) and in terms of turnover (-5.96%), amounting to 14 million tons for a value of over 7 billion euro. The slight decrease in demand for pigs (-1.9%) and poultry (-1.1%) has led to a decrease in the costs of feeds, while they remain unchanged for cows (+0.6%).

The enterprises of seeds, in Italy, amount to about 300 units with an activity involving over 14,000 farmers on a surface area of over 200,000 hectares, for a turnover of 630 million euro. In 2013, the export value of the Italian seeds remains unchanged, thus confirming the positive results achieved in the period between 2010 and 2012. According to the figures released by ISTAT, the export of the Italian seeds has reached 255 million euro, repeating the figures of the previous year.

In 2013, the spending of the Italian agriculture for the purchase of fertilizers has amounted to 1.6 billion euro, with a decrease at current prices little exceeding 5% over 2012. In this context, the degree of dependence from abroad of the Italian market of seeds is remained well below the average of the 2003-2007 period, the incidence of the net import on the value of intermediate consumption of fertilizers is decreased to 24.5%. This result is the consequence of the decrease of the value both in imports, down to 800 million euro (-9%), and in exports,

little above 400 million euro (-5%). In the five-year period 2009-2013, according to Assofertilizzanti, the consumption of the three main fertilizers (nitrogen, phosphorous and potassium) are on average decreased (-2.1%), and the use of 1,093.1 thousand tons, of 2013, is in line with the quantities used the previous year.

According to Agrofarma, the volume of plant protection products sold in 2013 has amounted to 816 million euro, 2.3% more than the previous year. Prices are increased by 2.4%, during the last year, with an average value of 8.58 euro/Kg. According to the European Association of the industry of the agrochemicals (ECPA) the market share of Italy in the EU context is of about 10%.

The increase of the market of agrochemicals is boosted mainly by the fungicides, which represent 39% of the overall sales of the sector, and which have registered an increase of 12.4%; conversely, it has been registered a decrease of herbicides, related to a decrease in prices compared to the increase of quantities.

### *Employment*

In 2013, the effects of the recessive phase experienced by the Italian economy led to a remarkable decline in employment, while previously they had led mainly to a reduction of the worked hours. Along with the building sector (-9.3%), the other sector that suffered the most was the agricultural sector (-4.2%), where the number of employees is sharply reduced (-54,000 workers). The reduction has involved mainly women (-6.7%, compared to -3.2% of men), thus reducing further their incidence down to 28.2% (table 2.8).

Employment in agriculture is largely decreased in the areas where the incidence is higher, that is in the North-East (-9.9%) and in the South (-4.1%), whereas it remains unchanged in the Centre and North-West; in this last area, in terms of absolute value, the male employment replaces the female one.

On the basis of the traditional annual survey carried out by INEA about the use of foreign workers in the Italian agriculture, it can be noticed the upward trend, already shown in the last years, which involves mainly the EU workers. The northern regions are the record holders (over 122,000 of EU and non-EU workers), compared to over 90,000 units in the South (table 2.9). Central Italy, although with more contained absolute values, has registered a remarkable increase of the EU component over 2012 (+46%). On the Islands it is significant the increase of the no-EU components (+44%). It remains confirmed the seasonality of the work relationships, with values ever higher in the southern regions and on the islands, in relation to the needs expressed by the local agricultural systems, resulting from the type, spread and calendar of cultivations and breeding.

*Knowledge system in agriculture*

In 2011, the national Agency of evaluation of the university system and of research has launched the exercise of assessment of the research's quality carried on by state and no-state universities in the 2004-2010 period, as well as by public research entities supervised by MIUR, besides other public and private stakeholders involved in research activities.

According to the results of this analysis (final Report of ANVUR), the scientific-procedural sectors which constitute the Area 07 ("agricultural and veterinarian sciences") are characterized by a strong incidence (over 87%) of articles on magazines, except for SSD Agr/01 "Economy and rural valuations" (about 58% of articles), where it has been detected a remarkable presence (about 25%) of contributions in volumes (chapters or essays).

Furthermore, the distribution of the products per publishing year has highlighted a sizeable increase since 2004 (978) to 2010 (1,770), with an increasing propensity by the subjects belonging to the Area 07 in publishing, over time, in international magazines.

The peer review evaluation has involved 4,548 products, compared to the 7,120 products evaluated in terms of quantities, while 586 works have undergone a double assessment. Nonetheless, a sharp prevalence of products evaluated among peers (with percentages exceeding 70% of the conferred products) has been detected following this order: SSD AGR/01 "Economy and rural evaluations", AGR/10 "Rural buildings and agri-forestry territory", AGR/06 "wood technology and forest uses", AGR/09 "Agrarian mechanics".

The results of the evaluation of the Area 07, compared to the other disciplinary areas, have shown a high percentage (41%) of products positioned in the class "Excellent", consisting mainly in articles on magazines. On the whole, the best evaluations have been assigned to the products of the scientific-disciplinary sectors, with an higher incidence of quantitative analysis, thanks to a greater presence of products published on international magazines of good Impact Factor, while the sectors evaluated mainly through peer review (for instance AGR/01) have highlighted a greater weight of the products of the categories "Limited" and "Acceptable".

The scores obtained and the final rankings of the university structures evaluated (by splitting them in three dimensional categories according to the number of expected products), as well as the distribution of the relating products in the classes of merit, have all showed an unimportant effect of their sizes on the final outcome of the assessment.

At last, the evaluation of the context data of third mission (activity of economic enhancement of the research results, with a socio-cultural/educational natu-

re) has allowed to point out the positioning of the Area 07 compared to the other disciplinary areas, thus showing its placement at 2nd place in the case of participated consortia, at 5th place for co-participated incubators and for museum centers, at 6th place both for the contracts of research/advisory services and for the patents and spin-off.

Tab. 2.1 - *Trend in the average land values - 2012*

	Altitude classification					Total
	inland mountain	coastal mountain	inland hill	coastal hill	plain	
Value per hectare in thousands of euro						
North-west	6,1	16,3	24,4	84,3	34,1	26,5
North-east	30,2	-	42,0	30,9	46,0	41,6
Centre	9,3	21,3	14,7	16,8	22,5	14,8
South	6,5	10,0	12,2	17,1	17,6	12,9
Islands	5,7	7,2	7,5	9,0	14,2	8,6
<b>Total</b>	<b>11,8</b>	<b>9,0</b>	<b>15,5</b>	<b>14,8</b>	<b>32,3</b>	<b>20,1</b>
% change 2013/12						
North-west	0,6	0,5	0,8	0,3	0,0	0,2
North-east	-2,5	-	0,0	0,3	-0,8	-1,0
Centre	0,0	0,0	-0,2	0,2	-0,1	-0,1
South	-0,2	0,0	-0,2	-0,7	-0,5	-0,4
Islands	0,3	0,3	0,3	-0,1	0,1	0,2
<b>Total</b>	<b>-1,4</b>	<b>0,1</b>	<b>0,1</b>	<b>-0,2</b>	<b>-0,5</b>	<b>-0,4</b>

Data in this table are incomparable with those published in previous volumes of the Italian Agriculture Yearbook, since the land value database is currently being updated.

Source: INEA, Land value database.

Tab. 2.2 - *Firms and utilized agricultural area (UAA) for rent by geographical area, altitude and owner's age category*

	Firms (n.)	%	Surface (ha)	%	In % of the total UAA	% of UAA for free-UAA for rent
North	150.445	36,5	2.088.524	42,6	45,7	14,4
Centre	57.384	13,9	799.462	16,3	36,5	23,0
South & Islands	204.635	49,6	2.012.335	41,1	33,0	28,7
Mountain	81.092	19,7	1.149.337	23,5	40,5	23,1
Hill	190.514	46,2	2.004.529	40,9	34,8	24,5
Plain	140.857	34,2	1.746.445	35,6	41,0	17,5
< 40 years	84.350	20,5	1.346.893	27,5	56,9	18,9
40 - 60 years	195.567	47,4	2.521.404	51,5	40,6	19,7
> 60 years	132.547	32,1	1.032.023	21,1	24,1	30,3
<b>Total</b>	<b>412.464</b>	<b>100,0</b>	<b>4.900.320</b>	<b>100</b>	<b>38,1</b>	<b>21,7</b>

Source: ISTAT, 6° censimento dell'agricoltura, 2010.

Tab. 2.3 - *Investments by economic activity - amounts*

(million euros)

Date of collection	Agriculture, forestry and fishery			Food, beverage and tobacco industries			Total agro-food sector		
	values	% change previous year	% total by sector	values	% change previous year	% total by sector	values	% change previous year	% total by sector
31-12-08	37.421	3,9	3,9	31.296	1,2	3,3	68.717	2,7	7,2
31-12-09	38.663	3,3	4,1	29.978	-4,2	3,2	68.641	-0,1	7,4
31-12-10	40.872	5,7	4,3	30.703	2,4	3,1	71.579	4,3	7,5
31-12-11	43.790	7,1	4,4	32.023	4,3	3,2	75.817	5,9	7,6
31-12-12	44.210	1,0	4,6	31.455	-1,8	3,3	75.665	-0,2	7,9
31-12-13	44.096	-0,3	4,9	30.084	-4,4	3,3	74.180	-2,0	8,2

Source: based on data from the Statistical Bulletin, Bank of Italy.

Tab. 2.4 - Loans to agriculture beyond the short term - amount

(million euros)

	2011	2012	2013	% change previous year
North-west	4.844	4.618	4.305	-6,8
North-east	4.894	4.555	4.284	-5,9
Centre	3.462	3.161	3.001	-5,1
South	2.906	2.690	2.481	-7,8
<b>Italy</b>	<b>16.106</b>	<b>15.025</b>	<b>14.071</b>	<b>-6,3</b>

Source: based on data from the Statistical Bulletin, Bank of Italy.

Tab. 2.5 - Non-performing cash flow loans (NPL) to agriculture, forestry and fishery and other economic activity sectors- amount

(million euros)

	Number of granted NPL	NPL value	NPL/ granted	Gross NPL	Collateral NPL	NPL with collateral total %	NPL to total loans ratio %
Agriculture							
2011	15.431	3.654	0,24	3.879	1.987	51,2	8,9
2012	16.611	4.153	0,25	4.418	2.204	49,9	10,0
2013	17.856	4.728	0,26	5.004	2.714	54,4	11,3
% change previous year	7,5	13,8	4,0	13,3	23,1	4,5	1,3
Total sectors							
2011	336.793	80.569	0,24	96.075	28.389	29,6	9,7
2012	365.285	93.887	0,26	112.852	33.872	30,0	11,8
2013	405.708	118.039	0,29	139.499	45.907	32,9	15,4
% change previous year	11,1	25,7	12,8	23,6	35,5	2,9	3,6

Source: based on data from the Statistical Bulletin, Bank of Italy.

Tab.2.6 - *Landing rates of cash flow loans by operation type, rate original maturity and customers' economic activity in the period 2012-2013*  
(percentage value)

Quarter	Ongoing operations					Operations at maturity (effective EPR)				
	agriculture at maturity		total sectors at maturity			agriculture rate original maturity		total sectors rate original maturity		
	self liquidating	up to 5 years	over 5 years	good-till-cancelled	self-liquidating	up to 5 years	over 5 years	up to 5 years	over 5 years	over 5 years
31-03-12	5,85	3,58	5,12	7,96	5,28	3,40	4,76	5,66	5,74	3,30
30-06-12	5,95	3,46	5,20	8,09	5,36	3,26	4,62	5,24	5,79	3,13
30-09-12	5,82	3,22	5,16	8,07	5,19	3,00	4,37	5,21	5,81	3,03
31-12-12	5,85	3,16	4,98	8,04	5,27	2,93	3,96	5,10	5,03	3,72
31-03-13	5,98	3,02	5,15	8,29	5,30	2,87	4,24	5,04	5,15	3,54
30-06-13	5,91	3,15	4,74	8,28	5,21	2,96	4,14	5,02	5,49	3,43
30-09-13	5,91	3,13	4,67	8,21	5,20	2,90	4,05	5,08	5,72	3,59
31-12-13	6,01	3,25	4,88	8,07	5,21	3,06	4,21	4,87	5,61	3,49

Source: based on data from the Statistical Bulletin, Bank of Italy.

Tab. 2.7 - *Trend in gross fixed capital formation (GFCF) in agriculture, forestry and fishery*

(million euros)

Chained values (2005 reference year)					% on	
	Current values	absolute value	% total capital	% change previous year	total capital	agriculture value
2010	11.060	9.686	3,6	5,8	3,6	38,9
2011	11.476	9.865	3,7	1,8	3,7	37,2
2012	10.517	8.884	3,6	-9,9	3,6	33,0
2013	10.163	8.526	3,7	-4,0	3,7	30,2

<sup>1</sup> Gross fixed capital formation (GFCF) consists of acquisitions, less disposals, of fixed assets and includes depreciation.

Source: based on data from ISTAT.

Tab. 2.8 - Workforce and employees by sector of economic activity and geographical area in Italy

	North-west			North-east			Centre			South			Italy		
	% change			% change			% change			% change			% change		
	2013	2013/12	2013	2013/12	2013	2013/12	2013	2013/12	2013	2013	2013/12	2013	2013	2013/12	2013/12
POPULATION of 15 years-aged and over	13.690.044	0,6	9.915.506	0,7	10.112.319	0,7	17.619.020	0,2	51.338.889	0,5					
Employed:	6.779	-0,5	4.997	-1,8	4.746	-1,5	5.899	-4,6	22.420	-2,1					
- agriculture	129	0,2	168	-9,9	115	0,1	401	-4,1	814	-4,2					
- industry	2.128	-3,4	1.636	-3,7	1.131	-1,4	1.215	-7,5	6.110	-4,0					
- other activities	4.522	0,9	3.193	-0,3	3.500	-1,6	4.282	-3,7	15.496	-1,2					
People seeking job	665	12,2	419	15,7	578	14,0	1.450	13,2	3.113	13,4					
Workforce	7.444	0,5	5.416	-0,6	5.324	0,0	7.349	-1,5	25.533	-0,4					
Activity rates (%) <sup>1</sup>	53,3	0,1	54,0	-1,0	51,3	-0,6	41,3	-1,5	49,0	-0,7					
Employment rates (%) <sup>2</sup>	48,6	-0,9	49,8	-2,1	45,7	-2,1	33,2	-4,6	43,0	-2,4					
Unemployment rates (%) <sup>3</sup>	8,9	11,6	7,7	16,4	10,9	14,0	19,7	14,9	12,2	13,9					
POPULATION aged 15 and over	7.128.479	0,5	5.148.167	0,6	5.307.445	0,7	9.153.124	0,2	26.737.215	0,5					
Employed:	2.962	0,6	2.150	-2,2	2.063	-0,4	2.156	-3,9	9.330	-1,4					
- agriculture	30	-11,7	49	-3,5	33	3,0	117	-9,0	230	-6,7					
- industry	494	-2,2	394	-4,5	240	6,9	158	-6,5	1.286	-1,9					
- other activities	2.437	1,3	1.707	-1,6	1.790	-1,3	1.880	-3,4	7.814	-1,1					
People seeking job	314	5,2	220	20,2	288	12,4	589	9,7	1.411	10,7					
Workforce	3.276	1,0	2.369	-0,5	2.351	1,0	2.745	-1,3	10.741	0,1					
Activity rates (%) <sup>1</sup>	45,4	0,3	45,8	-0,4	43,3	0,2	29,7	-0,4	39,7	-0,1					
Employment rates (%) <sup>2</sup>	41,1	0,1	41,5	-1,1	38,0	-0,3	23,4	-1,0	34,5	-0,6					
Unemployment rates (%) <sup>3</sup>	9,6	0,4	9,3	1,6	12,2	1,2	21,5	2,1	13,1	1,3					

<sup>1</sup> % ratio between workforce and population aged 15 and over. The change is given by the difference from the previous year<sup>2</sup> % ratio between employed and population aged 15 and over. The change is given by the difference from the previous year<sup>3</sup> % ratio between people seeking job and workforce. The change is given by the difference from the previous year

Source: based on data from ISTAT.

Tab. 2.9 - Indicators of the use of non-EU and EU workers in Italian farming - 2013

	Non-EU workers			EU workers			Non-EU agricultural workers / workers (f=bra%)		Non-EU agricultural working units / Non-EU agricultural workers (g=cb%)		EU agricultural workers/ workers (h=d/a%)		EU agricultural working units / EU agricultural workers (i=e/d%)	
	Total agricultural workers <sup>1</sup> (a)	agricultural workers <sup>2</sup> (b)	working units equivalent <sup>2</sup> (c)	agricultural workers <sup>2</sup> (d)	working units equivalent <sup>2</sup> (e)		Tot. Agricultural workers		Non-EU agricultural workers		Tot. Agricultural workers		EU agricultural workers	
	numero													%
<b>North</b>	296.879	52.423	50.941	70.335	47.736		17,7		97,2		23,7		67,9	
Piedmont	49.951	10.632	15.293	9.809	12.314		21,3		143,8		19,6		125,5	
Valle d'Aosta	2.065	375	616	370	623		18,0		164,2		17,7		168,4	
Liguria	12.837	2.883	1.471	764	381		22,5		51,0		6,0		49,8	
Lombardy	64.250	15.495	16.760	3.020	3.219		24,1		108,2		4,7		106,6	
Veneto	65.536	8.695	6.055	17.960	12.321		13,3		69,6		27,4		68,6	
Trentino-Alto Adige	23.620	4.277	1.129	23.055	6.135		18,1		26,4		97,6		26,6	
I.P. Bolzano/Bozen	15.769	2.548	697	15.652	4.282		16,2		27,4		99,3		27,4	
I.P. Trento	7.851	1.729	432	7.403	1.853		22,0		25,0		94,3		25,0	
Friuli Venezia Giulia	12.987	2.141	2.137	3.182	2.852		16,5		99,8		24,5		89,6	
Emilia-Romagna	65.613	7.925	7.480	12.175	9.891		12,1		94,4		18,6		81,2	
<b>Centre</b>	115.470	32.915	50.073	15.085	10.365		28,5		152,1		13,1		68,7	
Tuscany	48.098	11.285	6.653	6.915	4.001		23,5		59,0		14,4		57,9	
Umbria <sup>3</sup>	12.941	2.330	1.740	1.190	965		18,0		74,7		9,2		81,1	
Marche	13.567	3.750	3.525	1.650	1.000		27,6		94,0		12,2		60,6	
Lazio	40.864	15.550	38.155	5.330	4.399		38,1		245,4		13,0		82,5	
<b>South</b>	268.128	47.817	41.524	42.537	21.881		17,8		86,8		15,9		51,4	
Abruzzo	19.588	4.950	5.105	2.750	2.054		25,3		103,1		14,0		74,7	
Molise	7.626	838	584	1.893	1.114		11,0		69,7		24,8		58,9	
Campania <sup>3</sup>	66.185	10.400	15.166	2.750	2.581		15,7		145,8		4,2		93,9	
Apulia	103.272	15.571	15.040	27.671	11.791		15,1		96,6		26,8		42,6	
Basilicata	13.552	4.858	3.971	3.723	2.241		35,8		81,7		27,5		60,2	
Calabria	57.905	11.200	1.658	3.750	2.100		19,3		14,8		6,5		56,0	
Islands	133.229	19.901	20.003	20.278	14.866		14,9		100,5		15,2		73,3	
Sicily	101.031	19.550	19.748	19.670	14.424		19,4		101,0		19,5		73,3	
Sardinia	32.198	351	255	608	442		1,1		72,8		1,9		72,7	
<b>Italy</b>	<b>813.706</b>	<b>153.056</b>	<b>162.541</b>	<b>148.235</b>	<b>94.848</b>		<b>18,8</b>		<b>106,2</b>		<b>18,2</b>		<b>64,0</b>	

<sup>1</sup> Based on ISTAT source<sup>2</sup> Based on INEA survey<sup>3</sup> Data are updated to 2012

Source: based on data from INEA, ISTAT.



## Chapter III

# Public Policy in Agriculture

### *Community policy: the first pillar*

During 2013, the negotiations on the financial framework 2014-2020 and those on the PAC reform have ended. The (EU) regulation 1311/2013, which sets the multi-year financial Framework, has entered into force on the 1st January 2014. Concerning the CAP reform, the political agreements, signed on 26 June and 24 September 2013, have been instead formalized in four regulations concerning, respectively, the system of direct payments [reg. (EU) 1307/2013], the unique CMO [reg. (EU) 1308/2013], rural development [reg. (EU) 1305/2013] and the measures with horizontal nature [reg. (EU) 1306/2013].

When the present Yearbook has been edited, the national decree about the new system of direct payments, in force as of 1st January 2015, had not been still adopted.

Therefore, the decisions afterwards mentioned are based upon a draft of the Ministry's decree and upon the contents of a political document. Synthetically, the choices of Italy lay the basis for a leveling of payments per hectare on a national basis, by avoiding gradually the differences between territories and productive sectors; at the same time, all possible corrective actions and dispensations have been put in place in order to postpone the definitive homogenization (which will occur after 2020) and to reduce, immediately, the losses for the higher unitary imports, by maintaining the link with the historical references.

Italy has decided to apply stricter rules so as to identify the active farmers, that is those are entitled to receive the direct payments. The active farmers are those who are enrolled in the INPS register as direct farmers, settlers or sharecroppers, or as professional agricultural businessmen, or also those who have an active VAT number in the agricultural sector. Farmers who, in the previous year, have received not less than 1,250 euro of aid (5,000 euro for the mountainous areas and/or the

disadvantaged areas) are considered as active farmers for definition.

Italy has furthermore decided to extend the EU black list (the list of the excluded from the benefit of direct payments) to those people who conduct activities of credit, financial or commercial intermediations, as well as to the public administrations, except for those performing experimentation in the agricultural field.

In terms of direct payments, Italy has opted only for some of the facultative payments, that is the coupled payment and the regime for the little farmers, in order to avoid an excessive reduction of the price ceiling for the base payment (table 3.1). If considering the price ceiling for the green payment (30%), and that one for the payment of young farmers (1%), the base payment will enjoy of 58% of the national price ceiling. The leveling of aid will take place on the basis of the “unique region”.

Some corrective measures have been applied in order to reduce the redistributive impact of the choice of the “unique region” and also in order to let all the national UAA entitled to get the basic payment (even those who didn't perceive direct payments in 2013 and who were producing fruit and vegetable products, consumption potatoes, seed potatoes or ornamental plants, or even who were cultivating vineyards, now are all admitted to payments). First of all, it has been decided to adopt the model of “Irish convergence”, therefore as of 2019 there won't be a same value per hectare all over the national territory, but there will persist differences in the unitary values. The model applied envisages that the rights to the aid, whose initial value is lower than the 90% of the national average, calculated as of 2019, will have their unitary value increased by 1/3 of the difference within that date. In 2019 no title may have a value lower than 60% of the national average value, and no one may loose more than 30% of his own initial value. In combining the respect of both restraints, the precedence is given to that of maximum loss. Always with the objective of safeguarding, as much as possible, the highest unitary aid, the green payment is calculated on an individual base, that is proportionally to the basic payment to which the farmer is entitled.

In terms of commitments for the green payment, Italy did not make particularly pressing choices. In fact, our country has decided to make use of equivalent practices, by considering admissible all of those practices listed in the attachment IX of the (EU) regulation 1307/2013, and which are part of the commitments already taken or to be taken in the rural development. The conversion ban of permanent grasslands will have to be followed at the national level. Furthermore, they have been considered areas of ecological interest all of those areas listed in the article 46 of the above mentioned regulation, including the characteristic features of the landscape which are not part of the admissible surface area, except for the leap crops.

1% of the national price ceiling is allocated to the payment of young farmers, mandatory like the green payment. The aid amounts to 25% of the average value of

the rights detained by each of them for a maximum of 90 hectares.

Among the optional payments, Italy has decided to activate the facultative coupled aid, by allocating to it 11% of the national price ceiling. The sectors involved are those of the meat and milk, seed crops (durum wheat, industrial crops, oil seeds, rice, sugar beet and industry tomatoes) and olive oil. Some aid are limited to certain territories and, among them, some are differentiated by crop and Region.

Italy has decided to apply the simplified regime for the little farmers. Those who adhere to it, will receive an aid ranging between 500 and 1,250 euro per year.

They won't be adopted the payments for the surface areas with natural restraints and the re-distributional payments for the first hectares.

Concerning the other decisions about the system of direct payments, Italy has decided to apply stricter rules on the progressive decrement. On the amount of the base payment exceeding 150,000 euro, it will be applied a reduction of 50%. If after this reduction, the base payment exceeds 500,000 euro, it will be applied a cut of 100% on the surplus. Before applying the reductions, from the base payment are subtracted the expenses paid, in the previous civil year, for wages and earnings of the agricultural activity. Conversely, no transfer of funds will be adopted from one Pillar to the other.

The EU budget for 2013, the last year belonging to the financial framework 2007-2013, has envisaged allocations for commitments for an amount of 150.9 billion euro, and allocations for payments for an amount of 144.1 billion euro. The payments made have amounted to 143.8 billion euro, of which 48% concerning the section 1 – Sustainable growth. The section 2 – Conversation and Management of natural resources – has reached a share of 40.3%, for a total spending of 58 billion euro. Of this expenditure, 43.9 billions are ascribable to the first Pillar of the CAP (30.5% of the EU expenditures) and 13 billions to the rural development. On the whole, in the 2007-2013 period, have been spent little less than 300 billion euro for the first Pillar and 80 billions for the second Pillar.

The budget for 2014 represents the first budget of the new financial framework 2014-2020. On the whole, the financial resources amount to 142.6 billion euro of allocations for commitments, and to 135.5 billion euro of allocations for payments. Over 2013, it has been detected a decrease of 6.2% of the available resources. The share of budget allocated to the section 1 is of 45%. Within the section 2, which covers 41.6% of the budget, 43.8 billion euro are allocated to the functioning of the first Pillar of the CAP, equal to 74% of the section and to about 31% of all resources available on the 2014 budget.

In 2013, the expenditure implemented through the EAGF, concerning the financing of the interventions of the first Pillar of the CAP, has amounted to about 45.3 billion euro, thus marking an increase of 0.9% over 2012 (Table 3.2). The financial resources for Italy have amounted to little less than 4.7 billion euro, 10.3% of the EU total.

Compared to 2012, it has been registered the usual increase of resources for the new-adhering countries, as a consequence of the so-called mechanism “phasing-in” which ends its effects just in 2013 for the 10 partners who had adhered to the EU in 2004, and in 2016 for Bulgaria and Romania. In the rest of the EU, except for Spain, all of the “old” member States have experienced a decrease of the resources and, among them, Italy has pointed out the highest loss (-3.1%). At the EU level, the spending for direct aid has an incidence of about 92% on the total EAGF, and the interventions on the agricultural markets have reached 7.1%. On the contrary, in Italy, direct aid has amounted to 85% and the spending for interventions to 15% (both essentially unchanged over the previous year).

In Italy, as of September 2013, the transitory aid to the prunes for processing has no longer been supplied. Besides the regime of the single payment, they remain still in force only the national payment of 120.75 euro/hectare for nuts, and the aid expected by the article 68. In terms of specific support, in 2013 it has been detected an exceeding of the credit limit for all types of payments, except for that one aimed at fostering the improvement of the sugar quality, whose savings have been used for increasing the financial endowment in favor of other supporting measures aimed at fostering quality, for which it had been exceeded the related price ceiling (table 3.3).

The regional distribution of the spending for the first Pillar of the CAP, concerning the year 2013, has highlighted how the northern and southern regions have benefited the most from the transfers (table 3.4), the first ones with over 43% of the total, the second ones with 42.7%. They are, then, followed by the central regions with 13.7%.

The single payment regime represents the main item of direct aid (little more than 77% of the total). High percentages, exceeding the national average, have been registered in almost all of the southern regions (except for Abruzzo), in Lombardy and Valle d'Aosta.

Trentino Alto Adige is, instead, well below the average, where the single payment regime reaches 22% and where the interventions linked to the functioning of markets have exceeded the threshold of 50% (table 3.4).

Also in 2013, the sector mostly involved by the support to the markets has been the wine sector (48.6% of the total).

At a territorial level, 30% of the amounts of the single payment regime is distributed fairly between Lombardy and Puglia, followed by Veneto (11%) and Calabria (9%).

*Community policy: the second pillar*

In Italy, the programmatic framework of the rural development policy for the 2014-2020 phase, whose definition took place along with other EU policies within a common framework, envisages some novelties compared to the past.

Italy, who has opted for a regionalized implementation of the rural development policies, by exploiting the possibilities offered by the new juridical framework, has also envisaged a program of national rural development, referring to the package of measures for the risk management in agriculture (favourable insurances; mutual funds and stabilization of income), for the management of water resources (infrastructure measures) and for the animal biodiversity (handling of the genealogical books and of the registers of the animal species), measures which are better handled in a context of national programming.

The Program of National Rural Development has earmarked a budget of 2,100 million euro, of which: 1,600 for the risk management, 300 millions for water resources and 200 millions for biodiversity.

As in the past programming period, it is expected a “National Rural Network” program, managed by the Ministry of Agricultural, Food and Forestry Policies, which will handle 100 million euro. The National Rural Network (NRN) will have the task of accompanying the implementation process of the rural development policy and the processes of local development at territorial level, also through actions of communication, information and training.

At the regional level, the programming of the RDPs has had to compare itself with the lines drawn by the Partnership Agreement, approved by the Commission in October 2014. By analyzing in details the strategic proposal, the agreement, by examining the differences and the needs of development at the national level, has identified, in relation to each thematic objective, the financial allocation by type of fund as well as the fundamental actions. The EAFDR measures are directly ascribable to the six priorities of the rural development, then articulated in focus areas, indicated by the reference rule.

In its general strategy, the EAFRD acts mainly in strengthening the productive system (OT3), which holds 44.6% of the resources, by establishing as main goal the re-launch of the agricultural productions and of the agri-food systems, besides seeking the environmental sustainability of the agricultural activities and, more generally, the environmental objectives to which is addressed the Europe 2020 strategy, in close relationship with the other policies; that's why it is so much important the weight given to the OT4, OT5 and OT6, which together absorb 38.8% of the total resources.

The resources of the rural development allocated to such measures at regional level should be programmed by paying attention to the interconnections with the

reform of the first Pillar of the CAP, which envisages a gradual reduction of the grants allowed through the firm single payment. Furthermore, the programming of the support to the agri-forestry practices (such as the agri-environmental practices, organic farming and integrated farming, the awards for the Natura 2000 sites and the sites with an high natural value) will have to comply with the higher environmental requirements, which have been defined within the first Pillar.

The EAFR strategy does assume, furthermore, a territorial implication, in relation to the strong differentiation, at the local level, of the agricultural and agri-food systems, which are characterized by the various types of integration with the urban and industrial context, and with the more general processes of economic and social development which characterize our country. To this purpose, the intervention for rural areas is based on a territorial presence made up of four typologies: a) urban and peri-urban areas, b) rural areas and intensive farming, C) intermediate rural areas, including also the diversified areas, d) rural areas suffering development problems.

Main tool, at the territorial level, is the Community Led Local Development (CLLD), which in the rural areas will involve the typologies c) and d), as well as certain Leader areas of the previous programming.

In addition, the RDPs could contribute, along with the other funds, in implementing the national strategy for the inland areas, which envisages the joint intervention of the additional and ordinary policies, in areas suffering the lack of essential services. The areas involved, selected through a preliminary activity involving many levels of government, are mainly represented by rural areas of intermediate type ("c" areas), or with development problems ("d" areas). In these contexts, the joined action of the different funds could mark the difference in the identification of feasible development paths, only in the case the procedural aspects won't become an obstacle to the concrete launch of the strategies.

In terms of EAFRD spending, the amount earmarked in 2013 for all the EU, equal to about 13.5 billion euro, has little exceeded 3% of the previous year, thus marking only a slight improvement. By analyzing the spending per member State, by axis and by measure, the 2007-2013 period has pointed out how, in the Axis 1, the most remarkable measures have involved the investments in the agricultural businesses, as well as the agri-food and forestry businesses (measures 121 and 123; respectively 12% and 4% of the funds earmarked), while, in the Axis 2, it has involved the measure for the agri-environmental payments (measure 214), which represents, by itself, 28% of the total. In the Axis 3, the most important measures are those for the essential services to the economy and the rural population, and for the development of the rural villages (measure 321 and 322, with an incidence of 7% on the total payments). In Axis 4 the situation is critical, with the only measure for the implementation of local development

strategies for the diversification and life quality (413) which reaches 2.7% of the resources disbursed.

In the year 2013, as in the previous year, the spending seems to be concentrated in the first two Axis (50% and 29%); while the Axis 3 and 4 have reached respectively 13% and 7%. In 2013, the measure with the highest expenditure levels is represented by that one related to the agri-environmental payments (26%), as in the previous years, followed, with about 16%, by the compensative indemnities for the disadvantaged areas (measures 211 and 212) and by the investments in the agricultural businesses and processing farms (measure 121, with 11% of the total).

During the year, the payments per country have reached roughly 75.7% of the resources earmarked. The countries which show a level below the average are those who, as from the start of the programming, have shown a delay in the implementation: Bulgaria (62.2%), Romania (63.5%), Greece (59.9%). Italy enjoys of a level of allocations equal to 66% of the programmed, along with Malta and Hungary. Conversely, are only four the countries in which the payments have exceeded 90% (Ireland, Luxembourg, Austria and Finland).

In terms of national implementation, also in 2013 the rush against the automatic disengagement envisaged by the mechanism known as n+2 has been substantially won by the Regions. The great effort produced mainly by Sicily, Campania, Puglia and Sardinia has, in fact, allowed to overcome the threshold of the disengagement with a reported EAFRD spending, as of 31st December 2013, exceeding 6.5 billion euro. The only exception has been represented by the Basilicata region which has asked for a dispensation because of the numerous floods that have damaged the agricultural businesses and their capacity of realizing the expected investments.

In the period between 2007 and 2013, the Italian RDPs have disbursed public resources for an overall amount exceeding 11.6 billion euro (table 3.5). Continuing the upward trend, already shown in the previous year, the spending for the EAFRD share is significantly increased from about 52% in 2012 to 66% of the year under examination. For most of the programs, the values oscillate between 62% and 68% of the programmed. Above this average there has been only the spending of the programs of the two Autonomous Provinces of Bolzano and Trento, of Lombardy and Valle d'Aosta. They are appeared in delay Campania (59%) and Abruzzo (59%), although Campania has registered the highest increase of spending in the year (+11%), along with those of Calabria (+9%), Sicily (+8%) and Puglia (+8%).

Also in 2013, the difficulties in accessing to credit and the restraints imposed by the Stability Pact have continued to oppress the spending of the RDPs; so as that they didn't allow the potential beneficiaries, respectively private and publics,

of getting the availability of resources to be spent for the co-financing of the interventions.

The agri-environmental measures, relating to the generational change and to the structural investments, have been the main driving force of spending of the RDPs. The measures of the Axis I and II have amounted, by themselves, to about 90% of the public resources earmarked at the national level (table 3.6). A different situation has been detected for the interventions aimed at diversifying the agricultural activity (Axis III) and of the Leader (Axis IV), which at the end of 2013 have registered subsidies amounting to respectively just 6.4% and 3.2% of the national total. Nevertheless, it should be noticed that, during the year, the Leader measures have reached progresses in the spending, with an increase of 1%, as well as even for the Axis III they have been detected some slight improvements (+0.6%).

The Axis II continues in being the Axis in which it is concentrated most of the EAFRD spending, both due to the dragging of payments referred to commitments taken during the past programming periods, and for the more rapid supply of payments expected by the measures. In particular, the measure 214 has actualized almost 189,000 agri-environmental contracts on a total surface area under commitment which exceeds 3 million hectares.

Concerning the Axis I, the measures which have shown a greater spending capacity than what had been programmed are those relating to the young farmers (77.8%), the increase of the value added of the agricultural and forestry products (63.3%) and the modernization of the businesses (69.2%).

Within the Axis III, many measures have shown advancements in the spending over 2012. In particular, through the measure of diversification towards non-agricultural activities, they have been financed about 5,000 interventions, for over 1.3 billions of public resources; while, with the measure concerning the essential services for economy and the rural population, it has been supported the realization of almost 1,600 interventions, through a total financial endowment of 350 million euro.

Through the measures of the Axis IV, as of 31st December 2013, in Italy almost 11,000 projects have been financed out of the 192 LAGs active on the national territory. Each project presented by a single farm enterprise has received an average subsidy of about 64,000 euro, while the associated firms have received for each project an average subsidy of about 185,000 euro.

Through the measure for technical assistance (511) they have been invested 192 millions with the aim of improving the activities of management, surveillance, monitoring and control of the programs.

*National policy*

In 2013, the agricultural policy had to cope with the difficult situation of the Italian public accounting, and with the long-lasting downward economic period. In particular, the reduction of the public spending, experienced in the previous years, has affected also the 2013 budget, thus leading to the absence of public active measures for the development of the sector. Actually, the resources for investments have progressively reduced and other tools for sustaining businesses have not been arranged. Besides the financial and political crisis, the Italian agriculture has had to cope with other important sectorial crisis during the year, among which that one related to the pollution in the so-called “Terra dei fuochi” which has strongly hit the image of the entire Campania.

Among the positive measures for agriculture, they should be pointed out the measures for the safeguarding of the “Made in Italy” products and of the quality productions, the launch of incentives for bio-methane and the approval, in December 2013, of the Stability Law 2014.

This Law has introduced further rules fostering the agricultural sector, but confirming, nonetheless, the trend of reduction in the agricultural public spending. In particular, among the measures adopted, there are some fiscal measures (such as the abolition of the IMU tax [a property tax] for the year 2014 on the rural buildings, and the price fixing for the new tax (TASI) at the maximum rate of 1 per thousand), and measures aimed at fostering investments and competitiveness, such as the allocation of 20% of the State-owned agricultural lands for the rental to young farmers (under 40) and measures in favor of export businesses.

The Ministry’s budget, despite the containment processes of the spending, has earmarked sizeable resources to the sector, in 2013 (table 3.7). Among these resources there are the transfers to the Regions, equal to 32.5 million euro, the allocation for payments of previous mortgages, equal to about 59.7 millions (of which 17.8 millions ascribable to the loan ex ASSi/UNIRE) and other interventions referring mainly to the sector of land reclamations.

Within the agricultural policies, in its narrow sense, the most remarkable allocations to agriculture, amounting to 92.2 million euro, are addressed to the infrastructural investments, in which about 53 millions are earmarked to the works of the national irrigation plan. Furthermore, the Ministry’s budget has allocated about 117 million euro to the aid to the management, including, to a greater extent, the contributions to the farmers’ insurances, in compliance with the Leg. Dec. 102/04. The funds for research and experimentation have amounted to 128.6 million euro, of which about 71% has been earmarked to the functioning of the research entities supervised by the Ministry for Agriculture, Food and Forestry policies. Moreover, further 16.2 millions have been addressed to the digitaliza-

tion of the sector, 5.4 millions to the services of the associations of the national breeders, 3.7 millions to the market survey carried out by ISMEA, and 1.3 millions to the fund for the young businesses in the agricultural sector.

The payments made, amounting to 1.3 billion euro, are increasing of about 81 million over 2012; therefore, the spending capacity of the Ministry, in terms of relationship between payments and allocations, has reached 90%.

The new State subsidies, during the year, have been eighteen for a total spending of 17.2 million euro. The highest amount has been spent in the South and, in particular, in Sardinia which is the only region in having activated new aid for a total amount of 11.3 million euro, compared to four regimes exempted by the notification. Among these ones, three are the measures addressed to refund the damages caused by diseases transmitted by animals, and another one concerns the investments in the agricultural businesses. Conversely, the northern regions have spent, on the whole, 5.8 million euro and in particular: Emilia Romagna, Friuli Venezia Giulia and Valle d'Aosta have activated a regime; while Veneto has actualized three regimes, and the A.P. of Trento two.

The interventions were aimed at fighting and at uprooting the animal and plant diseases, besides forming and enhancing the quality products and carry on activities of civil protection. The southern regions which have established new subsidies were: Abruzzo for research activities on genetics, and Molise for coping with the damages caused by diseases triggered by harmful organisms for plants. Moreover, the Ministry of Agricultural, Food and Forestry policies has authorized three national regimes within technical assistance which have concerned subsidies for services of substitution, the participation of young people to trade show events and the assignment of an award to businesswomen.

The last year of the 2007-2013 programming period was the year with the lowest number of subsidies earmarked by the State. Furthermore, it should be noticed that most of the interventions has concerned compensative measures ex post for losses caused by bad weather conditions or by animal and plant diseases.

Concerning the compensative measures, it shouldn't be forgotten that the new interventions and support mechanisms to the risk management, on the basis of the reviewing of the 2014-2020 CAP, are numbered among the measures of the second Pillar, including both the past interventions supporting the facilitated insurances, and the innovative tools envisaged by the new regulation (EU) 1305/2013. In particular, the national programming, under negotiation with the services of the Commission, has envisaged three tools for the risk management in agriculture. First of all, an insurance for the risks arising from bad weather conditions affecting harvesting, animals and plants, animal infections, difficulties with plant protection products, parasitic infections or environmental emergencies, whose maximum public aid has been settled to 65% of the total insurance

premium (art. 37). There are two further tools, based on mutual funds, thought of as a shared regime of risks by the affiliated farmers who, through these ones, can obtain the compensation of losses arising from two different origins. The first one of production – in the case of losses exceeding 30% of the average of a previous reference period – triggered by bad weather conditions, animal infections, difficulties with plant protection products, parasitic infections or environmental emergencies (art. 38); the second one of firm income, always in the case of losses exceeding 30% of an average of the firm incomes of the previous year (art. 39). In these latest cases, the maximum public subsidy would cover 65% of the eligible costs, which include the administrative expenditures for the setting of the fund, and the financial compensations to farmers for the eligible losses and/or the interests on the commercial mortgages which have been signed for paying such compensations. In case of losses of income, the compensations to farmers are among the eligible costs only up to 70% of the loss itself.

The delays in the approval of the new CAP have postponed to 2015 the introduction of the new tools, therefore, also for 2014 the management rules of the facilitated insurance system are based on the traditional functioning of the NDF (National Development Fund) and on the national insurance plans.

The National Development Fund has essentially two main functions: paying farmers for damages caused by bad weather conditions (*ex post* payments) and fostering the drawing up of insurances (*ex ante* payments). The distribution of subsidies depends on the annual availabilities of the state budget which, in 2013, have amounted to just about 18 million euro for compensating the damages. They are compensative payments, activated after a regional proposal, for damages to productions, buildings and productive plants, which are usually admitted only in case of productions/events/surface areas not insurable in a facilitated way. For the *ex ante* interventions the subsidies have amounted to about 117 million euro, to which they should be added the funds deriving from the art. 68 and from the CMO of wine which have amounted, in the same year, respectively to about 93 and 35 million euro.

The subsidized agricultural insurance market has, therefore, shown a progressive increase in the volumes insured, which reach, in 2013, 7.2 billion euro, 7% more than in 2012. The main share of the insured value derives from crops, representing on the whole about 81% of the entire volume insured and about 95% of the number of contracts, with a relatively low participation of the livestock sector and buildings, with respectively 9% and 10% of the total.

### *Regional policies*

The persisting economic-financial crisis has influenced, also in 2013, the national and regional legislative production, which aims at the achievement the goals and restraints of public finance. The need of verifying all the economic resources and reducing the overall costs of the public administration has led to a decrease of the financial autonomy of the Regions and of the local entities, by limiting the reformist momentum launched in 2001 through the re-writing of the Title V of the second part of the Constitution, then carried on with the regulation on the fiscal federalism (law 42/2009 and its implementing decrees).

By analyzing the regional regulation production for 2013, it emerges the need of facing the present crisis by changing the financial laws, as well as those relating to the tax relief and the social laws. These measures have been accompanied by interventions aimed at reducing the costs of regional policy, through a series of action which have affected the general spending on organization. That's why they have been unified, merged or abolished many institutions, among which also the mountainous communities, the land reclamation consortia and some agricultural entities.

In 2013, Regions have issued 68 laws which have involved, in a more or less direct way, the agri-food system. They are dealing with sector-based measures in the field of agriculture and rural development, as well as with multi-sector interventions, such as financial laws, which include also rules for agriculture.

The greatest commitment was aimed at enhancing the typical agricultural products and the quality products, and the connected activities carried on by the agricultural businessman and aimed at providing services to people, such as hospitality, enhancement of the territory and of the rural heritage, as well as the fulfillment of the "social needs". Many interventions have also dealt with the delicate issue related to the safeguarding of the resources necessary to the agricultural activity, in terms of both soil destined to agriculture, and local genetic resources used. Moreover, a discrete number of laws has confirmed or envisaged interventions supporting agriculture, but also regional measures for containing the public spending.

In this context, the regional spending for agriculture has highlighted a decrease of payments in favor of the sector, for a total amount of 2.6 billion euro (2012). These resources have been used mainly for the interventions in forestry activities (21.6%) and in favor of firm management (18.1%), both of them down over 2011, and which have covered, along with the funding measures of the assistance system in agriculture, about 2/3 of the total regional spending. The investments in businesses and in infrastructures, implemented at the regional level, have instead benefited of lower subsidies (respectively 10.7% and 15.4%).

In the northern regions they have been detected values higher than the national

average for the development activities in agriculture and for the aid to the management, whereas lower than the national average is the spending for forestry activities. Among the central regions there is a greater incidence of the spending for infrastructures and, among services, that one for promotion and marketing. The southern area is characterized by a support mainly oriented towards forestry activities, services to the development and the aid to the management. Compared to these latest ones, the values registered are ascribable to not structural factors, but as consequence of natural disasters which occurred between 2011 and 2012.

A detailed analysis of the spending by each single region (table 3.8) has shown that many of those regions with an ordinary statute have registered an increase of the subsidies earmarked to the agricultural sector, among which: Lazio (+77 million euro), Puglia (+28 million euro), Umbria (+16 million euro), Abruzzo (+8 million euro), Molise (+2 million euro). Conversely, Sicily has pointed out the greatest decrease, dropping from over one billion of spending paid in 2011, to little less than 547 million euro, equal to 70% of the decrease of all considered regions. At second place, in terms of size, is placed Lombardy with a spending decrease of about 70 million euro.

### *Fiscal policy*

During 2013 many measures have involved the Italian agricultural sector, aimed at increasing the fiscal burden, by pushing this sector at contributing to a greater extent to the total government revenues at the same level as the other productive sectors, but also by fostering growth and the agricultural employment which have undergone a remarkable decrease due to the economic crisis.

All of these measures have led to a decrease of 2.2% of the fiscal burden between 2012 and 2013, as a consequence of the drop registered by social contributions (-0.2%) and by indirect taxes (-34%), after the exemption from payment of the IMU tax in favor of farmers (table 3.9). Even the ratio between taxes, both direct and indirect, and the sector value added (tax burden) has registered, in the period, a negative variation (-1.5%). Over the year, nonetheless, the values of the tax burden are decreased also in the other productive sectors, thus contributing to the keeping of an important distance between the share of the value added absorbed by the tax levy in agriculture and in the rest of the economy.

This last one should be ascribed to the tax break (table 3.10), which depends mainly on the reduced rates and on specific rules for the determination of the tax base to be applied to the operators of the agricultural sector. The tax breaks have experienced an increase (+3%), between 2012 and 2013, due to the positive variation of the tax reliefs which have offset the drop registered by the contribution

relief. These latest ones continue in being the main component of the tax relief, followed by the tax break on agricultural fuels and IRPEF (income tax). It should also be considered that the tax relief introduced at different levels of government may appear incoherent, as a consequence of the possibility by the decentralized institutions of introducing facilitated measures which sometimes are added, while other times aim at modifying those ones envisaged by the state legislation in relation to a same tax. In particular, the state legislation about IMU has envisaged the abolition of most of the benefits established by the previous ICI, however the final structure of the tax and its tax relief for agriculture depend on the choices that will be taken at the local level in the next years. In 2012, this new tax has led to an increase of the fiscal burden in all regions, except for Liguria (table 3.11). In the 2008-2012 period, the northern regions were the regions who most suffered the local taxation, except for Trentino Alto Adige.

The increase in local taxation has affected the level of the financial autonomy of the local institutions, that is the share of resources they can use through the implementation of an own fiscal policy.

In fact, the share of local taxation on the total amount earned at the regional level has increased from 50% in 2008, on the average at the national level, to 71.2% in 2012. Furthermore, the taxes on ICI/IMU, which in 2008 represented 43.8% of the local taxation, in 2012 have represented 59.4%.

Therefore, considering the overall regional taxation, including the share which can not be controlled by the local institutions, it appears that the northern regions are those who contribute to a greater extent at the government revenues (44%), followed by the southern regions (42%) and the central regions (14%). What has been said should be related to the breakdown of the agricultural public taxation in the various territories, which is related, in its turn, to the productive techniques used by the economic operators of the sector, to the types of crops carried on, to the efficiency of the public administrations involved in the collection of the taxes, and to the propensity of the local economic operators in paying them. The government revenues, at the regional level, also depend on the economic results achieved by each single territory which, in their turn, influence on the incidence of the public levy on the economic operators.

### *The framework of responsibilities and consolidated public support*

The consolidated public support evaluates the entity of the interventions to the primary sector, that is all the subsidies and the tax break benefited by it, through preferential regimes in terms of taxation and social security. The awareness of the size of the resources, which policy makers can have in order to manage their

own fields of intervention, assumes a vital importance for arranging the political-administrative action.

During Monti Government, they have been implemented a series of rules aimed at containing the public spending in the administration – the so-called spending review – through the fulfillment of cuts to Ministries, Regions and local institutions, which have led to negative consequences to the resources of the primary sector.

Nevertheless, in the 2011-2013 period, the support to the agricultural sector is remained sizeable, with about 13.7 billion euro (as average in the period). In 2013, Italian farmers have received, considering subsidies and tax relief, little more than 13.5 billion euro (table 3.12), compared to 13.0 billion euro in 2011. The difference is quite totally ascribable to the increase of subsidies which represent 77% of the total, while tax relief explains the remaining share (23%). The remarkable size of support is even more evident if considering that the overall of subsidies and tax relief has amounted to 46.6% of the value added and to 25.4% of the production value.

Over half of the consolidated of the public spending in agriculture (53.5%, or 7.2 billion euro) comes from the EU, through the transfers put in place by AGEA, OPR, SAISA and Ente Risi. AGEA, by itself, covers 30.6% of the total and, the OPR 22.9%, followed by the Regions (19.7%), the central State – through contribution relief which amount to 9.1% - and, then, Ministries and national Entities (4.2%).

Referring only to the transfers, 54.4% comes from the EU, while the remaining amount from state or regional resources. The incidence of the CAP is even more accentuated if sharing the funds in terms of decisions; in the EU framework, in fact, is decided the allocation of 69.1% of the transfers, compared to 30.9% available for the national authorities. The EAFG (first Pillar of the CAP) represents 65% of the transfers decided by the EU, while the EAFRD (second Pillar) the remaining 35%.

The single payment of the first Pillar of the CAP represents the first item of support (equal to 3.4 billion euro; 25.1%) (table 3.13), followed by tax relief (3 billion euro; 22.7%), measures fostering businesses (2.3 billion euro; 17.3%) and infrastructures (1.6 billion euro; 12%).

The breakdown of the support per Regions (referred to 2012) has shown remarkable differences between North, Centre and South. In fact, the EU transfers are well above the national average in the northern-western regions and in the central regions, whereas in the South they are well below. Conversely, the regional transfers are much more remarkable on the Islands, whereas they are particularly low in the Centre; furthermore, it has been confirmed that the national transfers have a lower incidence within the southern regions.

Tab. 3.1 - Italy - Scheme for the new system of direct payments for the programming period 2014-2020

Payment		Price ceiling (2019)		Kind of payment	Beneficiaries
		%	Thousand euros		
Basic payment	Mandatory	56,26% <sup>1</sup>	2.195.287	€/ha	Active farmers who apply in 2015 and who received aid for 2013, or who did not receive aid but, in 2013, produced fruit and vegetables, potatoes, vineyards, or who received aid from the reserve in 2014, or who have never owned titles of payment and who provide evidence that, up to 15th of May 2013, they carried out an agricultural activity
Green payment	Mandatory	30%	1.170.612	€/ha	Who is entitled to the basic payment and observes specific healthy practices for the environment and climate. Payment calculated on individual basis
Payment to young farmers	Mandatory	1%	39.020	€/ha	Who is entitled to the basic payment and who, during the application year, is < 40 years old and who runs the farm as a leader for the first time. 90 ha maximum
Re-distributive payment for the first hectares	Discretionary	None	-		-
Payment for areas with natural constraints	Discretionary	None	-		-
Coupled payment	Discretionary	11%	429.224	€/ha or €/head	Active farmers. Involved sectors: milk, beef meat, sheep and goat, durum wheat, oil and protein crops (oil seeds), rice, sugar beetroot, processing tomato, olive oil
Scheme for small farmers	Discretionary		the system is self-financing	€/firm	Who is entitled to get the basic payment and who apply for the scheme of small farmers

<sup>1</sup> Before 3% deduction necessary to fuel the national reserve.

Source: based on data from MIPAAF and ministry decree draft.

Tab. 3.2 – Distribution of the EAGF allocations to EU and Italy per expenditure items

	TOTAL EU				Italy				ITALY/EU	
	million euros		%		million euro		%		%	
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
<b>Administrative expenses</b>	<b>8,0</b>	<b>6,6</b>	<b>0,0</b>	<b>0,0</b>	-	-	-	-	-	-
Cereals	41,9	0,1	0,1	0,0	-	-	-	-	-	-
Rice	0,0	-	0,0	-	-	-	-	-	-	-
Restitutions of products not included in Annex I	9,1	4,9	0,0	0,0	2,5	2,3	0,1	0,0	27,4	47,1
Food programmes	515,1	491,5	1,1	1,1	99,2	97,2	2,1	2,1	19,3	19,8
Sugar	-0,2	-0,1	0,0	0,0	-	-	-	-	-	-
Olive oil	55,3	60,9	0,1	0,1	34,4	34,8	0,7	0,7	62,2	57,1
Textile plants and silkworm	25,2	17,1	0,1	0,0	-	-	-	-	-	-
Fruit and vegetables	1.071,2	1.138,1	2,4	2,5	226,6	227,6	4,7	4,9	21,2	20,0
Wine products	1.072,0	1.044,2	2,4	2,3	334,0	322,0	6,9	6,9	31,2	30,8
Promotion	48,7	51,5	0,1	0,1	8,9	7,4	0,2	0,2	18,3	14,4
Other vegetable products and measures	328,9	227,6	0,7	0,5	31,8	-	0,7	-	9,7	-
Dairy products	67,0	70,3	0,1	0,2	-18,2	2,9	-	0,1	-	4,1
Beef meat	37,3	6,5	0,1	0,0	1,5	0,2	0,0	0,0	4,0	3,1
Pig meat, eggs, poultry and other animal products	134,4	80,5	0,3	0,2	11,1	7,0	0,2	0,2	8,3	8,7
Sugar fund	109,7	-	0,2	-	26,9	-	0,6	-	24,5	-
<b>Interventions in agricultural markets</b>	<b>3.515,7</b>	<b>3.193,2</b>	<b>7,8</b>	<b>7,1</b>	<b>758,8</b>	<b>701,4</b>	<b>15,8</b>	<b>15,0</b>	<b>21,6</b>	<b>22,0</b>
Decoupled direct aid	37.665,5	38.842,1	84,0	85,8	3.802,7	3.832,2	79,0	82,2	10,1	9,9
Other direct aid aiuti <sup>1</sup>	3.213,9	2.816,0	7,2	6,2	253,0	127,4	5,3	2,7	7,9	4,5
Return modulation	0,6	0,2	0,0	0,0	-0,1	-	-	-	-	-
<b>Direct aid</b>	<b>40.880,0</b>	<b>41.658,3</b>	<b>91,1</b>	<b>92,0</b>	<b>4.055,6</b>	<b>3.959,6</b>	<b>84,2</b>	<b>84,9</b>	<b>9,9</b>	<b>9,5</b>
<b>Rural development</b>	<b>-2,8</b>	<b>-1,0</b>	<b>0,0</b>	<b>0,0</b>	<b>-2,5</b>	<b>-0,9</b>	<b>-</b>	<b>-</b>	<b>89,3</b>	<b>87,5</b>
<b>Audit agricultural expenses</b>	<b>110,4</b>	<b>119,4</b>	<b>0,2</b>	<b>0,3</b>	<b>2,0</b>	<b>2,2</b>	<b>0,0</b>	<b>0,0</b>	<b>1,8</b>	<b>1,8</b>
<b>Strategic support and coordination</b>	<b>45,1</b>	<b>26,3</b>	<b>0,1</b>	<b>0,1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Agricultural Expenditure</b>	<b>44.556,4</b>	<b>45.002,7</b>	<b>99,3</b>	<b>99,4</b>	<b>4.813,9</b>	<b>4.662,3</b>	<b>100,0</b>	<b>100,0</b>	<b>10,8</b>	<b>10,4</b>
<b>Maritime matters and fisheries</b>	<b>30,5</b>	<b>27,2</b>	<b>0,1</b>	<b>0,1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Administrative expenses related to veterinary costs</b>	<b>2,6</b>	<b>1,8</b>	<b>0,0</b>	<b>0,0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Public Health</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Food safety, welfare and health of animals and plants</b>	<b>265,8</b>	<b>237,4</b>	<b>0,6</b>	<b>0,5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Eaggf</b>	<b>44.855,3</b>	<b>45.269,1</b>	<b>100,0</b>	<b>100,0</b>	<b>4.813,9</b>	<b>4.662,3</b>	<b>100,0</b>	<b>100,0</b>	<b>10,7</b>	<b>10,3</b>

<sup>1</sup> Direct aid other than decoupled ones of the single payment scheme.

Source: based on data from European Commission.

Tab. 3.3 - Italy – Application of the article 68 of regulation (EC) n. 73/2009 – 2013

Sectors involved	Plafond (euro)	Theoretical annual additional payment	Quantity eligible for payment	Annual additional payable payment	Difference between theoretical payment and payable payment
<b>Beef meat</b>					
LG primiparous cows	24.000.000	200 euro/head	28.277 heads	167,86 euro/head	-16%
LG pluriparous cows		150 euro/head	152.867 heads	125,89 euro/head	-16%
dual purpose cows		60 euro/head	13.616 heads	50,35 euro/head	-16%
slaughter/labelling	27.250.000	50 euro/head	639.257 heads	41,77 euro/head	-16%
PGI slaughter		90 euro/head	17.456 heads	75,19 euro/head	-16%
<b>Sheep and goat meat</b>					
purchase of rams	10.000.000	300 euro/head	1.564 heads	180,09 euro/head	-40%
possession of rams		70 euro/head	8.675 heads	42,02 euro/head	-40%
slaughter		15 euro/head	718.961 heads	9,00 euro/head	-40%
extensification		10 euro/head	526.621 heads	6,00 euro/head	-40%
<b>Olive oil</b>	9.000.000	1 euro/kg	31.859.560 kg	0,2904 euro/kg	-71%
<b>Milk</b>	40.000.000	15 euro/t	8.075.625 t	5,09 euro/t	-66%
<b>Tobacco</b>					
General	20.500.000	2 euro/kg	48.175.006 kg	0,4375 euro/kg	-78%
Kentucky	1.000.000	4 euro/kg	784.344 kg	1,264 euro/kg	-68%
Home grown		2,5 euro/kg	46.543 kg	0,7891 euro/kg	-68%
<b>Sugar</b>	19.700.000	400 euro/ha	39.832 ha	400 euro/ha	-
<b>Danae racemosa</b>	1.500.000	15.000 euro/ha	222,69 ha	6.925,29 euro/ha	-54%
<b>Rotation (agro-environment)</b>	99.000.000	100 euro/ha	1.042.779 ha	94,9 euro/ha	-5%
<b>Insurance premium payment contribution</b>	70.000.000	max 65%	147.188.333 euro	56%	-

Source: based on data from AGEA (ACIU.2014.285 and ACIU.2014.413).

Tab. 3.4 – Payments to AGEA and regional paying agencies for the first pillar of the CAP per region-2013

	Interventions in agricultural markets					Direct aid				Total 1st Pillar
	Food programs	Wine	Fruit and vegetables	Other	Tot. Interventions	Decoupled direct aid (RPU)	Specific support (art. 68)		Tot. Direct aid	
							Other direct aid			
Piedmont	8	29	6	1	44	171	34	0.5	206	250
Valle d'Aosta	0	0	0	0	0	2	0	0.0	2	2
Lombardy	23	21	19	2	65	493	33	0.2	527	591
Liguria	0	0	0	1	1	5	2	0.0	7	8
Trentino-Alto Adige	19	10	24	0	53	23	26	0.0	48	101
Veneto	2	73	14	2	91	372	36	0.3	408	499
Friuli Venezia Giulia	0	11	0	0	12	55	4	0.0	60	71
Emilia-Romagna	7	26	93	1	126	239	30	0.3	270	396
Tuscany	0	45	2	1	48	111	19	0.3	130	178
Umbria	0	5	0	1	6	71	11	0.1	82	88
Marche	0	8	1	0	9	118	14	0.3	132	141
Lazio	3	5	8	29	46	142	9	0.4	152	198
Abruzzo	8	14	2	0	24	57	3	0.3	60	84
Molise	0	2	2	0	4	42	2	0.2	45	49
Campania	9	7	12	0	28	150	11	0.3	161	189
Apulia	23	26	5	3	58	507	22	0.6	530	588
Basilicata	0	1	3	0	4	94	9	0.3	104	108
Calabria	0	3	8	3	14	304	2	0.1	307	321
Sicily	0	48	12	1	61	278	23	0.3	301	362
Sardinia	0	5	1	0	6	159	13	0.6	173	179
Italy	102	339	212	45	699	3,394	306	5	3,705	4,404
Not allocable share	-	-	-	-	-	-	-	-	-	58
Related expenses	-	-	-	-	-	-	-	-	-	168
Total	102	339	212	45	699	0	3,394	5	3,705	4,630

Source: INEA database on public expenditure in agriculture.

Tab. 3.5 - Italy – Public funds to PSR 2007-2013 per region Progress of the expenditure, 2007-2012

	Planned Public Expenditure	PLANNED EAFRD	Public expenditure provided	EAFRD spending provided	EAFRD progress (%)	Progress in public expenditure (%)
Piedmont	974.088	442.019	646.071	287.328	65,0	66,3
Valle d'Aosta	123.650	56.108	89.167	39.547	70,5	72,1
Lombardy	1.026.569	471.110	802.710	366.727	77,8	78,2
Liguria	289.403	114.621	187.329	73.515	64,1	64,7
P.A. Bolzano	330.192	148.205	293.310	131.710	88,9	88,8
P.A. Trento	278.765	108.566	218.588	87.056	80,2	78,4
Veneto	1.042.159	478.155	701.037	324.848	67,9	67,3
Friuli Venezia Giulia	265.683	119.774	178.625	79.776	66,6	67,2
Emilia-Romagna	1.158.083	527.819	764.929	341.858	64,8	66,1
Tuscany	870.527	388.956	561.505	248.917	64,0	64,5
Umbria	786.904	353.613	529.932	235.204	66,5	67,3
Marche	482.283	217.609	312.818	140.438	64,5	64,9
Lazio	700.435	315.419	439.700	198.374	62,9	62,8
Abruzzo	426.328	192.572	252.668	114.576	59,5	59,3
Molise	206.582	92.959	135.105	60.290	64,9	65,4
Campania	1.810.840	1.110.774	1.077.691	654.324	58,9	59,5
Apulia	1.595.086	927.827	1.031.133	593.792	64,0	64,6
Basilicata	656.001	384.627	414.632	238.500	62,0	63,2
Calabria	1.087.509	650.151	717.533	428.153	65,9	66,0
Sicily	2.172.959	1.271.842	1.389.478	841.794	66,2	63,9
Sardinia	1.284.747	571.596	835.810	372.056	65,1	65,1
National rural network	82.920	41.460	54.190	27.095	65,4	65,4
<b>Italy</b>	<b>17.651.711</b>	<b>8.985.782</b>	<b>11.633.961</b>	<b>5.885.878</b>	<b>65,5</b>	<b>65,9</b>

<sup>1</sup> Figures as of 31st of December 2013.

Source: based on data from MIPAAF.

Tab. 3.6 - Italy - Distribution of public funds allocated per action axis (%) and per region<sup>1</sup>

	Axis I	Axis II	Axis III	Axis IV	Technical assistance
Piedmont	41,0	48,7	5,5	2,1	2,7
Valle d'Aosta	6,9	86,6	5,8	-	0,7
Lombardy	37,6	49,6	9,5	2,4	0,9
Liguria	54,1	30,0	6,1	8,8	0,9
I. P. Bolzano	22,2	67,9	7,4	2,5	-
I.P. Trento	35,8	53,3	7,8	2,8	0,3
Veneto	55,5	36,0	3,2	4,5	0,9
Friuli Venezia Giulia	50,5	39,9	6,0	1,7	1,9
Emilia-Romagna	43,2	46,0	7,8	2,3	0,8
Tuscany	46,1	40,9	6,3	6,4	0,3
Umbria	40,3	53,2	5,3	1,0	0,1
Marche	38,0	49,8	7,6	2,8	1,9
Lazio	46,9	41,8	5,4	4,2	1,7
Abruzzo	54,3	43,6	1,1	0,8	0,2
Molise	34,0	48,7	12,1	2,5	2,7
Campania	34,5	51,4	11,9	1,1	1,0
Apulia	45,0	39,5	2,4	10,6	2,5
Basilicata	30,5	60,2	5,5	1,7	2,0
Calabria	31,2	54,6	9,3	2,9	2,0
Sicily	36,8	54,1	7,1	1,3	0,7
Sardinia	16,0	80,7	1,3	1,4	0,5
National rural network	-	-	-	-	100,0
Italy	38,2	50,7	6,4	3,2	1,6

<sup>1</sup> Data as of 31st December 2013.

Source: based on MIPAAF data.

Tab. 3.7 - Italy - Balance sheet of the MIPAAF – definitive allocations

(million euros)

Categories of expenses	2010	%	2011	%	2012	%	2013	%
Process resolution	48,2	2,7	47,0	3,2	264,3	17,5	132,0	8,5
Mortgage repayments	55,8	3,2	48,6	3,3	39,7	2,6	59,7	3,9
Regions	53,8	3,0	41,0	2,8	32,1	2,1	32,5	2,1
Ministry	295,2	16,7	269,4	18,1	170,8	11,3	102,5	6,6
State Forestry Corps	604,9	34,3	565,7	37,9	501,1	33,2	484,7	31,4
Business investments	48,6	2,8	34,3	2,3	30,5	2,0	22,3	1,4
Infrastructures	192,4	10,9	125,0	8,4	122,2	8,1	92,9	6,0
Services to the agricultural sector	53,4	3,0	49,4	3,3	32,6	2,2	36,1	2,3
Processing products	0,9	0,0	1,5	0,1	-	-	-	-
Economic promotion and guardianship	20,7	1,2	2,5	0,2	12,6	0,8	6,0	0,4
Fishery	103,1	5,8	62,8	4,2	63,3	4,2	47,8	3,1
Management aid	152,0	8,6	117,2	7,9	114,7	7,6	117,4	7,6
Research and experimentation	127,4	7,2	126,6	8,5	127,4	8,4	128,6	8,3
Undistributed funds	7,5	0,4	0,0	0,0	-	-	-	0
Horse racing <sup>1</sup>	-	-	-	-	-	-	283,2	18,3
<b>Total</b>	<b>1.763,8</b>	<b>100,0</b>	<b>1.491,2</b>	<b>100,0</b>	<b>1.511,5</b>	<b>100,0</b>	<b>1.545,5</b>	<b>100,0</b>

<sup>1</sup> The article 23, quater, paragraph 9, of the Legislative Decree 6th July 2012, n. 95, modified by the Law n. 135, 7th August 2012, suppressed the Agency for horsing sector development (ASSI), while moved its functions, human, financial and instrumental resources to MIPAAF. With respect to resources arising from horse racing bets and the amounts due to betters, they fell within the competency of the Customs and Monopolies Agency.

Source: based on the Financial Statement of the Statal Administration.

Tab. 3.8 - Total payments and incidence on the added value of agriculture, forestry and fishery

	2008	%	2009	%	2010	%	2011	%	2012	%	million euros
Piedmont	145,6	8,7	171,5	10,0	143,0	9,5	99,3	6,5	97,1	5,7	5,7
Vallée d'Aosta	88,6	189,8	75,4	153,9	34,3	81,3	70,0	157,7	64,9	132,7	132,7
Lombardy	284,8	9,1	317,9	9,9	339,5	12,0	322,4	11,3	252,4	8,0	8,0
Liguria	18,8	3,1	14,3	2,5	11,8	2,2	10,0	1,9	9,0	1,9	1,9
I.P. Bolzano	147,2	22,9	163,1	22,7	143,1	20,6	184,3	26,3	155,2	21,2	21,2
I.P. Trento	47,3	10,9	65,4	14,7	124,0	29,7	103,0	23,7	95,1	20,4	20,4
Veneto	139,5	5,6	137,0	5,8	117,9	5,3	134,1	5,9	120,3	4,9	4,9
Friuli Venezia Giulia	87,7	15,8	86,8	19,0	78,4	21,0	63,2	16,2	54,8	11,2	11,2
Emilia-Romagna	94,1	3,3	91,1	3,1	71,1	2,7	76,1	2,8	52,0	1,8	1,8
Toscana	149,1	8,0	112,4	5,8	118,8	6,6	77,0	4,3	60,2	3,3	3,3
Umbria	46,2	9,9	29,8	6,6	54,7	13,3	28,1	6,8	43,7	9,1	9,1
Marche	36,4	5,5	27,3	4,2	29,3	5,4	39,3	7,2	29,0	4,5	4,5
Lazio	58,9	3,5	82,0	4,8	48,2	3,1	44,2	2,8	121,2	7,4	7,4
Abruzzo1	81,2	13,5	66,8	10,3	63,5	10,9	52,5	8,9	61,0	9,0	9,0
Molise	44,8	18,4	32,7	13,0	24,4	11,4	22,6	10,3	24,7	9,1	9,1
Campania	236,3	10,7	223,4	10,2	155,5	7,2	150,3	6,7	117,2	4,8	4,8
Apulia	180,8	7,8	215,3	8,9	42,1	2,0	101,4	4,6	129,6	5,7	5,7
Basilicata	112,0	21,6	113,1	21,7	104,5	24,1	84,0	18,1	71,5	13,7	13,7
Calabria	506,6	34,4	406,3	33,7	423,1	36,6	329,4	29,1	313,9	26,9	26,9
Sicily	509,5	17,8	486,7	16,7	720,7	26,2	1,026,4	36,5	547,3	18,0	18,0
Sardinia	523,5	51,0	170,7	16,7	250,5	25,6	259,7	28,0	168,9	18,1	18,1
North-west	537,7	9,9	579,0	10,5	528,5	10,8	501,7	10,1	423,5	7,8	7,8
North-east	515,9	7,4	543,4	7,9	534,5	8,5	560,6	8,6	477,3	6,8	6,8
Centre	290,5	6,2	251,5	5,3	251,0	5,8	188,6	4,4	254,2	5,6	5,6
South	2,194,7	19,5	1,715,0	15,4	1,784,3	17,2	2,026,4	19,1	1,434,0	12,6	12,6
RSO	2,135,1	9,4	2,040,9	9,0	1,747,3	8,5	1,570,7	7,5	1,502,8	6,6	6,6
RSS	1,403,8	25,2	1,048,1	18,7	1,351,0	25,7	1,706,6	32,1	1,086,1	19,0	19,0
<b>Italy</b>	<b>3,538,8</b>	<b>12,5</b>	<b>3,089,0</b>	<b>10,9</b>	<b>3,098,3</b>	<b>12,0</b>	<b>3,277,3</b>	<b>12,4</b>	<b>2,588,9</b>	<b>9,1</b>	<b>9,1</b>

<sup>1</sup> 2012 is estimated.

Source: INEA - Database of agricultural expenditure by regions.

Tab. 3.9 - Government revenues from agriculture, forestry and fishery

(million euros)

	2009	2010	2011	2012	2013
<b>Social security payments</b>	<b>3.257,7</b>	<b>3.339,7</b>	<b>3.378,5</b>	<b>3.481,8</b>	<b>3.474,7</b>
<b>Indirect taxes ISTAT</b>	<b>796,7</b>	<b>754,8</b>	<b>783,1</b>	<b>1.163,1</b>	<b>761,6</b>
ICI/IMU	256,5	264,1	280,7	631,7	-
IRAP	283,7	382,1	315,5	376,9	389,5
<b>Direct taxes</b>	<b>794,7</b>	<b>687,5</b>	<b>731,6</b>	<b>620,3</b>	<b>694,2</b>
IRPEF	730,5	665,6	662,8	548,1	603,7
- employees	452,7	302,0	302,4	303,2	340,0
- entrepreneurs with taxable cadastral income	310,7	221,9	219,2	141,6	164,2
- entrepreneurs with taxable income	43,3	51,9	47,9	43,3	41,6
- other land owners (non entrepreneurs)	116,6	115,5	118,3	55,0	57,8
Taxes on corporations	54,4	71,2	76,4	82,0	90,5
<b>Land reclamation contributions</b>	<b>330,4</b>	<b>345,9</b>	<b>362,8</b>	<b>363,9</b>	<b>366,6</b>
<b>Overall total</b>	<b>5.179,5</b>	<b>5.127,8</b>	<b>5.256,0</b>	<b>5.629,0</b>	<b>5.297,1</b>
% composition					
Social security payments	62,9	65,1	64,3	61,9	65,6
Indirect taxes	15,4	14,7	14,9	20,7	14,4
Direct taxes	15,3	13,4	13,9	11,0	13,1
Land reclamation contributions	6,4	6,7	6,9	6,5	6,9
Total	100	100	100	100	100
% annual change					
Social security payments	-	2,5	1,2	3,1	-0,2
Indirect taxes	-	-5,3	3,8	48,5	-34,5
Direct taxes	-	-13,5	6,4	-15,2	11,9
Land reclamation contributions	-	4,7	4,9	0,3	0,8
Total	-	-1,0	2,5	7,1	-5,9

Please note that the section related to indirect taxes is directly taken from ISTAT national accounting figures starting from this edition of the Yearbook. Therefore, this section differs from that in the previous edition, which was actually the sum of ICI/IMU and IRAP tax return.

Source: based on data from ISTAT, INPS, INAIL and MEF.

Tab. 3.10 - *Italy - Tax benefits*

	(million euro)				
	2009	2010	2011	2012	2013
<b>a. Virtual benefits</b>					
Social security contributions	1,433.2	1,453.8	1,378.8	1,248.2	1,228.2
<b>Indirect taxes</b>	<b>1,145.3</b>	<b>1,109.6</b>	<b>1,152.8</b>	<b>917.0</b>	<b>918.6</b>
IRAP (REGIONAL BUSINESS TAX)	204.2	205.4	216.6	216.4	223.7
ICI/IMU (LOCAL PROPERTY TAX)	125.2	128.5	137.3	0.0	0.0
Tax on mineral oils	815.8	775.7	798.9	700.6	694.9
<b>Direct taxes</b>	<b>647.7</b>	<b>490.5</b>	<b>756.9</b>	<b>523.8</b>	<b>607.4</b>
IRPEF (INCOME TAX)	647.7	490.5	756.9	523.8	607.4
<b>b. Effective Benefits</b>					
VAT	243.3	271.6	294.4	281.4	307.0
<b>Total Benefits</b>	<b>3,469.4</b>	<b>3,325.5</b>	<b>3,582.9</b>	<b>2,970.4</b>	<b>3,061.2</b>

Source: based on data from ISTAT, INPS, INAIL and Ministry of Economy and Finance.

Tab. 3.11 - *Italy - Proportion of the regional added value at basic prices deducted by the Government* (% value)

	Fiscal pressure					Tax burden				
	2008	2009	2010	2011	2012	2008	2009	2010	2011	2012
Piedmont	21,3	24,1	23,8	21,3	23,7	8,7	9,6	9,2	8,4	10,4
Valle d'Aosta	19,5	22,1	19,8	19,0	23,0	6,0	6,8	3,5	4,2	8,4
Lombardy	15,9	17,1	16,5	15,0	16,3	7,3	7,8	7,0	6,6	8,6
Liguria	11,9	10,6	10,6	12,6	15,3	5,8	5,0	4,5	6,0	4,5
Trentino-Alto Adige	13,2	14,3	14,6	14,0	12,0	5,5	5,7	5,3	5	5,0
Veneto	20,6	22,2	21,3	19,8	19,9	10,6	11,0	9,7	8,9	10,0
Friuli Venezia Giulia	24,0	28,1	28,1	22,7	22,1	11,5	13,4	12,1	10,1	11,1
Emilia-Romagna	20,0	22,2	21,7	20,1	20,3	8,9	9,6	9,1	8,4	10,3
Tuscany	15,3	17,0	16,8	16,3	16,1	5,0	5,3	4,8	5,3	5,2
Umbria	16,5	18,3	16,1	13,4	13,3	7,0	7,6	5,8	5,0	5,3
Marche	21,5	24,0	23,6	22,4	21,6	7,8	8,5	7,2	6,8	7,6
Lazio	13,9	14,9	14,1	13,6	14,8	7,0	7,3	6,6	6,4	7,5
Abruzzo	15,8	16,8	16,0	15,5	20,8	6,3	6,4	5,6	5,6	6,1
Molise	14,2	16,2	15,1	13,1	16,7	4,8	5,2	4,4	3,9	4,5
Campania	13,5	13,7	13,8	13,2	15,0	3,5	3,6	3,4	3,3	4,2
Apulia	23,5	26,9	26,0	25,3	31,5	6,6	7,0	6,1	6,1	7,8
Basilicata	15,1	17,1	17,0	15,6	16,1	5,1	5,1	4,5	4,4	4,1
Calabria	23,4	25,9	28,2	25,2	28,9	4,2	5,1	4,9	3,4	3,9
Sicily	17,4	18,0	20,5	18,5	18,7	5,1	5,2	7,5	4,7	4,6
Sardinia	18,6	17,7	18,2	19,8	21,0	5,9	5,0	4,5	5,8	5,9
<b>Italy</b>	<b>18,0</b>	<b>19,4</b>	<b>19,4</b>	<b>18,2</b>	<b>19,5</b>	<b>6,8</b>	<b>7,1</b>	<b>6,7</b>	<b>6,2</b>	<b>7,1</b>
North-west	17,2	18,5	17,7	17,0	19,6	7,0	7,3	6,0	6,3	8,0
Nord-east	19,5	21,7	21,4	19,1	18,6	9,1	9,9	9,1	8,1	9,1
Centre	16,8	18,6	17,7	16,4	16,5	6,7	7,2	6,1	5,9	6,4
South	17,7	19,0	19,3	18,3	21,1	5,2	5,3	5,1	4,6	5,1

Please note that fiscal pressure and tax burden are higher than those reported in the previous edition of the yearbook, because they include the income tax paid by employees working in the farming sector, which was previously unavailable

Source: based on data from ISTAT, INPS, INAIL and MEF.

Tab. 3.12 - Italy - Consolidation of financial support per agricultural sector

	(million euros)											
	2009	%	2010	%	2011	%	2012	%	2013	%	Average 2011-2013	%
AGEA	4.639,7	30,8	3.828,8	28,0	4.209,6	28,4	3.699,3	28,4	4.130,2	30,6	4.013,0	29,1
SAISA - National Rice Body	29,2	0,2	23,6	0,2	24,8	0,2	19,5	0,1	5,0	0,0	16,4	0,1
Regional payment agencies	3.248,4	21,5	2.861,9	20,9	3.317,4	22,4	3.445,5	26,5	3.092,0	22,9	3.285,0	23,9
Ministry of Agricultural Policies	709,9	4,7	629,5	4,6	578,3	3,9	501,3	3,9	497,3	3,7	525,6	3,8
Ministry of Productive Activities (negotiated prog.)	70,9	0,5	58,1	0,4	51,2	0,3	25,5	0,2	40,5	0,3	39,1	0,3
ISA (agro-food intervention)	32,0	0,2	21,6	0,2	14,4	0,1	22,0	0,2	19,0	0,1	18,5	0,1
ISMEA/ Invitalia (young entrepreneurs)	10,4	0,1	4,0	0,0	6,1	0,0	3,5	0,0	5,0	0,0	4,9	0,0
Regions	3.061,3	20,3	2.988,0	21,7	3.063,0	20,7	2.327,9	17,9	2.659,9	19,7	2.683,6	19,4
<b>Total transfers of agricultural policies</b>	<b>11.801,7</b>	<b>78,3</b>	<b>10.395,4</b>	<b>76,1</b>	<b>11.264,8</b>	<b>76,0</b>	<b>10.044,5</b>	<b>77,2</b>	<b>10.449,0</b>	<b>77,3</b>	<b>10.586,1</b>	<b>76,8</b>
Tax credit for investments												
VAT concessions	243,3	1,6	271,6	2,0	294,4	2,0	281,0	2,2	307,0	2,3	294,1	2,0
Concessions on manufacturing taxes (fuel)	815,8	5,3	775,7	5,7	798,9	5,4	701,0	5,4	695,0	5,1	731,6	5,5
IRPEF concessions	647,7	4,2	490,5	3,6	756,9	5,1	524,0	4,0	607,0	4,5	629,3	4,2
IRAP concessions	204,2	1,3	205,4	1,5	216,6	1,5	216,4	1,7	224,0	1,7	219,0	1,5
ICI concessions	125,2	0,8	128,5	0,9	137,3	0,9	0,0	0,0	0,0	0,0	45,8	0,6
Social security concessions	1.433,2	9,4	1.453,8	10,6	1.378,8	9,3	1.248,0	9,6	1.227,7	9,1	1.284,8	9,8
<b>Total concessions</b>	<b>3.469,4</b>	<b>22,7</b>	<b>3.325,5</b>	<b>24,2</b>	<b>3.583,0</b>	<b>24,1</b>	<b>2.970,4</b>	<b>22,8</b>	<b>3.060,7</b>	<b>22,7</b>	<b>3.204,7</b>	<b>23,2</b>
<b>Total</b>	<b>15.271,2</b>	<b>100,0</b>	<b>13.720,9</b>	<b>100,0</b>	<b>14.847,8</b>	<b>100,0</b>	<b>13.014,9</b>	<b>100,0</b>	<b>13.509,7</b>	<b>100,0</b>	<b>13.790,8</b>	<b>100,0</b>
Agriculture and Forestry value added	24.536,7	-	24.873,5	-	26.798,8	-	27.360,4	-	29.014,4	-	27.724,6	-
Support/VA (%)	-	62,2	-	55,2	-	55,4	-	47,6	-	46,6	-	49,7
Agricultural and forestry production	45.838,4	-	46.607,2	-	50.293,3	-	51.352,5	-	53.193,8	-	51.613,2	-
Support/Production (%)	-	33,3	-	29,4	-	29,5	-	25,3	-	25,4	-	26,7

Source: based on the database of public expenditure in agriculture - INEA.

Tab. 3.13 - Italy - Distribution of financial support to the agricultural sector per action type - 2013

	Research	Development Services	Processing and Marketing	Business investments	Management aid	Sectorial aid	Infrastructures	Single Payment	Tax concessions	Not attributable	Total
EU policies <sup>1</sup>	0,0	460,3	36,3	505,3	9,4	1.071,3	500,9	3.393,8	0,0	1.249,2	7.226,6
National policies <sup>2</sup>	146,0	37,0	61,3	50,2	123,2	0,0	143,8	0,0	3.060,7	1,0	3.623,3
Regional policies	118,7	334,1	116,8	372,7	199,1	0,0	970,3	0,0	0,0	548,2	2.659,9
<b>Total</b>	<b>264,7</b>	<b>831,4</b>	<b>214,3</b>	<b>928,2</b>	<b>331,8</b>	<b>1.071,3</b>	<b>1.615,0</b>	<b>3.393,8</b>	<b>3.060,7</b>	<b>1.798,4</b>	<b>13.509,7</b>
					% values						
EU policies <sup>1</sup>	0,0	3,4	0,3	3,7	0,1	7,9	3,7	25,1	0,0	9,2	53,5
National policies <sup>2</sup>	1,1	0,3	0,5	0,4	0,9	0,0	1,1	0,0	22,7	0,0	26,8
<b>Regional policies</b>	<b>0,9</b>	<b>2,5</b>	<b>0,9</b>	<b>2,8</b>	<b>1,5</b>	<b>0,0</b>	<b>7,2</b>	<b>0,0</b>	<b>0,0</b>	<b>4,1</b>	<b>19,7</b>
<b>Total</b>	<b>2,0</b>	<b>6,2</b>	<b>1,6</b>	<b>6,9</b>	<b>2,5</b>	<b>7,9</b>	<b>12,0</b>	<b>25,1</b>	<b>22,7</b>	<b>13,3</b>	<b>100,0</b>

<sup>1</sup> EU Policies include spending by AGEA, OPR, SAISA-National Rice Body.

<sup>2</sup> National policies include spending by Ministries and Entities with national jurisdiction (ISMEA, ISA, Invitalia, ecc.).

Source: based on database of Public expenditure in agriculture - INEA.

## Multifunctionality, Environment and Local Areas

### *Management of natural resources*

*Biodiversity and rural landscape* – The national and regional system for the protected areas, established in accordance with the framework law 394/1991, has a protected surface area of about 3.2 million hectares, corresponding to 10.5% of the overall national territory. Over 1.5 million hectares of these areas are included in the system of the 24 State Parks, important in terms of biodiversity, as pointed out in the MATTM report, disclosed in 2013. The report highlights the system's contribution to the safeguarding of important areas in terms of flora and fauna (localized respectively for 21% and 67% within the protected surface area). Besides the protected areas of the official list, there are also the areas included within of the network Natura 2000, which cover a total surface area of about 6.4 million hectares (21% of the Italian territory). The implementation of the "Habitat" directive has shown some critical issues, as pointed out by the third national Report concerning the 2007-2012 period, and the situation appears to be worst than the previous period (2001-2006). In terms of results, they should be considered the different methods used in the evaluation processes, nonetheless they have shown an improvement in the conservation of fauna and a worsening in that one of flora. In 67% of the evaluated cases the habitats have been considered in an adverse state of conservation, whereas in 22% of cases the assessment has been favorable. The report highlights the many pressures affecting the eco-systems, among which also those ones related to the management of the agricultural surface areas, in which a high number of species has adapted to live, and those ones arisen from the abandon of the traditional pastoral practices and from the reduction of the semi-natural habitats. 21% of the utilized agricultural area shows an important value also in terms of biodiversity. Therefore, intensive agriculture, inadequate forestry policies, excessive urbanization have jeopardized the level of

biodiversity in these environments. Other important impacts on the environment are caused by industrialization, mainly due to the increasing use of fertilizers and plant protection products.

*Forestry conditions* – The first figures available of the 3rd national Inventory on forests and carbon tanks (INFC 2015) have confirmed the progressive increase of the Italian forestry surface area, which amounts to 10.9 million hectares, with an increase of about 600,000 hectares over 2005. This increase is mainly ascribable to the social and economic changes which have involved our country from the second world war onwards. The role of the forests and of their active management assumes, an ever more fundamental role not only in the mitigation of the climate changes, but also in the safeguarding of territory, and for the socio-economic development of the rural and mountainous areas of the country. The national forestry cuts have amounted to 60 cubic meters per hectare, compared to a European average of 241 cubic meters per hectare, thus highlighting the low use of our forests, thus placing Italy only before Cyprus, among the EU-27 countries.

The 2013 survey on the health and vitality of the European forests has highlighted an increase in the average values of the defoliation rate of the forestry plants. In particular, there is an increase for the temperate hardwood, mainly oaks, whereas the defoliation is generally decreased for conifers. The main causes of defoliation are ascribable to pollution and to the deposits of sulfate and nitrogen on forests, as well as to the action of biotic elements on each tree. Italy is still suffering an increase in the defoliation rate, with a variation of 5 percentage points over 2011. In particular, among the plants detected, only 32.7% of conifers and 19.2% of hardwood have not suffered defoliation (class 0), while 31% of conifers and 37.5% of hardwood have suffered greatest defoliation. The main causes are ascribable to biotic factors, to which it should be added the influence of the climatic changes which are occurring in the Mediterranean context. Among the non biotic factors, the most remarkable are represented by drought and aridity, which have caused damages involving 3.4% of the forestry plants detected.

In the Mediterranean area, Italy is one among the European States which is most at risk of fires, with an average, over the last ten-year period, of about 7,829 fires per year, and an average surface area of 43,484 hectares of forests damaged or destroyed each year. In 2013, they have occurred, on the whole, 2,936 fires, while the total surface area struck by fire was of 29,076 hectares, of which only 13,437 hectares are represented by forests. Compared to 2012, it has been detected a decrease of 78% of the total surface area struck by fire, and of 64% of the number of fires occurred.

*Water resources and agriculture* – In the period between the end of 2013 and the beginning of 2014, it has been issued the new European regulation on the rural development (EU reg. 1305/2013) which, within the six priorities envisaged, has identified two priorities with particular reference to the water issue, and in particular: n.4 dealing with the improvement in the management of water resources, and n.5 concerning a better use of water in agriculture. Before defining the programming, the Commission has identified some ex ante conditions to be fulfilled, among which some dealing with water resources (a price policy on water in order to foster an efficient use of resources, and management plans of the hydrographic districts).

In the next programming, Italy has decided to launch a national Plan of rural development (PNSR) which is focused on three measures: risk management, animal biodiversity and water infrastructures. For this last measure it has expected the financing of inter-business infrastructures and consortia necessary for the modernization, re-conversion and compliance of the actual collective water system. In terms of quality of the water basins, the Yearbook 2013, released by ISPRA, has pointed out exclusively the chemical state of the underground waters: on 4,416 monitoring stations, 71% belongs to the class “good”, and the remaining 29% to the class “scarce”.

During 2013, it has been issued the Directive 2013/39/EU of the European Parliament and of the Council, which has modified the directives 2000/60/EC and 2008/105/EC with reference to the priority substances in the field of the water policy. The rule, which will be implemented by the member States within 14th September 2015, has envisaged a re-examination of the substances with remarkable risks for the water environment, thus establishing new environmental quality standard for the surface water basins.

*Climate change, emissions and agri-forestry systems* – The 19th COP (Conference of Parties) of the framework Agreement of the United Nations on climate change has led only to a weak procedural decision, thus confirming the doubts about the achievement of a worldwide agreement for the reduction of the emissions in the 2015 COP of Paris. The year 2013 has been instead an important year in terms of community policies. The climate policy has gone ahead by introducing, through the decision 529/2013/EU, shared rules for the accounting of the absorptions and the green-house gas emissions for the LULUCF sector (Land Use, Land Use Change and Forestry). In terms of adaptation, it has been launched the EU strategy (COM 2013/216) and, in Italy, is being defined the national Strategy of adaptation. Furthermore, it has been approved the final guideline for the reform of the common agricultural Policy, thus confirming the central role of

the action for climate both in terms of mitigation and in terms of adaptation for the agricultural sector.

According to the figures released by the European Agency for the Environment, in 2012, the green-house gas emissions of the EU-15 are decreased by 15% over 1990. The year 2012 has been the last year of the commitment period of the Kyoto Protocol, and the EU-15 has achieved its goal (-8%), with a reduction of about 12% over the basis year. In 2012, Italy, according to the data released by ISPRA, has reduced its emissions by 5.4% over the previous year, and by 11.4% over 1990. The goal of the Protocol will be achieved with a limited effort through flexible mechanisms envisaged by the Kyoto Protocol.

Also the agricultural sector, responsible for 7.5% of the national emissions in 2012, has contributed in the achievement of the target, with a decrease of 16% over 1990. The highest reductions have involved the enteric fermentation (-13%), animal manure (-26%), the emissions from the agricultural soils (-15%), due to the decrease in the number of animals and of some crops and surface areas, as well as of mitigation actions, as the recovery of biogas. The LULUCF sector provides to the national balance of emissions a positive contribution, which is increased by 414% over the basis year, mainly due to the increase of the forestry surface area (table 4.1).

The national ceiling for the ammonia emissions, established by the NEC directive (National Emission Ceilings) – Legislative Decree 171/2004) has been reached thanks mainly to the trend of the emissions in the agricultural sector, which are decreased by 16% since 1990, due to a reduction of animals and the introduction of abatement technologies for the implementation of the IPPC directive (Integrated Pollution Prevention and Control), Dir. 2008/1/EC).

*Energy and biomasses* – The approval of the national energy strategy has marked the interventions for the achievement of the targets set at the community level, which suggest the achievement of 20% of the gross final consumptions by 2020, through an annual production of 24 MTEP of final energy from renewable energy sources. In 2013, the domestic production of crude oil has covered 13.4% of the gross domestic consumption, the production of natural gas 15.5% and that one from renewable sources 69.7%, whereas the remaining part has been satisfied with imports. The production of renewable energy sources, represented mainly by the hydro-electric, followed by biomasses and waste (33%), has undergone an increase of 87% in the last ten-year period. Lesser importance has been shown by the wind plants (11%) and the geothermic ones (5%), whereas the photovoltaic sector represents over 15% of the whole production from renewable energy sources (table 4.2). In 2013, the northern regions have produced 54% of electric energy, mainly concentrated in the hydroelectric and bio-energies sectors, follo-

wed by the photovoltaic and the wind plants, mostly located in the southern Italy with respectively 43% and 97%, and by the geothermic plants, mainly concentrated in the Centre of Italy. Through the Decree of the Ministry for the economic development, issued in March 2012 (Burden Sharing), it has been assigned to each region a share for increasing energy (electric, thermal and transports) produced by the renewable energy sources, which is necessary for achieving the national target of 17% of the gross final consumption by 2020. In absolute value, the highest contribution in renewable energy sources will concern Lombardy (1.6 MTEP) and Puglia (over 1 MTEP), while the other regions, mainly located in the Centre-South, will have to quadruplicate, at least, the production of the renewable energy sources. The incentives envisaged by the fifth energy account have ceased in July 2013, due to the achievement of the maximum ceiling of 6.7 billion euro of annual spending for fostering the plants of renewable energy sources; a situation further worsened due to the leg. Decree 69/2013 “Decreto del Fare” which has introduced a tax at many companies operating in the sector of the renewable energies. In 2013, even the biogas sector, which has experienced an increase of 28% of the power installed in the 1,238 active plants, has been involved from the interventions suffered by the system of the incentives. The approval of the ministerial decree of 5 December 2013, of the Ministry for the economic development, has fostered the bio-methane mainly in transports, but it should be waited the final implementation decree, probably not before 2015, since there are still many acts to be issued in order to make all the regulations, envisaged by the rule, feasible. It continues the debate on the reform of the regulation in the production and use of bio-fuels which suffers the opposed thesis of the environmental groups worried about the ILUC effects (Indirect Land Use Change), and of the agri-industrial organizations which criticize the approach that the EU is willing to follow, after the re-viewing proposal of the Directive 2009/28/EC. In Italy, the first installations for the production of fuels of second generation seem to ensure an appropriate economic convenience, but they need greater surface areas, which probably could menace the present use of the agricultural surface area.

*The use of natural resources and the agricultural systems* – The figures, recently published by ISPRA, have shown the remarkable increase of the sealed soil from the second world war up today, which is increased from 8,700 sq Km in the 50s, corresponding to 2.9% of the total, to about 22,000 sq Km of artificial coverage, in 2012, or 7.3% of the surface area (table 4.3). The figures of the Inventory, about the use of lands in Italy (IUTI)<sup>1</sup>, have pointed out how, in the last twenty-year period, the consumption of soil has affected mainly the agricultural lands, with a loss of surface areas of about 817,000 hectares.

1- The Inventory on the use of lands in Italy (IUTI), outlined by the Ministry

for the Environment and the safety of the territory and sea (MATTM), is based on the detection of samples, of sites of national territory and on the ranking of the soil use of the sites detected through the photo interpretation of an historical series of ortho-photos. The IUTI allows to get estimates on the soil use much more reliable than those of Corine Land Cover, although not allowing always an efficient spatialization of data.

At the same time, it has been detected, instead, a sizeable increase of the urbanized surface area, corresponding to almost 500,000 hectares (+30.2%). The ISTAT figures have confirmed the sharp decrease of the agricultural surface area used, which during the twenty-year period 1990-2010 is decreased by 14.4%, corresponding to almost 2.2 million hectares, reaching then, in 2010, about 12.8 million hectares. In order to foster a better implementation of the European guidelines, Italy is trying to develop a more coherent and systematic legislative framework about the conservation and management of soils, aimed at containing soil consumption and at fostering the re-use of lands already built.

In the latest years, the EU legislative framework has undergone deep changes in the field of plant protection products. In particular, they have been introduced some measures aimed at reducing the negative effects of these products on the environment and at attenuating the presence of residuals in the food. Let's remember the following measures: the directive on the sustainable use of plant protection products (Dir. 2009/128/EC), the guideline about their introduction in commerce (Reg. [EC] 1107/2009) and the directive concerning the machines using pesticides (Dir. 2009/127/EC).

At the national level, the Directive 2009/128/EC on the sustainable use of plant protection products has been implemented by the Legislative Decree 150/2012, in accordance to which, during 2013, has been arranged the Plan of National Action (PAN). This Plan aims at increasing the subscription of farms at the guideline of integrated production and, at the same time, it aims at fostering the reduction in the use of the most harmful active substances, in compliance with the Regulation (EC) 1107/2009.

In 2013, according to the latest figures released by ISTAT, in Italy have been distributed 118 million Kilos of plant protection products for agricultural use, with a decrease of 11.9% over the previous year. At this decrease it corresponds also a lesser use of active principles per hectare, which decrease from 10.4 Kilo/ha, in 2012, to 9.2 Kg/ha, in 2013. 6.2% of the distributed products belongs to the category "very toxic or toxic", whereas the category of the "harmful" products represents 26.9% of the total, and the remaining 66.9% belongs to the category of the "not classifiable" products.

### *Organic farming*

*The international scenario* – The worldwide organic farming represents, in 2012, only 0.9% of the overall agricultural surface area, although this share reaches 2.3% in Europe. The limited growth of the worldwide organic surface area, in the 2011-2012 period (+0.5%), has been counterbalanced by the most remarkable increase in the European context (+6%), where, in 2012, about 320,000 organic farms have cultivated over 11 million hectares, of which 10 millions in the EU territory and, mainly, in Spain, Italy, Germany and France. Meadows and pastures represent the highest share of the worldwide surface area under organic farming, followed by arable. This breakdown is quite leveled out in Europe for these crop types (respectively 44% and 42%), placed side by side to the permanent crops (1.1 million hectares).

The international sales of organic products, increased by three times in the last ten-year period, in 2012, are concentrated in the US (44%) and in Europe (41%). Despite being in full swing, the European organic market is increased of about 6% in 2012, thus reaching a value of 23 billion euro, spent by the EU consumers for over 90%. Germany, France, UK and Italy, following this order, represent the most important markets (table 4.4).

*Organic farming in Italy* – In Italy, the growth of the organic sector has experienced a new increase in the 2012-2013 period, with over 52,000 total operators (+5.4%), among whom about 46,000 producers cultivate over 1 million hectares (1.3 million hectares, +13%), that is over 10% of the national UAA (table 4.5). It continues the process of restructuring in the supply chain, which experiences an increase of 15% of the processors. Some adjustments in the sector are detected also at the territorial level. The organic productive system in the agriculture of the South has not only become stronger, through sizeable increases of agricultural businesses and surface area, but it also seems to be oriented towards a more audacious model of organization, adopted in businesses with size larger than the national average (32 hectares compared to 29).

The soil use reflects the international situation, with meadows/pastures and fodder crops in the foreground (over 500,000 hectares in 2013) and in the increase over the previous year, mainly the share under conversion (90% for meadows and pastures). Along with the remarkable increase of the grain legumes (+45%), this could show the commitment of the sector in order to meet the food needs of an increasing livestock heritage. Among the organic arable, cereals occupy a remarkable position with over 190,000 hectares, but they are, nonetheless, in decrease. All permanent crops are instead increasing (345,000 hectares) – mainly

the fruit crops (+37%) – where the olive tree remains the most represented crop (176,000 hectares). Some increases have been detected also in the farms breeding animals (8,033, +4%), and for the livestock heritage.

The Italian organic market stands fourth place in Europe, in 2012, with sales amounting to 1.9 billion euro, and a growth of 9.6% over 2011. A proof of the development of the organic market has to be found in the high number of pre-packaged organic products sold in the large-scale retail trade during the first five months of 2014, compared to the same period of the previous year (+17.3%), during which the overall food expenditure is decreased by 1.4%. An increase of references and of new products, an organic “private label” also at discount markets, a contained increase in prices are among the reasons of such favorable trend. It continues the process of differentiation of the marketing channels of the organic products, with increases of specialized shops, purchasing groups and school canteens, mainly in the North, of direct selling through e-commerce, in the South, and of organic restaurants, mainly in the central regions.

In terms of international exchanges, it should be pointed out the increase of organic products imported in 2013 (+21% over 2012, with over 62,000 tons), mainly industrial crops – with soya – from Asian countries, which confirm the insufficient domestic supply for the protein-based animal feedings. Fresh and dried fruit has contributed to the increase (+54%), with over 15,000 tons of imported products, mainly bananas from America.

*Regulatory reform for the organic farming* – The dynamism of the organic sector has been detected also at a political level, where it continues the evolution of the regulation for the sector with the recent proposal of the European Commission aimed at reviewing the current legislation in the field of organic production. Its main targets are: avoiding the obstacles to the development of the organic production, ensuring a fair competition for the farmers and the operators, and improving the confidence of consumers in the organic products. Besides improving the actual regulation, the new measures are therefore aimed at strengthening the principles of the organic farming in order to improve awareness, by envisaging, moreover, the reinforcement and the balance of the rules, both within the EU and for the imported products, by avoiding most of the exceptions that the previous regulation had introduced, and by intervening on the control system so as to reinforce traceability and fraud prevention.

### *Diversification in agriculture*

*Farm stay and rural tourism* – The sector of the rural tourism seems to have little suffered the economic crisis which has affected the worldwide economy since 2009 up to today. ISTAT figures of 2013 have shown the increasing growth of the sector both in terms of supply, and in terms of guests hosted, which has now exceeded the threshold of 2.4 million people. Despite the great number of foreign people in the farm stays, which represents 41% of the arrivals and 54% of the overnights, the average stay is suffering a decrease (table 4.6).

In 2013, they have been authorized 20,897 farms, thus marking a recovery of the growth. 36% of farm stays is managed by agricultural businesswomen, up by 2.4% compared to 2012 (+6% in the northern regions).

The main activity, performed by 82% of the farm stay businesses (+1.2% over 2012), is represented by accommodation. The authorized accommodation facilities enjoy of 224,933 beds and 8,180 outdoor rest stops for agri-camping. The Centre-South has the highest rate of hospitality, with 63% of the total national authorized accommodations and 56% of beds.

Catering, which is mostly spread in the central-northern regions, is now on the increase, whereas it is decreasing in the South. The agricultural businesses authorized in tasting are progressively increasing, and in 2013 they have amounted to 3,588 units (+4% over 2012), equal to 17% of the total farm stays. The offering of other activities – such as hiking, horseback riding and nature watching – has involved more than the half of the businesses (58%), mainly in the central-southern regions.

In 2013, the Ministry for Agriculture, Food and Forestry policies has issued a Decree providing homogeneous classification criteria for the agricultural businesses. The regulatory intervention has been actualized also through the implementation of a trademark called “Agriturismo Italia” which would testify the capacities of the Italian agricultural businessmen in enhancing, through hospitality, the landscape heritage, wine and food heritage and the nature of the territories.

*Social farming* – During 2013, Veneto and Liguria have approved a law about social farming. Both of them have contextualized social farming within the multifunctionality of the agricultural activities, with the aim of fostering social inclusion of those people suffering disadvantaged situations, so as to provide services to cope with the needs of the rural territories. The feasible activities of a social farming are represented by agricultural businesses (article 2135 of the civil code),

which could also benefit from facilitations such as the entrustment of public goods or of goods with an agricultural or forestry use confiscated to the organized crime and transferred to the regional, provincial or municipal heritages. In order to fulfill the activities, each reality will have to draw on to the regional agricultural programming, to the active policies in the education, work and social fields, since laws do not envisage specific subsidies.

At the national level, the House of Deputies has approved on 15th July 2014 the bill “Measures in the field of social farming” which “fosters social farming, as aspect of the multi-functionality of the agricultural businesses aimed at developing social interventions and services, as well as socio-sanitary and educational services and the work inclusion”. The law acknowledges the social farming activities, performed by the agricultural businessman, as related activities, under article 2135 of the civil code. Furthermore, the buildings of the agricultural businessmen for the implementation of these activities maintain or acquire the acknowledgement of being rural. The bill envisages the establishment of an Observatory on social farming, aimed at defining the guideline for the activities of the public institutions in the field of social farming, the monitoring and the assessment of the activities, as well as the preparation of tools for technical assistance, training and support to the businesses.

In the 2014-2020 EU programming, social farming assumes an important role as instrument of social inclusion and for the diversification of the agricultural activities. In the partnership Agreement has been pointed out the multi-functionality of the social farming and the possibility of using: EAFRD, which allows the fulfillment of social farming actions as diversification of the activities performed by the agricultural businesses, setting up of services in the rural areas, establishment of networks between firms and other stakeholders for the development of supply chains and territories, introduction of novelties in the agricultural and rural framework; ESF, which can foster social inclusion, mainly for the job inclusion of those people living in disadvantaged conditions or at risk of exclusion, by providing grant for job and training course to be carried out at agricultural businesses or agricultural social cooperatives; EFRD, which allows investments in the sanitary and social infrastructures which contribute to the national, regional and local development, along with the reduction of discrepancies in the sanitary conditions and the transition from institutional services to the local services.

*Agriculture and society* – In Italy, in July 2014 2 (in apice) [aggiungere nota: 2013 figures are not available], there are 2,505 validated educational farms (Alimos), with a remarkable increase of structures devoted to such activity in regions like Campania, Puglia and Sardinia. The regions with the highest number of realities are, besides Campania, Emilia Romagna (315), Piedmont (257) and Veneto (243). Besides the educational farms, there is an increase of the activities devoted to education and carried out by the agricultural businesses or by other stakeholders working in agricultural and rural contexts: in December 2013 there were 34 agri-nurseries active, 27 of which within an agricultural business. Other widespread activities are related to recreational activities for the entertainment, as well as the knowing of the agricultural activity, of the food products and their manner to be processed, of the local traditions. On the increase are also those services, provided by farms, to meet the needs of the cultural and social population: courses, workshops, theme days, musical, theater, all performed within the farm, including the forestry areas, aimed at fostering the respect and the safeguarding of nature and countryside through a careful and conscious use of resources. There is no a real quantification of these activities, but the number of associations, agencies and societies offering counseling services for the planning and the fulfillment of this type of services has highlighted, undoubtedly, a sizeable increase of these initiatives.

In the 2000-2013 period, in terms of assets confiscated to the organized crime, according to the figures released by the Senate, the lands confiscated have amounted to 15,616; those ones confiscated only in the year 2013 have amounted to 6,275, over 1,500 more than the previous year. Nonetheless, the procedure for the allocation of goods and lands to operative realities which can use them with social purposes, as envisaged by the in force legislation, is still slow.

### *Quality and food safety*

*Quality and safety of the agri-food products* – Italy continues in maintaining the highest share of PDO and PGI products in the EU (equal to 1,237, including also the TSG products), by marking a further increase of the registrations, amounting now to 264. Most of our specialties is concentrated in fruit and vegetables and cereals (39%), in cheese (18%), in the extra-virgin olive oils (16.4%), and in the cold cuts (13.7%). In an upward trend is also the supply chain of the quality products, with a slight increase in the number of operators (+0.3%), and of the related agricultural surface area (+1.6%, for a total of 162,154 hectares) (table 4.7).

The Qualivita/ISMEA figures have highlighted, for the year 2012, a good trend of the economic and productive performance for the PDO and PGI products, in sharp contrast to the recessive scenario experienced by the national economy. In terms of production, the sector is increased of over 5% over the previous year with a volume of about 1.3 million tons, mainly due to the positive results of fruit and vegetables, cereals, cheese and fresh meat. The value of the PDO-PGI production is increased by over 2% compared to 2011, amounting to 7 billion euro; over one third of the certified products “Made in Italy” is dispatched abroad for a value of about 2.5 billion euro. Also the value of the national consumption market, estimated at about 9 billion euro, is on the increase (+5%).

The year 2013 has been a negative year for the most important PDO and PGI products due to the stalemate of consumption in the domestic market and to the increase of production costs. The unique glimmer has been represented by the good performance of exports both in the EU market and in the non-EU market. The consortia for the safeguarding are acting towards two directions: investments abroad in order to strengthen export, and discounts in the large-scale retail trade in order to foster purchases in the domestic market.

Italy ranks first place in the EU also for the number of the registered PDO wines, 405 wines considering the DOCG and DOC wines, followed by France with 376 and Spain with 100 registrations. It stands first place also for the PGI products, with 118 geographical indications, followed by Greece (116) and France (75). In 2012, the surface areas cultivated with PDO and PGI wines, in Italy, have amounted to about 338,000 hectares, according to ISMEA, (-7% over the previous year), that is almost 76% of the total Italian surface areas with grapevines.

In the 2013 grape harvest, the production of PDO wine has amounted to about 17.4 million hectoliters, that is 40% of the overall wine produced in Italy; with the PGI wine, which amounts to 15.8 million hectoliters, it has been reached a certified production of over 70% of the total production. In 2013, the value of the

production for the PDO wine is of about 1.9 billion euro, whereas the value of the PGI wines amounts to about 812 million euro. Both of these wines represent over 2/3 of the value at the origin of the wine generally produced in Italy.

*Certification systems* – Despite the difficulties related to the economic crisis, the request for quality certifications of the agricultural and agri-food sectors has remained remarkably high. This high request can be ascribable to the decrease of fees for the accreditation experienced in these latest years (according to ACCREDIA of about 3%) – which, partially, shows an improvement in terms of efficiency of the certification system – along with the perception that the certifications are considered as a useful tool for achieving a commercial differentiation. The certification systems widely used in the agricultural and agri-food sector continue to be those in compliance with the ISO 9001 and ISO 14001 standards. In the latest year, the certified agricultural and agri-food businesses have decreased respectively of 14% and 4.5% in the case of ISO 9001, whereas a more slight decrease has involved the ISO 14001 standards, where the agricultural businesses are decreased by 6% and the agri-food businesses by 5.5%. Another tool for voluntary certification, related to the food industries, is represented by the EMAS registrations which, in 2013, have increased by 4%.

There is an increase of other sustainability certifications related to the green-house gas emissions (UNI EN ISO 14064-1), the system of energy management (SGE), the assessment of the life cycle of products (ISO 14040 LCA), the environmental declarations of product (DAP), the regulations on the integrated production systems (UNI 11233) and the private certification schemes such as GLOBAL GAP, BRC and IFS. It should be also highlighted the recent introduction of the “Water Footprint” which certifies the total consumption of water during a specific productive process. Furthermore, many are the experiences of voluntary certification implemented by agri-food businesses, mainly in the dairy sector. There is also an increase in the sustainability certifications related to the fish sector, such as the “Friend of the Sea” for certifying fishing activity. A share of certifications which will increase in the next years concerns the Halal food products, in compliance with the food precepts imposed by the Islamic religion. Nonetheless, despite the great potentialities, this type of certifications, in Italy, is still marginal.

In terms of forestry certifications, in the 2012-2014 period, there has been a decrease of the certified forestry surface area, which has been, nonetheless, counterbalanced by an increase of the certifications for the traceability of materials (certification of the custody chain – COC). Moreover, it is confirmed the importance assumed by the international standard for the social and ethical cer-

tification SA 8000 and Fair trade by the national agricultural and agri-food businesses, which are committed in complying with sustainable environmental and social productive models.

*Food safety* – In 2013, the RASFF has received 3,205 notifications on foodstuff, animal feedingstuff and materials in contact with food (-9% over 2012); 1,462 notifications have concerned border rejections, whereas 596 have been classified as alarm and they have led to requisition and destruction of foodstuff harmful for the health. Italy, with 534 notifications made (17% of the total), ranks first place, as a consequence of an intensive control activity, supported by the legislative framework on traceability, labeling and advertisement of food and animal feedingstuff.

In 2013, in order to contain the spread of food contamination, Italy has established a task force between the Ministry of Health and sanitary structures. In terms of the diseases which can be transmitted by animals, the measures are strict but less pressing than in the past years, since the risk of BSE has been downgraded from “controlled” to “negligible”, with 18 positive cases in the EU, in 2012, (-35.7% over 2011) and no one case detected in Italy. Conversely, the virus of the avian influenza has hit in the summer period one of the main poultry center of Italy (Emilia Romagna), thus leading to the abatement of over 1.4 million heads; the epidemic disease has been faced promptly and efficiently but it has had, nevertheless, a deep impact on the regional poultry industry, therefore, at the end of the year, the operating modes of the computerized register of the poultry businesses have been regulated.

In 2013, the European Commission has asked the Council to start a new debate aimed at modifying the Directive 2001/18/EC, about which the European Parliament had already expressed its positive opinion, which would allow Member States to limit or forbid the cultivation of GMO products on its own territory for reasons other than the safeguarding of health and environment. The EU Court has invalidated the authorizations of the Commission for the marketing of the MO potatoes Amflora, due to the breach of procedural rules, therefore Monsanto, since January 2013, has withdrawn its product from the EU market, because of the so many polemics. In 2013, the surface area cultivated with GMO products, in the EU, has amounted to 148,013 hectares cultivated with the only authorized variety of transgenic maize (MON 810) for animal use; this surface area is increased by 15% over 2012, but its extension has remained contained (0.1% of the worldwide production and 0.06% of the EU agricultural surface area), and it is mainly located in just five countries: Spain, which covers 94% of total investments (136,962 hectares, +18% over 2012), Portugal, Czech republic, Slovakia and Romania.

Italy, along with France, is the leader in Europe for forbidding the cultivation of GMO products, that is why it has required a clause of safeguarding, in order to ban for eighteen months the cultivation of transgenic maize MON 810; in the meanwhile, some farmers have continued in trying to introduce genetically modified products in Friuli Venezia Giulia.

*The official control of the agri-food products* – Concerning the hygienic-sanitary controls on food and drinks, in 2013, the structures of the Ministry of Health have carried out 512,013 inspections to the plants and machineries of the industries, to the structures and the transport vehicles of 327,021 food industries (21.4% of the total). The units with infractions, equal to 52,395, represent 16% of the total, a similar share to that one registered in 2012, with a greater incidence in the catering services (27.3%) and in the producers and retail packagers (20.8%). They have been issued 66,316 administrative measures and they have been detected 1,252 violations. Concerning the controls of product quality, the ICQRF has carried out 21,827 inspections during the phase of production, processing and marketing of food, on the increase of 56% over 2012, as a consequence of greater controls in the supply chain of mozzarella di bufala and in the cheese factories located in the so-called area “Terra dei Fuochi” (57 municipalities in the provinces of Naples and Caserta). They have been inspected 13,707 operators (+13.2%) and 34,515 products (+0.2%), with an higher concentration in the wine sector (26.6%), in the oils and fats (23.5%) and in the dairy sector (9.6%). Compared to an increase of the samples analyzed, 4,765 (+44.9%), the percentage of irregularities is decreased down to 8% compared to 12.3% in 2012, with 174 violations, 2,186 administrative disputes and 250 administrative and penal sequestrations (table 4.8).

Particular attention has been paid to the quality regulated productions (organic products, PDO/PGI/TSG, DOCG, DOC and IGT wines). 21% of the operators of the quality regulated wines was not regular (it was 18.2% in 2012), as well as 16.9% of the operators of the products with designation and 7.9% of the operators of organic products, both of them with similar percentages as in 2012; the greatest irregularities of the samples analyzed have concerned the DOCG, DOC and IGT wines (12.3% compared to 10.2% in 2012), followed by the organic products (5.3% of irregular samples compared to 8.1% in 2012) and by the PDO/PGI products (4.3% compared to 5.9%). For these products, they have been detected 81 violations, 2,234 administrative disputes (both for the violations and for the disputes the half has concerned wines and 1/3 the PDO/PGI products) and 161 administrative and penal sequestrations (over 76% has concerned wines,

about 14% organic products and 8.7% the PDO/PGI products). Both for the generic food and for the quality-regulated products the crime has concerned the non-compliance with the marketing regulations, and the truthfulness of the mandatory and facultative indications on the label, with most of the violations concentrated in the sectors of the extra-virgin olive oil, cold cuts and honey.

Among the control activities carried out by the Police, worthy of note are two remarkable operations: the first, called “OPSON3”, is an international police action which has involved the CFS and INTERPOL of the Ministry of the Interior for the fighting to the illicit traffic of food, it has involved 33 countries in America, Asia and Europe, and it has led to the seizure of over 1,200 tons of food and of 430,000 liters of counterfeited drinks, as well as to the arrest of 96 people. The second action, called “Clear Label”, is an operation which has involved the harbors in December, in the occasion of the increase in demand for the festivity period, and it has carried out controls on the origins of the captured fishes on 9,429 operators of the supply chain, including fish shops, markets and supermarkets, which have led to 843 administrative penalties and 139 penal sanctions, in slight increase over the same period of 2012.

Tab. 4.1 - Emissions and absorption of greenhouse gases in agriculture and forestry

	(thousand tons in equivalent CO <sub>2</sub> )					
	Italy			European Union 15		
	1990	2000	2012	2012/90 (%)	2012	Italy/EU-15 (%)
Total emissions (excluding LULUCF)	519.055	551.237	460.083	-11,4	3.619.471	12,7
Total emissions (including LULUCF)	515.446	534.263	441.527	-14,3	3.428.888	12,9
Agriculture	40.830	40.218	34.289	-16,0	373.125	9,2
- enteric emissions	12.278	12.246	10.667	-13,1	120.622	8,8
- management of manure	7.401	7.152	5.446	-26,4	61.291	8,9
- rice growing	1.576	1.391	1.533	-2,7	2.250	68,2
- emissions from agricultural land	19.557	19.411	16.624	-15,0	188.301	8,8
- burning of crop residues	17,1	17	19	9,1	661	2,8
Incidence of agriculture on total emissions (%)	7,9	7,3	7,5	-	10,3	-
Percentage:						
Agriculture	100,0	100,0	100,0	-	100,0	-
- enteric emissions	30,1	30,4	31,1	-	32,3	-
- management of manure	18,1	17,8	15,9	-	16,4	-
- rice growing	3,9	3,5	4,5	-	0,6	-
- emissions from agricultural land	47,9	48,3	48,5	-	50,5	-
- burning of crop residues	0,0	0,0	0,1	-	0,2	-
Change in land use and forest (LULUCF)	-3.609	-16.974	-18.556	414,2	-190.583	9,7
Total incidence of LULUCF emissions (%)	0,7	3,1	4,0	-	5,6	-

Source: European Environment Agency and ISPRA, 2013.

Tab. 4.2 - *Energy from renewable energy sources in equivalent tons of petroleum (ETP)*

	2000	2005	2010	2011	2012	2012 ( % )
Hydroelectric <sup>1</sup>	9.725	7.935	11.246	10.081	9.212	35,0
Wind power	124	516	2.008	2.168	2.950	11,2
Photovoltaic	4	10	967	2.375	4.150	15,8
Solar thermal	11	27	134	140	155	0,6
Geothermal	1.248	1.384	1.308	1.244	1.230	4,7
Waste	461	555	778	843	807	3,1
Firewood <sup>2</sup>	2.205	3.048	4.187	4.659	5.216	19,8
Biofuels	98	178	1.306	1.296	1.272	4,8
<b>Biogas</b>	<b>162</b>	<b>343</b>	<b>589</b>	<b>976</b>	<b>1.324</b>	<b>5,0</b>
<b>Total</b>	<b>14.037</b>	<b>13.996</b>	<b>22.523</b>	<b>23.782</b>	<b>26.316</b>	<b>100,0</b>

<sup>1</sup> Only electricity from natural sources calculated in 2200 kcal/kWh.

<sup>2</sup> Excluding firewood consumption by households.

Source: based on data from ENEA (2014).

Tab. 4.3 - *Used soil estimates in Italy*

	1950's	1989	1996	1998	2006	2010	2012
	Area (km <sup>2</sup> )						
Used soil	8.700	16.220	17.750	18.260	20.350	21.170	21.890
	Percentage						
North-west	3,9	6,6	7,1	7,3	7,9	8,2	8,4
North-east	2,9	5,5	6,2	6,4	7,2	7,5	7,8
<b>Centre</b>	<b>2,3</b>	<b>5,2</b>	<b>5,8</b>	<b>6,0</b>	<b>6,7</b>	<b>7,0</b>	<b>7,2</b>
<b>South</b>	<b>2,6</b>	<b>4,8</b>	<b>5,2</b>	<b>5,3</b>	<b>6,0</b>	<b>6,3</b>	<b>6,5</b>
<b>Italy</b>	<b>2,9</b>	<b>5,4</b>	<b>5,9</b>	<b>6,1</b>	<b>6,8</b>	<b>7,0</b>	<b>7,3</b>

Source: ISPRA, 2014.

Tab. 4.4 - *Size of the organic market in Europe, EU and some European countries*

Areas	Organic products sales 2012 million euro	Change 2012-2011 %	Spending per capita euro	Total sales %
Germany	7.040	-	86	3,7
France	4.004	6,6	61	2,4
United Kingdom	1.950	-1,5	32	-
Italy	1.885	9,6	31	1,5
Switzerland	1.520	5,3	189	6,3
Austria	1.065	6,5	127	6,5
Europe	22.795	6,0	35	-
EU-27	20.893	5,4	41	-

Source: estimates FIBL-IFOAM 2014.

Tab. 4.5 - Organic operators and areas by region<sup>1</sup>

	Producers				Operators				Area				incidence on total UAA <sup>5</sup> (%)
	Producers		Processed and imported products <sup>2</sup>		Total		Organic UAA <sup>3</sup>		Organic UAA <sup>3</sup>		farm average (ha) <sup>4</sup>		
	n.	% change 2013/12	n.	% change 2013/12	n.	% change 2013/12	ha	% change 2013/12	ha	% change 2013/12	% change 2013/12	% change 2013/12	
Piedmont	1.324	3,3	674	9,2	1.998	3,8	28.876	2,2	28.876	2,2	-1,5	18,3	2,9
Valle d'Aosta	75	1,4	18	12,5	93	0,2	2.417	0,2	2.417	0,2	46,3	28,8	4,3
Lombardy	809	-7,3	916	11,2	1.725	3,3	20.685	1,6	20.685	1,6	8,9	20,2	2,1
Liguria	214	-2,3	171	6,9	385	0,7	3.090	0,2	3.090	0,2	2,2	11,4	7,1
Trentino-Alto Adige	1.088	-0,3	556	26,1	1.644	3,1	10.965	0,8	10.965	0,8	-2,4	8,4	2,9
Veneto	946	-1,5	858	9,2	1.804	3,4	15.205	1,2	15.205	1,2	-11,1	12,7	1,9
Friuli Venezia Giulia	232	-13,8	185	25,9	417	0,8	3.730	0,3	3.730	0,3	4,6	12,5	1,7
Emilia-Romagna	2.537	-0,7	1.181	12,6	3.718	7,1	80.924	6,1	80.924	6,1	-0,7	28,2	7,6
Tuscany	2.399	2,3	1.302	9,8	3.701	7,1	102.443	7,8	102.443	7,8	-4,7	32,2	13,6
Umbria	911	-5,1	292	14,5	1.203	2,3	28.513	2,2	28.513	2,2	-6,5	26,7	8,7
Marche	1.734	4,0	428	26,3	2.162	4,1	56.899	4,3	56.899	4,3	7,5	29,1	12,1
Lazio	2.636	-4,6	584	8,6	3.220	6,1	101.680	7,7	101.680	7,7	10,6	35,5	15,9
Abruzzo	1.096	-12,0	352	15,4	1.448	2,8	26.778	2,0	26.778	2,0	-3,2	21,6	5,9
Molise	178	-2,2	60	11,1	238	0,5	5.266	0,4	5.266	0,4	9,2	26,6	2,7
Campania	1.433	-1,4	490	10,9	1.923	3,7	28.673	2,2	28.673	2,2	15,3	18,0	5,2
Apulia	5.289	-1,6	965	31,5	6.254	11,9	191.791	14,6	191.791	14,6	12,1	33,5	14,9
Basilicata	1.011	-2,1	155	5,4	1.166	2,2	48.233	3,7	48.233	3,7	8,7	44,3	9,3
Calabria	6.574	-1,7	594	16,5	7.168	13,7	138.312	10,5	138.312	10,5	15,5	19,9	25,2
Sicily	8.954	26,9	934	8,4	9.888	18,9	280.448	21,3	280.448	21,3	45,0	30,1	20,2
Sardinia	2.073	1,2	155	2,6	2.228	4,3	142.250	10,8	142.250	10,8	7,6	65,8	12,3
Italy	41.513	3,4	10.870	13,7	52.383	100,0	1.317.178	100,0	1.317.178	100,0	12,8	28,7	10,2

<sup>1</sup> Data as of 31.12.2013.<sup>2</sup> Including producers involved in both processing and import trade.<sup>3</sup> Organic and in-converting UAA.<sup>4</sup> Total UAA from ISTAT figures, Agricultural Census, 2010.

Tab. 4.6 - *Figures and movement of tourism in holiday farms for accommodation purposes*

	Figures			Movement of visitors		
	Holiday farms	beds	beds holiday farm	arrivals	number of visitors	average stay (days)
North	6.999	79.875	11,4	1.062.236	4.535.171	4,3
Centre	7.567	110.348	14,6	1.062.880	4.942.098	4,6
South	3.184	45.336	14,2	288.360	998.030	3,5
2013 <sup>2</sup>	17.750	235.559	13,3	2.413.476	10.475.299	4,3
% change 2013/2012 <sup>3</sup>	3,0	4,0	0,9	3,0	2,3	-0,7
% change 2013/2003 <sup>3</sup>	87,4	112,1	13,2	140,8	94,2	-19,4

<sup>1</sup> ISTAT report shows a difference of hundreds between the total number of holiday farms with accommodation reported in the TOURISM section and the total number of farms with accommodation reported in the AGRICULTURE section.

<sup>2</sup> As to the movement of visitors, figures refer to 2012.

<sup>3</sup> As to the movement of visitors, the % change refers to 2012/2011 and 2012/2013.

Source: ISTAT, Capacity and movement in accommodation facilities, various years.

Tab. 4.7 - *Operators of PDO, GPI and TSG by sector, 2013*

	Producers	Processors	Total operators <sup>1</sup>	Processing plants
Fresh meats	7.659	873	8.532	1.837
Meat products	3.562	741	4.303	1.080
Cheese	27.190	1.691	28.589	2.917
Other products of animal origin	240	33	250	61
Fruit, vegetables and cereals	17.076	1.165	17.830	1.211
Extra-virgin olive oil	19.083	1.863	20.058	2.588
Vinegar other than wine vineyard	181	548	630	669
Bakery products	28	48	64	49
Spices	92	93	104	106
Essential oils	30	8	37	10
Fish products	10	7	13	11
Salt	5	3	8	6
Pasta products	-	17	17	34
<b>Total</b>	<b>75.156</b>	<b>7.090</b>	<b>80.435</b>	<b>10.579</b>

<sup>1</sup> Operators can be both producers and processors.

Source: ISTAT..

Tab. 4.8 - *Irregularities detected during the supervision and control by ICQRF in the Food and Beverage<sup>1</sup> - 2013*

Sector	Inspections (n.)	Operators controlled (n.)	Illegal operators (%)	Products controlled (n.)	Illegal products (%)	Samples analyzed (n.)	Illegal samples (%)
Wine	5.806	2.672	24,2	8.295	11,6	1.566	8,2
Oils and fats	5.135	2.939	13,6	6.905	7,0	967	6,7
Dairy	2.103	1.441	10,8	3.468	5,8	632	7,4
Fruit and vegetables	1.520	1.123	13,8	3.919	5,1	39	2,6
Meats and derivatives	1.282	1.005	23,4	2.058	14,3	124	0,8
Cereals and derivatives	1.219	926	16,4	2.152	8,9	474	13,7
Eggs	648	521	13,8	1.006	7,8	0	0,0
Canned vegetables	866	670	11,5	1.434	6,3	348	2,9
Honey	484	372	7,0	846	4,0	222	9,5
Sugar substances	453	346	14,2	662	8,5	12	8,3
Spirits	473	298	18,1	693	9,1	94	12,8
Other sectors <sup>2</sup>	1.838	1.394	14,9	3.077	8,2	287	11,1
Total controls	21.827	13.707	16,3	34.515	8,5	4.765	8,0

<sup>1</sup> Excluding controls over regulated quality products (organic products, PDO/PGI/TSG products and GDCO, CDO and TGI wines).

<sup>2</sup> Fruit and wine vinegar, food additives and processing aids, alcohol-free drinks, beer, canned fish products, shellfish and crustaceans, indefinite diet control and confectionary products.

Source: MIPAAF, Department of Central Inspectorate for Quality Protection and Fraud repression of agro-food products - PNI, 2013.

## Agricultural, Forestry and Fishing Output

### *Cereals, industrial and forage crops*

In line with what has occurred in Europe, the year 2013, in Italy, has been characterized by a decrease in the land surfaces sown with cereals (-1% compared to 2012; table 5.1). The average figure hides, nonetheless, differentiated situations among crops, with decreases for maize, rice, oats and barley. Conversely, the surfaces sown with durum wheat and soft wheat increased, as well as those sown with grain sorghum. Investments have been addressed to wheat for two reasons: the upward trend of international prices during seeding and the favourable weather conditions, which allowed seeding without remarkable difficulties. Afterwards, climate got worse so as to determine great damages, in quantity and quality, to the wheat harvesting, besides jeopardizing the maize seeding. Therefore, the national cereal production has experienced a decrease in quantities of 2.5% over the previous year, thus affecting almost all cereals, except for maize and grain sorghum.

The surfaces cultivated with durum wheat remained stable over 2012 (+0.9%), thanks to the contribution of the southern regions that balanced the contraction that affected the rest of Italy. Nonetheless, production decreased (-5.4%). Simultaneously, it has been detected a drop in the production value due to the decrease in the market prices compared to 2012. The cultivation of soft wheat experienced a sharp increase of the sown surface areas (+6.6%), followed by a resizing of harvesting (-4.4%). Even the production value decreased, affected by the decrease in prices suffering the trend of international markets. Maize was characterized by a decrease of the surface area (-7.2%) and by a good performance of the harvest (+0.5%), supported by the increase in yields. However, production has undergone a loss in value equal to 10.5%.

In the sector of the processed products, the ITALMOPA figures highlighted

a substantially stable production of the milling industry compared to 2012, with an overall sector turnover amounting to around 3.6 billion euro, down by 0.5%, attributable to a decrease in prices of the flour products and of the by-products of the milling, against an increase of the production of flour products (+3.6%). The production of bran was boosted by the positive trend of the exports of pasta, which allowed to offset the effects of the drop in the domestic consumption over the recent years.

In terms of commercial exchanges, the national grain market, traditionally dependent on the foreign market for the supply, has registered an increase of the trade deficit (about +4%), due to the decrease in exports (-23.2%) and to the simultaneous increase in imports (+11.2%) compared to 2012. The processed cereal products have shown a growth both in the export value (+3.5%), mainly for pasta, and in the import value (about +1%), mainly for biscuits and patisserie.

Also in Italy, as it occurred in the rest of the world, the oilseeds sector experienced an increase in production (+50%) and in surface areas (+20%), which has involved all main crops (soy, sunflower and rapeseed) (tab. 5.2). Also the production value showed an increase for all types of oilseed crops. In terms of commercial trend, in spite of an absolutely favourable productive performance, in 2013 an increase in imports (about +11%), mainly for soya seeds was recorded. Conversely, the quantities exported decreased, mainly those relating to soya seeds and sunflower seeds. All this has led to a worsening of the structural deficit.

Despite the measures taken at national level to ensure the continuity of the beet and sugar sector, deeply resized by the reform of the CMO sugar of 2006, the surface areas cultivated with chard underwent a reduction of about 24% compared to the 2012/2013 marketing campaign, whereas the production decreased by little more than 13% in terms of net weight and by 14% in value (table 5.3). This latter was determined, as in the case of surfaces and quantities produced, by the negative trend registered in all of the main productive contexts. In terms of the industrial production of sugar, the share assigned to Italy remained unchanged (508,379 tons), and it was distributed among the three groups operating on the national territory with four productive plants. The overall use of the share, as observed in the previous marketing campaigns, reached low values (56%).

In 2013, tobacco witnessed a slowdown of its negative trend over the last two years. Compared to the previous year, its production volume decreased by 3.6% in spite of 6% increase in sown surfaces (tab. 5.4). Consequently, tobacco producers' rate leaving the sector decreased, as shown in the yearly figure equal to 3.5%.

Along with the increase in surfaces, this caused an increase in the average company size, from 4.7 hectares in 2012 to 5.2 in 2013. The production progressively oriented to light tobacco, which resulted to be almost 93% of the total na-

tional production in 2013. Tuscany is the only region confirming its production of Fire Cured (Kentucky), meaning 50% of the regional production still today. While writing, only partial statistical data are available for the area under forage crops and production in Italy in 2012-2013. Data relevant to 2011 refer to more than 4.6 million hectares of permanent grassland and pastures, in addition to almost 2 million hectares of grossland and meadows, among which alfalfa (730 hectares) and hard-dough maize (300.000 hectares) play a major role. In 2013, the heavy rainfall and temperatures below the average in early spring negatively affected crops production in northern Italy, namely forage yields and quality. Conversely, the situation was less serious in other regions, due to mild temperatures and frequent rainfall over the first months of the year, which promoted a biomass build-up above the average. The reduced availability of products, due to the bad weather trend, caused a rise in prices in 2013.

According to the Associazione italiana foraggi essiccati (Aife), the amended support to dried fodder – included in the Single Payment Scheme (SPS) since 2012- allegedly caused a drop by 20% in the national production of dried fodder in 2012-2013. Reasonably, most farmers found more profitable to grow crops and biomass energy crops rather than alfalfa, meaning negative consequences for the fodder processing chain.

The CAP 2014-2020 pays a special attention to fodder crops, given their self-produced environmental benefits. In particular, one of the most crucial greening commitments is not to decrease the national ratio between permanent grosslands/meadows and total farming area by more than 5% within 2015. Moreover, areas under nitrogen fixing crops, such as alfalfa, constitute and maintain ecological focus areas, the so-called EFA, as set out in greening for farms with more than 15 hectares arable land.

With respect to alfalfa and nitrogen fixing crops, the weighing factor – which takes into account the EFA different energy values at farm level – plays a crucial role, since it passed from 0.3 at the beginning to the current 0.7. Growing this kind of crops means then the best solution for big farms with arable lands in order to meet the new greening goals, while keeping costs unchanged.

### *Fruit, vegetables and flowers*

Revenues from the Italian production of vegetables and potatoes amounted about 7.6 billion euros in 2013, meaning a 5.2% increase compared to the previous year, as a result of a decrease in quantity produced (-2.6%) and a rise in prices (+8%). Processing tomato witnessed a downturn in production equal to 9.3%

(World Processing Tomato Council), positively affecting raw materials' prices. Over the same year, potato production dramatically dropped (-10%) and drops of the same order were recorded as to asparagi, peas and courgettes. Conversely, spinaches, artichokes, chards and broad beans increased by 25%-40%, whereas broccoli, cucumbers, watermelons, beans and green beans, fennel, radish and celery by 10%-20%.

Moreover, greenhouse vegetables were also affected in terms of a drop in sown area (-6%) in line with the trend of last years and the production (-9.9%) as well. The general framework includes asparagi and watermelons, whose areas are stable and increasing, respectively, as well as asparagi and melons, whose production results to be increasing. The foreign trade of legumes, fresh vegetables and potatoes has continued in 2013 from its weakly positive stage started the previous year. The rise in export (+10.3%) and import (+9.4%) trade improved the budget deficit. The rise in export trade can be completely related to the trend of prices, whereas quantities remained stable (-0.2%); the increase in import trade was linked both to the rise in quantity (+3.9%) and listings of imported products (+5.3%).

The amount of fresh fruit produced in Italy kept close to 6.5 million tons in 2013, increasing by 8.8% (tab. 5.6). Revenues from the production (including dried fruit) amounted to almost 3.3 billion euros, with 21.7% rise compared to 2012, due to the rise in prices (+14.6%) and quantity (+6.3%). The rise in production is mainly due to the yield trend (+7.7%), whereas the weak increase in surfaces (+1.3%) is a setback of the declining trend over the last years. Generally, the trend of the sector can be assessed moderately positive and characterized by dynamic domestic prices and export trade. However, the trade balance of fresh fruit dropped by 1.6% due to the stable exports (+0.8%) and a rise in imports (+9.8%). Consequently, the trade balance dropped, while remaining mainly positive. The low dynamic exports are due to the amount sold (-8.3%) especially in many EU markets, given the increasing listings (+9.9%) allowing to recover part of the turnover undermined by the decreasing consumption and the increasing competition. Nuts production globally dropped mainly because of the drop hitting southern Italian regions, namely the major national producers. Almonds witnessed a drop both in the collected amount (-19.2%) and surfaces (-17.9%) (tab. 5.6). The price index recorded 7.3 points growth annually. Dried fruit and nuts' imports considerably increased (+22.9%), whereas the rise in exports was less significant (+12.9%). Therefore, the already negative trade balance kept to worsen.

Citrus harvested output amounted to 2.7 billion tons, meaning 6.2% downturn compared to the previous period (tab. 5.8). Such sector generally experiences a low dynamic market in Italy as it is affected by a decreasing trend in internal consumption. Nevertheless, the marketing year witnessed a quite stable trend,

affected by the product's good quality and non-excessive amount placed on the market. Listings kept acceptable levels during the whole period, while being subject to reassessments in low availability periods. Foreign trade of fresh fruit witnessed a worse deficit, namely 133.5 million euros, compared to 126.5 million euros in 2012, due to the rise in import volume (+8.3%) in spite of the rise in exports (+10.5%). Foreign trade of citrus-derived products made profits equal to 151 million euros, slightly below the last year figure (-2.3%), thanks to the contribution of juices (60%) and essential oils (40%). Globally, the whole sector (fresh fruit and derived products) witnessed a positive trade balance equal to 17.6 million euro, meaning a loss of more than 10 million euro compared to 2012.

The production of the Italian flower-growing companies was almost 2.5 billion euros in 2013 (-4.5% compared to 2012), 49 % of which derived from flowers and potted plants, whereas the remaining 51% from outdoor plants, shrubs and trees. The production of indoor flowers and plants dropped by 8% compared to 2012, whereas the volume of outdoor plants, trees and shrubs designed for gardening remained more stable (tab. 5.9). Price lists did not undergo any particular changes compared to the previous years. In spite of the bad beginning of the year due to the scarce national supply and the weak market trend, exports of flowers and plants from Italy resulted to be fairly positive during the rest of the year, experiencing a clear improvement over the last quarter. Therefore, the trade balance closed positively, as exports reached 665.000 euros and imports were slightly over 450.000 euros.

The global area under officinal herbs, meant as medicinal, aromatic and perfumed plants, which, after processing, are used as food supplements, cosmetic, pharmaceutical, feeding and veterinary products for leather and dye industry, as well as agricultural and household products, included almost 15 species covering 11 million hectares and producing 26 million tons products (2012 FAO). The European companies involved are over 36.000, covering an area of approximately 234.000 hectares. Based on the 2010 census by the Italian statistical center, ISTAT, the area under officinal herbs in Italy covered 7.191 hectares and involved almost 3.000 companies. Over the last decade, such area quadrupled, whereas the number of companies decreased by 29%, resulting in an increase in the average company area. By means of a survey by the major sector associations Fippo, Assoerbe and Siste in 2011, the Italian production of officinal herbs and the wholesale were estimated to be 25.000 tons and 115 million euros respectively. These figures mainly refer to mint, lavender, chamomile and passiflora.

*Wine and olives*

The area under vine production was decreasing year-by-year, while remaining quietly stable in 2013 thanks to the vine part designed for wine production (+0.6%) (tab. 5.10). However, this trend results from highly different performances among Italian regions and peaks in a general decrease in the mid-southern area. Contrarily, the area under table grapes considerably dropped (-9.4%). However, thanks to the clear yields increase, table grapes scored a good production result (+4.9%). With respect to the areas under vine, it is worth recalling the role played by organically sown areas amounting to 68.000 hectares (+18.5%). The harvest of wine grapes was positive and increased in all production areas, more specifically in the South. Simultaneously, winemaking and must production processes experienced a significant increase in grapes being processed (+13.9%), meaning a more significant increase in the wine amount being produced (+17.3%). Such increase in production is clearly visible in all areas, as well as for both red and white wine, although the latter experienced a further increase (+23%).

The northern-east area ranks first in the absolute production volume (40%) compared to the overall national figure. The percentage of the northern-east area scored even 50% for white wine, due to the dominant role of Veneto and Emilia Romagna. Contrarily, with respect to red wine, the largest percentage belonged to the southern area (42%), more specifically to Apulia and Sicily, together with Veneto and Emilia Romagna - which rank as the two main Italian wine-growing regions. The major increase concerned PGI wine (+26.6%) and table wine (+23.3%), meaning, again, they are the most flexible categories according to the raw material available. Italian wine-growing is certainly one of Italian main typical sector: the percentage of PDO wine from the northern and central areas remained stable (63%), as Veneto, Piedmont, Tuscany produced almost the half of the national total output with a designation. Conversely, PGI wine is above all from northern-east and southern regions (Veneto, Emilia-Romagna, Apulia and Sicily ranking first) with similar percentages. Finally, almost 60% of table wine is produced in the southern area.

The best production trend in 2013 resulted in an increase in the overall wine growing production volume, although it concerned all wine categories differently (table grape, grapes sold for processing, as well as wine from processed grapes<sup>1</sup>). The major increase concerned wine, which highly recovered (+29%), but on the base of quietly different geographical trends. Globally, wine and grape being

<sup>1</sup> Please note that the wine-related value from cooperatives and processing industry was calculated by ISTAT within the industrial sector and not in the primary sector. Consequently, the production value reported therein largely underestimates the overall wine-growing sector.

delivered and sold play a major role (7%) in the total production volume of the farming sector, which further raised of 0.5%, including table grapes.

This positive trend is also clearly visible in the listings of the domestic market, which are marked, in general, by higher prices for both red and white wine, with respect to table wine and PDO wine. As retail supermarket chains rank as the major sale channel in the national market (more than 60%), they witnessed a considerable increase in their turnover arising from wine sale (+3.1%) in spite of a substantial drop in volumes (-6.5%). Generally, purchases oriented above all towards PDO wine, even if a large amount of purchases oriented to cheaper products, namely table wine and private label.

With respect to the foreign market, the wine sector represented 15.4% of the Italian food and agricultural exports in 2013, as its positive planned trade balance (88.6%) suggests. In particular, exports (equal to nearly 5.2 billion euros) increased by 7.4% in spite of a moderate increase in imports (+5%). PDO bottled red and rosé wines rank as the main products exported to European and northern American countries, as US and Germany are the first importers.

It is worth recalling the highly positive performance of the label “other PDO sparkling wines” in the course of the year as the success of the Italian sparkling wines (+26.3%) suggests. Similarly, PDO Asti sparkling wine deserves to be mentioned among those wines in recovery (+15.6) thanks to the renewed interest of the Russian market. With respect to imports, champagne ranks first in the chart related to the wine products purchased abroad (34% of the total) in spite of a dramatic drop (-11%). The Italian Parliament focused on making provisions to implement the 2014 national public security policy, before drafting a new bill deemed necessary after the publication of the amended single CMO regulation, launched at the end of 2013. In the early 2014, based on a report by the national wine-growing companies, the members of Parliament started to put forward a proposal concerning the Law on vine and wine. The area under olive trees was equal to nearly 1.1 million hectares (-0.9%)<sup>2</sup>. The southern regions had 80% of the total area under olive tree and witnessed a more stable trend compared to 2012 (-0.2%). Conversely, this trend was decreasing in central regions (-4.2%), namely in the second larger production area (tab. 5.11). The yields trend was globally negative (-2.7%) according to the different geographical areas. As the matter of fact, the yields decreased by 3.9% in the South and increased in the rest of Italy.

The national production of pressed oil was 461.000 tons, meaning a decrease compared to 2012, due to a drop in the olive amount for oil pressing. The production of southern Italy suffered a drop by 11.1%, whereas the production in the

<sup>2</sup> Changes related to Italy and the southern area were calculated by excluding Sardinia-related figures for 2013, as there were no 2012-related figures available for this region.

centre increased by 4.8%. The total figure was deeply affected at national level by Calabria- suffering a loss of 27%- along with the downward trend in the main producer regions – Apulia, Sicily and Campania- except for Tuscany, which nearly doubled its own production. The national oil production amounted to nearly 1.5 billion euro, resulting in an increase compared to 2012 (+4.3%)<sup>3</sup>.

In 2013 the Italian consumption of bottled olive oil dropped both in value (-4.5%) and quantity (-6.8%) due to a drop in virgin and extra-virgin oil consumption and a rise in consumption (still low) of olive-pomace oils. The consumption of extra-virgin oil in bulk increased by 1.2% in quantity and even by 29.7% in value. In 2013, due to the tensions arisen from the Spanish production deficit, the price index previously fixed increased (+19.6% compared to 2012) along with a moderate increase in price index concerning olive growing vehicles (+1.6%). Olive oil listings dramatically increased compared to the negative 2012. The average price for extra-virgin oil reached 3.1 euro/kg (+17.7%), with similar levels to 2011. This upward price trend also concerned high-quality oil.

In 2013, organic olive growing production affected less than 176.000 hectares (+7%), 60% of which is from Apulia and Calabria. In 2012, the production of oil with the designation of extra-virgin dropped by 2.1% compared to 2011, namely 10.989 tons (2.4% of the national production), meaning this is the only sector to suffer a drop. The major origin-designated oil production are PDO oil from the Apulian area of Bari (34.4%) and PGI oil from Tuscany (26.7% of the total). Over the year, the quantity of olive oil being sold in the foreign market globally dropped. Both imports and exports dropped by 19.7% and 7.5% respectively, compared to 2012, affecting any oil types. However, the value of foreign sales rose, due to the general price rise. As the matter of fact, compared to the previous year, imports increased by 6%, whereas exports by 8.2%. Consequently, the positive trade balance improved and reached more than 150 million euro. Looking at the single categories, the sale balance of both virgin and extra-virgin olive oil got worse –while remaining positive compared to 2012, due to a higher increase in imports (+10.4%) than in exports (+8.5%). This results from a general price rise, which is more visible for cash inflow than outflow and over-balanced the reduction in quantities being sold. Spain remains the main supply market in monetary terms (52.5%) but loses its dominant role with respect to the amount being sold. As the matter of fact, the huge price rise (+30.9%) was not able to balance the sharp drop in quantity (-32.5%), causing a drop by 11.6% in Italian imports' value from this country.

<sup>3</sup> It refers to the oil production calculated in the farming sector, since it arouse from olive processing in own plants. It does not oil production from olive sold to cooperatives or industries, which fall within the industrial sector.

*Meats and meat derivatives*

The Italian cattle production dropped by 12% both in livestock heads and in the corresponding carcass weight. This drop concerned all cattle categories (tab. 5.12). The national database of the beef register (BDN) actually detected a drop by 6.4% in slaughtering compared to the drop detected by the Italian Institute for Statistics (ISTAT), which, however, confirmed the drop in beef meat production in Italy. The production drop was associated with the decrease in red meat consumption and as to the supply, with the increase in cost production for farms. Listings of weanlings, crops and soy kept mainly high over the first half of 2013. Even if slaughtering prices were balanced by the drop in available cattle, the rise in price of the production machines lead fattening farms to purchase less cattle abroad, as clearly shown in the import trend of live cattle in 2012-2013.

Given the low availability of suckler cows in Italy, the Italian productive system is highly dependent on the imported livestock flow to make up for the lack of national young cattle to be slaughtered. Globally, nearly one million cattle heads entered the Italian market and most of them were designed for fattening farms. However, in 2013, a drop by 2.6% was recorded in imported cattle units to be fattened, compared to the 10% drop the year before. Due to the further decrease in consumption, this heavy drop in weanlings' supply didn't mean a higher meat supply from foreign countries, although the drop in import volume was very modest (-1.2%). Even export trade decreased by 5.2%. The market conditions for cattle to be slaughtered didn't significantly change compared to 2012, since, in spite of the drop in consumption, the supply in cattle carcasses continued to drop. In 2013 the Italian production of pig meats remained stable in terms of volume (+0.1%) compared to 2012, in spite of a drop by 2.1% in livestock being slaughtered, namely only baconers and piglets. For the third year in a row, the general rise in pigs to be slaughtered with over 160 kg live weight counteracted the trend of certified heavy pigs designed for PDO charcuterie, which stood for the main percentage of the national production. Pig slaughtering from protected production dropped by 3% and involved about 8 million head.

Due to the drop recorded in 2013, the number of pigs designed for protected origin charcuterie reached the lowest level over the last decade. The drop by 8% in livestock suitable for PDO –detected between 2011 and 2013– added to a rise, in the same period, in slaughtered pigs being bred according to no-binding production specifications. The latter trend mirrored the drop in number of protected origin sows, which is due to the alignment process with the standards for the protection of pigs laid down in the directive 2008/120/EC. Between 2011 and 2013, the number of sows in certified farms dropped by more than 10%. In 2013, the drop was 4.7% compared to 2012. Moreover, the drop in the total number of

Italian sows was of the same order, including the non-PDO quota. In spite of the reduction in breeding sows, the import trade of piglets and pigs (baconers) with weight <50 kg dropped by 20%, whereas the supply in pigs with higher weight dropped by 1.6%. The low increase in consumption determined, however, a 3% recovery in imported fresh and frozen meat volume and of 5.7% in canned food and edible fats. With respect to exports, the export trade turnover of the only charcuterie products raised by 5.6%. By including also non-processed meats and fats, the value of exports reached 1.3 billion euros (+3%) in 2013.

The Italian poultry production suffered a setback in 2013 (-0.2%) with similar levels to the previous year (1.3 million tons; UNAITALIA). Poultry production did not experience any growth due to the drop in chicken, guinea fowl, duck meat production (-3.8%), as well as to the slight slowdown of turkey meat (-0.5%). After the huge increase in 2012, chicken meat production further increased and witnessed a subsequent increase, reaching more than 863.000 tons volume (+0.3%). Such trends were associated with the reduced demand for turkey meats, which after 2012 recovery, dropped again (-3.8%) and with the new preference towards chicken meat, the consumption of which increased by 1.3%. Overall, the total consumption of poultry products did not undergo any relevant changes. The increasing domestic consumption was associated with a 5.2% reduction in exported chicken meat and chicken meat products and a rise in imports (+3.5%). Conversely, the additional trade of turkey meat increased because of both import drop (-19%) and export increase (+8%). Overall, the trade balance slightly increased in terms of volume.

The consumption increase higher than the production one caused the upward price listings of chicken meat, whereas the prices at source of turkeys increased by 8% compared to the previous year drop, due to the drop in production and the rise in foreign demand. In 2013, the number of sheep and goat being slaughtered in Italy was equal to 3.2 million heads, 138.000 of which were goats. The corresponding production in terms of carcass weight was 35.465 tons, almost 60% of which was made up of lamb and hogget meats (table 5.14).

Since the Italian Institute for Statistics (ISTAT) changed its method to detect sheep and goats' slaughtering, 2013-related data cannot be compared with those related to the previous years yet. According to EUROSTAT, the Italian production of 2013 increased by 10% compared to the previous year, but this was not enough to recover from the dramatic fall, especially suffered by sheep slaughtering in the previous two years. The 2013 recovery, which temporarily disrupted a very long period of slow but constant production decline, was only due to the increase in national-origin livestock being slaughtered, which was, in turn, fuelled by the national fall in sheep number. The greater availability of national origin livestock for consumption entailed a new reduction in imported slaughtered

livestock, which made longer the trend related to the previous two years. In spite of the dramatic drop in imported slaughter livestock (-7%), exports of sheep and goat meats- excluding offal and meat products- rose by 2.9% in volume. The Italian egg production amounted to 12.2 billion pieces in 2013 (-2.1% according to UNAITALIA). The further reduction in the national production was due to the alignment process with European Community provisions laying down minimum standards for the protection of laying hens (99/74/EC). Moreover, over the year, outbreaks of avian influenza communicable to humans (H7N7) were ascertained in some breeding farms in Emilia-Romagna. The consumption of eggs and egg preparations increased by 1.5%, which, in spite of the drop in national available product, entailed an increase in imports (+146%). Even if exports experienced a clear growth trend (+271%), the foreign balance was negative for the second year in a row. Listings of selected fresh eggs decreased by 3-6%, following an over 30% increase detected in 2012.

Following the infringement procedure launched against Italy with respect to the delay in alignment with the directive 99/74/EC provisions, concerning the prohibition to use conventional cages in laying hens rearing farms with effect from 1 January 2012, the European Commission referred Italy to the European Court of Justice. The Italian honey observatory (Osservatorio nazionale del miele) recorded almost 15% drop in honey production related to 2013, due to the bad weather conditions deeply affecting large areas of northern Italy within the early blooming period. The poor harvest entailed a huge rise in honey price listings. In spite of the production drop, the foreign trade deficit witnessed a quite low worsening due to the significant rise in both imported (+22%) and exported natural honey supply (+38%).

### *Milk and milk derivatives*

With respect to the Italian dairy sector, 2013 was a satisfactory year, thanks to the increasing exported cheese and to positive price listings of raw milk to dairy establishment compared to 2012. Raw milk reached high levels in absolute terms, in a general framework where livestock food prices were usually kept unvaried. However, some critical issues remained. Breeding farms did not stop decreasing in number, especially those participating in cow milk production decreased under the threshold of 32.000 units, almost 4% less compared to 2012 (table 5.15). Moreover, outlets of the domestic market had been drastically decreasing for some years, due to the economic crises affecting food and milk products' consumption. Eventually, the critical phase went on for some protected origin designation cheeses, especially the two main ones, namely Parmigiano Reggia-

no and Grana Padano. Listings at source of such products had been decreasing from mid-2011, meaning a particular market evolution occurring autonomously, regardless of the international context. Listings of Parmigiano Reggiano decreased by 2.2% annually, after losing over 17% in 2012 compared to 2011; whereas those of Grana Padano dropped by 6.1% in 2013 and by 10.1% in 2012.

In 2012, the production of the aforementioned cheeses dropped by 2.8% as to Grana Padano and by 3.5% as to Parmigiano Reggiano; whereas exports of these products rose by 5.9% in terms of volume, reaching more than 78.000 tons, almost equal to one third of the total production. Such figures constitute major steps forward, but they are not yet enough to allow the market to reach a major turning point, while keeping its listings at more balanced and profitable levels. The amount due to Italian farmers for cow milk delivery was higher than 2012 over 9/12 months and in November and December such amount crossed the threshold of 400 euros per ton. From the general annual overview, the latter increased by 5%, from 369,70 euro in 2012 to 388,23 euro per each raw milk ton given to the dairy establishment. Also in Italy, as well as in Europe, it reached in 2013 the highest level ever recorded. In 2013, the domestic demand by Italian households for dairy products decreased. Households' purchases of drinking milk totally decreased by 3% in terms of volume, as pasteurized and UHT milk lost 4.9% and 2% respectively.

Yoghurt consumption decreased by 3.4% in volume and by 5% in value in 2013. The same happened for mozzarella cheese, in spite of its traditional constant positive trend in the past. Over 2013, households' consumption decreased by 2.3%, as cow and buffalo cow mozzarella lost 2.2% and 3.3% respectively. For the fifth year in a row, Italy did not exceed the national quota available for cow milk production and therefore individual farmers with any excess were not sanctioned.

In 2013, exported cheeses increased by 7.4% and 4.2% in terms of volume and value respectively. Italian specialties reached 140 different countries. The value of foreign purchases exceeded for the first time the threshold of 2 billion euros in 2013, meaning a positive trade balance equal to 246 million euros, lower than 2012 performance, due to a drop in the average unit price of exported cheeses and a price increase of imported cheeses. With respect to sheep dairy sector, 2013 was a positive a year, mainly because it reached a satisfactory market balance, as well as satisfactory price levels of finished products and raw milk to dairy, which had not been recorded for several years. The production of Pecorino Romano dropped by 2.7% compared to 2012, while the production of other sheep milk cheeses with protected origin dropped by 12%. Meanwhile, cheese stocks were used up and therefore their listings on markets at source substantially increased. The average price of Pecorino Romano amounted to 6,1 euro/kg in 2013 against

5,5 in 2012, meaning an increase of 10.9%.

2013 was a poor year for buffalo mozzarella sector, due to the negative impact arising from the nicknamed phenomenon “Land of fires” and fears over a massive pollution of the production areas, which could undermine food products safety. Sales dramatically dropped in the period where national media raised the public awareness on this issue. Then, the alarm stopped and the domestic consumption in 2013 was 3.3% lower than the previous year.

### *Fish products*

Based on the figures as of 30th of September 2013, the production structure of the Italian fishing sector was made up of 12.724 vessels, with a total 159.874 GT and 1.007.308 KW engine power. Compared to 2012, the fleet capacity dropped by 1.6% and 3% in terms of number and capacity in gross tonnage (GT) respectively. The reduction of fishing capacity mainly concerned big size vessels. With respect to the fleet breakdown per fishing systems, small-scale fishery vessels ranked first with 8.572 vessels, followed by trawling vessels and hydraulic dredges. In terms of tonnage, trawling vessels played a major role since they represented more than the half of the national fleet total tonnage (62%). Fishing activity of the national fleet was equal to 1.493.757 days in 2013 and each production unit recorded an average activity of 119 days. The last year-related figure represented a trend reversal compared to the main trend of the sector over the previous five years. As the average activity was decreasing year after year, fishing days became more stable as to vessels, while trawling increased even in terms of fishing days.

The catching volume by the national fleet was equal to 172.624 tons, resulting in 831,6 million euro revenues. The production results achieved by the national fishery mirrored a lasting shrinking in the sector activity over the last years. Between 2004 and 2013, fish catching passed from 288.000 tons to 172.600 tons, resulting in a drop of 40%. In the last year, there was a dramatic fall in average production volumes. Daily average catching was 116 kg against 126 kg in 2012. Between 2012 and 2013, profits shrank by 12%, whereas the average prices to production amounted to 4.8 euro/kg and remained stationary compared to 2012. The fall in revenues affected most regions with some exceptions, mainly concerning the northern Tyrrhenian Sea. The species caught the most were anchovies, followed by sardines and clams. Capture dramatically dropped as per anchovies and clams (table 5.16). In terms of revenues, hake was the most profitable species in the overall turnover (8%).

The Italian fishing trade balance slightly improved its deficit: this positive trend was mainly due to the rise of 7% and 9% in exported volume and in its va-

lue respectively, in spite of substantially stable imports. In 2013, the Government implemented the so-called “3-year fishing and aquaculture national programme 2013-2015” in order to promote Italian fishery and national fishing expertise. During 2013, the national fishing programme allocated approximately 53 million euros, 65% of which, approximately 34 million euros, allocated to social contributions for companies involved in coastal, lagoon and inland water fishery. In 2013, special attention was paid to the implementation of several measures set out in the EFF (European Fisheries Fund) with the aim to increase allocations and payments in the various axis of the working programme. With respect to the whole programme period 2007-2013, the permanent stop of vessels’ fishing activities affected 366 vessels within the convergence area, resulting in a reduction of 13.519 gross tonnage (GT), as well as 224 vessels outside the convergence regions, meaning a drop of 6.923 GT relevant to the fleet fishing in the Mediterranean Sea. Fish production from farming amounted to 200.700 tons (+3% compared to 2012) and 487.2 million euro (-7%), 132.800 tons and 149 million euros of which came from shellfish farming (table 5.17). Trout farming, which is the main national fish-farming sector, was reasonably stable, after the substantial drop in both production volume and value the previous year.

Compared to 2012, the price trend related to farming fishes varied according to the different species sold on market. Upward price listings concerned some types of trout, common carp, sturgeon, small eel and seabass. As to grass carp, large eel and seabream, prices were found to be in fall, whereas as to bivalve molluscs, both larger and medium size clams, price listings were upward. As to mussels, their average prices at source slightly further decreased compared to the level reached the previous year. The trade balance showed clear improvements related to foreign trade exchanges in both quantity and value.

### *Forestry products*

Over the last decade, the Italian forest area progressively increased, due, on the one hand, to the natural recolonization of abandoned land and grassland, on the other hand, to the start of plantation. However, even after this increase, there was no effective forest management. Although 81% of national area classified as “forest” (9.1 million forest hectares out of 11 recorded in the Global Forest Resources Assessment 2010, which is the latest official estimate source) is theoretically available for woodcutting, the area being annually subject to woodcutting is lower than 2%. Approximately 7 - 8 million cubic meters wood were cut in our forests annually, corresponding to nearly 20% annual wood increase. Generally, the figures related to raw and semi-manufactured wood in 2013, after one-year

significant decrease, indicated a greatly varied framework for the different wood types.

Overall, the imports of coniferous logs re-started to slightly increase (+3%), whereas the longstanding drop in both imported tropical timber logs (-31%) and sawn products (-22%) did not stop. Imports of temperate broadleaf tree logs further decreased (-9%), whereas imports of sawn temperate broadleaf tree recorded a rather slight reverse trend (+1.5%). Imports of firewood, as well as wood waste for cellulose increased by nearly 10% and 30% respectively. On the one hand, the declining demand for tropical wood is attributable to the long-lasting crisis in the furniture sector, on the other hand, the longstanding deadlock of the building sector probably continued to affect imports of coniferous sown products. With respect to firewood, the rise in its imports has been a rather consolidated trend for several years, meaning that the domestic production cannot meet the increasing demand for biomass energy. The turnover of wood and furnishing macro-sector (including the whole wood production chain, furniture and complementary furnishings) amounted to 27.4 billion euro, resulting in a 3.2% drop compared to 2012 (table 5.18). Such decreasing turnover also concerned the wood-building-furnishing system, excluding furniture (-4.4%). The declining wood-furnishing macro-sector also affected wood-related employment and resulted in a drop in number of both companies (-3.5%) and workers (-1.8%).

Paper production amounted to nearly 8.5 million tons in 2013, meaning it remained rather stable compared to 2012 (-0.6%). In spite of new drops in the domestic demand for paper products - deeply affected by the negative economic framework of our country- paper mills found a crucial support in foreign trade exports, which, at end of the year, reached a new record with more than 3.7 million tons (table 5.19).

As the European Commission approved the regulatory package of the European structural and investment funds (ESI) for the new 2014-2020 programming period, it also implemented the process of reforming the common agricultural policy, within which forestry falls as a main component. The rural development policy, carried out through regional programmes, is the main national reference for a more rapid, effective and comprehensive implementation of the EU forestry strategy [updated and replaced with the European Commission's Strategy Com(2013) 659 final] and priorities laid down in the Forest Action Plan. The latter were already transposed in the National Framework Plan for forestry sector, as well as in regional forestry programmes and plans or in other equivalent measures.

Within the framework of the activities planned in the Rural Network, a specific working group has been set up to draft a shared national document, the "National framework of forestry measures in rural development 2014-2020", aimed at

implementing the forestry measures laid down in the regulation (EU) 1305/2013. The Framework shall be a national reference tool to support the programming of the European Agricultural Fund for Rural Development (EAFRD) for a more rapid, effective and comprehensive implementation of forestry measures in the rural development programmes (RDP) in the national territory. With respect to the forestry policies, the latest development related to 2013 concerned the adoption of the new EU forestry strategy. Along with the adoption of the new forestry strategy, by a related initiative, the European Commission issued an action plan to help forest-based industries, as laid down in the Communication on the competitiveness and sustainability of the forest-based industries [Com(2008) 113 final].

Over 2013, due to budget problems related to RDP and some particular forestry measures, funds initially planned for forestry measures were further reallocated to other agricultural measures having an increased spending capacity. Funds' allocations to forestry measures, as of the 31th of December 2013, highlighted a further decrease of nearly 1% compared to 2012. Over 2013, RDP forestry measures overall expenditure progressed almost by 28%. At national level, the overall expenditure of these measures amounted to nearly 61% (against 47% in 2012) compared to the planned funds, a similar percentage to the RDP overall budget expenditure (66%). Generally, the most effective measure in terms of spending performance is the 221st (First afforestation of agricultural lands), with almost 79% expenditure out of the budget up to the 31th of December 2013, even if such expenditure was mainly used to meet previously planned afforestation goals, which are ongoing still today. The 226th measure (Restoring forestry potential and introduction of preventive actions) is the forestry measure with the most allocated funds (over 500 million euro). Up to 31th December 2013, its expenditure progressed by 64% and was only marginally affected by previous planned goals.

Tab. 5.1 - Area, production and value of durum and soft wheat, maize and rice in Italy

	Area (000 hectares)			Harvested output (000 t)			Yield (t/ha) <sup>1</sup>			Production value (000 euro) <sup>2</sup>		
	2012	2013	% change	2012	2013	% change	2012	2013	% change	2012	2013	% change share <sup>3</sup>
Durum wheat												
North-West	10,3	8,8	-13,9	57,8	42,4	-26,6	5,6	4,8	-14,8	18.695,2	13.492,4	-27,8 0,1
North-East	55,8	44,3	-20,6	341,1	223,7	-34,4	6,1	5,1	-17,5	113.333,7	77.191,0	-31,9 0,5
Centre	319,6	246,9	-22,7	1.221,6	879,4	-28,0	3,9	3,6	-6,6	415.022,2	304.398,7	-26,7 3,8
South and Islands	874,4	971,9	11,1	2.539,5	2.790,0	9,9	3,0	3,0	0,1	843.608,2	950.570,5	12,7 4,8
Italy	1.260,1	1.272,0	0,9	4.160,1	3.935,5	-5,4	3,4	3,2	-5,2	1.390.659,3	1.345.652,6	-3,2 2,4
Soft wheat												
North-West	145,1	156,2	7,7	847,6	827,5	-2,4	5,8	5,3	-9,3	205.741,7	178.021,6	-13,5 1,5
North-East	262,1	286,5	9,3	1.802,0	1.717,7	-4,7	6,9	6,0	-12,4	439.969,4	395.885,7	-10,0 2,6
Centre	114,2	111,2	-2,6	609,1	545,0	-10,5	5,4	5,0	-7,3	148.542,8	120.737,0	-18,7 1,5
South and Islands	72,1	78,5	8,8	235,4	251,8	7,0	3,3	3,3	-1,0	57.144,1	56.039,6	-1,9 0,3
Italy	593,5	632,4	6,6	3.494,2	3.341,9	-4,4	5,9	5,3	-9,8	851.398,1	750.683,8	-11,8 1,4
Maize												
North-West	409,8	376,0	-8,2	4.102,6	3.485,0	-15,5	10,0	9,2	-8,0	929.910,5	673.634,5	-27,6 5,6
North-East	475,3	441,1	-7,2	3.176,3	3.757,7	18,3	6,7	8,7	29,5	722.866,5	782.506,3	8,3 5,1
Centre	57,1	59,1	3,6	355,9	465,3	30,7	6,8	8,0	17,1	84.294,6	102.267,2	21,3 1,3
South and Islands	36,4	31,8	-12,5	225,3	211,5	-6,1	6,3	6,7	7,0	52.383,5	43.571,0	-16,8 0,2
Italy	978,5	908,1	-7,2	7.860,1	7.899,6	0,5	8,1	8,8	8,8	1.789.455,1	1.601.979,1	-10,5 2,9
Rice												
North-West	218,9	-	-	1.487,5	-	-	6,8	-	-	306.583,2	281.087,4	-8,3 2,3
North-East	12,1	-	-	76,8	-	-	6,4	-	-	15.750,1	18.532,9	17,7 0,1
Centre	0,4	-	-	2,6	-	-	7,2	-	-	538,0	473,4	-12,0 0,0
South and Islands	3,7	-	-	27,6	-	-	7,4	-	-	5.639,2	5.454,4	-3,3 0,0
Italy	235,1	216,0	-8,1	1.594,5	1.374,5	-13,8	6,8	0,0	-100,0	328.510,4	305.548,2	-7,0 0,6

<sup>1</sup> Yields are calculated on the national output.<sup>2</sup> The value of output has been calculated in different periods compared to the quantities produced.<sup>3</sup> Calculated as the ratio between the value of the wheat production and the value of total agricultural output of the geographical distribution of reference.

Source: based on data from ISTAT - National Rice Body.

Tab. 5.2 - Area, production and value of soybean, sunflower and rapeseed in Italy

	Area (000 hectares)			Harvested output (000 t)			Yield (t/ha) <sup>1</sup>			Production value (000 euro) <sup>2</sup>			
	2012	2013	% change	2012	2013	% change	2012	2013	% change	2012	2013	% change	
	Soya												
North-West	30,6	42,5	38,7	99,8	135,9	36,2	3,3	3,2	-1,8	34.798,3	47.872,9	37,6	0,4
North-East	121,4	140,9	16,1	320,2	486,5	51,9	2,6	3,5	34,2	114.514,5	187.607,6	63,8	1,2
Centre	0,8	0,9	12,9	1,5	1,8	17,9	1,9	2,0	2,4	571,7	564,9	-1,2	0,0
South and Islands	0,2	0,2	1,2	0,6	0,6	-3,4	3,5	3,4	-4,2	215,3	227,0	5,4	0,0
Italy	153,0	184,5	20,6	422,1	624,8	48,0	2,8	3,5	25,2	150.099,8	236.272,4	57,4	0,4
Sunflower													
North-West	0,7	3,4	377,6	2,5	10,7	329,1	3,5	3,1	-10,1	5.211,9	5.238,2	0,5	0,0
North-East	6,1	8,7	43,4	12,6	23,9	89,7	2,1	2,8	33,1	4.270,1	7.431,7	74,0	0,0
Centre	93,8	104,6	11,6	151,0	231,9	53,6	1,7	2,2	34,7	46.606,9	68.443,3	46,9	0,9
South and Islands	11,5	11,4	-0,7	20,1	19,7	-1,8	1,8	1,8	-2,2	6.350,5	6.187,0	-2,6	0,0
Italy	112,0	128,1	14,4	186,2	286,2	53,7	1,7	2,3	32,0	62.439,4	87.300,1	39,8	0,2
Rapeseed													
North-West	1,9	5,1	168,0	5,2	13,5	161,4	2,7	2,7	-2,5	2.178,5	2.727,8	25,2	0,0
North-East	4,5	7,5	67,1	12,5	17,0	35,4	2,8	2,3	-18,9	4.530,6	4.242,9	-6,4	0,0
Centre	3,8	4,7	21,9	6,9	7,3	6,7	1,9	1,6	-13,9	1.615,1	1.582,5	-2,0	0,0
South and Islands	0,1	0,8	776,7	0,2	1,2	593,2	2,0	1,5	-24,1	172,1	293,5	70,5	0,0
Italy	10,3	18,0	75,0	24,7	38,9	57,5	2,5	2,2	-10,8	8.496,2	8.846,6	4,1	0,0

<sup>1</sup> Yields are calculated on the national output.<sup>2</sup> The value of output has been calculated in different periods compared to the quantities produced.<sup>3</sup> Calculated as the ratio between the value of production of each product and the value of total agricultural output of the geographical distribution of reference.

Source: based on data from ISTAT.

Tab. 5.3 - Area, production and value of sugar-beet in Italy

	Area (000 hectares)			Harvested output (000 t)			Yield (t/ha) <sup>1</sup>			Production value (000 euro) <sup>2</sup>		
	2012	2013	% change	2012	2013	% change	2012	2013	% change	2012	2013	% change
												% share <sup>3</sup>
Nord-ovest	7,7	4,3	-44,9	317,2	212,7	-32,9	55,6	55,5	-0,2	17.864,2	9.982,3	-44,1
Nord-est	39,2	30,4	-22,5	1.946,2	1.638,5	-15,8	55,5	60,5	8,9	87.224,4	75.025,8	-14,0
Centro	1,9	1,0	-45,9	61,1	44,0	-27,9	34,5	46,8	35,8	2.675,9	2.029,8	-24,1
Sud	4,6	5,0	8,5	168,0	264,2	57,2	40,0	58,1	45,3	7.754,4	12.591,2	62,4
<b>Italia</b>	<b>53,5</b>	<b>40,7</b>	<b>-23,9</b>	<b>2.492,5</b>	<b>2.159,4</b>	<b>-13,4</b>	<b>53,5</b>	<b>59,3</b>	<b>11,0</b>	<b>115.519,0</b>	<b>99.629,1</b>	<b>-13,8</b>
												<b>0,2</b>

<sup>1</sup> Yields are calculated on the national output.<sup>2</sup> The value of output has been calculated in different periods compared to the quantities produced.<sup>3</sup> Calculated as the ratio between the value of production of each product and the value of total agricultural output of the geographical distribution of reference.

Source: based on data from ISTAT.



Tab. 5.5 - Area and production of vegetables, fresh legumes and tubers cultivated in the open air in Italy.<sup>1</sup>

	Area (hectares)			Harvested output (000 t)			Yield (t/ha) <sup>2</sup>		
	2012	2013	var. %	2012	2013	var. %	2012	2013	var. %
Garlic and shallot	2.980	3.133	5,1	27,1	28,4	4,8	9,2	9,3	0,8
Asparagus	4.881	4.416	-9,5	29,9	25,4	-15,1	6,4	6,0	-5,4
Chard	2.305	2.755	19,5	50,9	63,8	25,2	23,6	24,8	5,2
Turnip greens	10.709	14.359	34,1	162,6	188,2	15,7	16,5	14,0	-15,2
Artichoke	35.593	46.954	31,9	364,9	457,8	25,5	11,0	10,4	-5,8
Carrot and parsnip	10.508	10.997	4,7	482,3	491,8	2,0	47,7	46,2	-3,1
Cauliflower	17.098	15.657	-8,4	414,1	381,6	-7,8	25,1	25,5	1,7
Cabbage	15.665	15.615	-0,3	311,9	307,6	-1,4	20,6	20,6	-0,3
Cucumber	1.163	1.436	23,5	21,9	25,5	16,1	19,7	18,4	-6,2
Onions	10.749	11.513	7,1	337,4	351,0	4,0	31,8	31,3	-1,5
Water melon	8.705	10.147	16,6	347,3	384,5	10,7	41,3	39,5	-4,3
Beans and green beans	16.539	18.715	13,2	134,1	155,0	15,6	8,3	8,5	1,9
Broad bean	6.515	9.235	41,7	40,6	56,6	39,3	6,7	6,5	-2,2
Fennel	19.729	20.760	5,2	489,8	544,3	11,1	25,8	27,0	4,7
Strawberry	1.981	2.178	9,9	40,9	40,8	-0,1	21,4	20,2	-5,6
Cultivated mushrooms	-	-	-	1.016,9	-	-	-	-	-
Endive	9.350	9.539	2,0	205,4	212,6	3,5	22,7	23,1	1,5
Lettuce	15.489	16.590	7,1	324,3	344,2	6,1	21,7	21,7	0,1
Aubergine	8.304	8.053	-3,0	217,7	208,1	-4,4	27,2	27,0	-0,6
Melon	20.557	20.228	-1,6	461,2	462,9	0,4	23,3	23,7	1,9
Peppers	9.036	8.956	-0,9	191,4	186,3	-2,7	22,1	21,8	-1,3
Peas	15.218	14.157	-7,0	80,3	70,9	-11,6	5,4	5,1	-4,9
Tomatoes	16.325	-	-	460,7	-	-	30,0	-	-
Tomatoes for processing	75.525	-	-	4.671,3	-	-	63,5	-	-
Parsley	976	1.064	9,0	20,4	22,3	9,1	21,3	21,4	0,5
Radicchio or chicory	13.994	15.430	10,3	226,0	239,6	6,0	16,8	16,5	-2,1
Turnip	3.056	3.484	14,0	61,0	63,7	4,6	20,9	19,2	-8,4
Radish	424	567	33,7	9,9	11,7	18,4	25,3	22,2	-12,4
Celery	2.629	3.324	26,4	84,1	99,4	18,2	32,6	30,2	-7,2
Spinach	4.651	6.433	38,3	63,1	82,3	30,5	14,2	13,3	-6,0
Courgette	13.038	11.815	-9,4	317,2	284,9	-10,2	25,9	25,3	-2,4
<b>Vegetables</b>	<b>373.692</b>	<b>307.510</b>	<b>-17,7</b>	<b>11.667</b>	<b>5.791</b>	<b>-50,4</b>	<b>32,2</b>	<b>-</b>	<b>-</b>
Total potato	58.652	53.803	-8,3	1.486,3	1.337,5	-10,0	26,0	25,5	-1,9

<sup>1</sup> Provisional data for 2012 and 2013.<sup>2</sup> The yield is calculated on the overall output.

Source: based on data from ISTAT.

Tab. 5.6 - *Area and production of main species of fresh fruits in Italy*

	Production area (hectares)			Harvested output (000 t)			Yield (t/ha) <sup>1</sup>		
	2012	2013	% change	2012	2013	% change	2012	2013	% change
Kiwi	22.636	22.967	1,5	384,8	447,6	16,3	17,8	20,7	16,5
Apricot	17.753	17.539	-1,2	247,1	198,3	-19,8	14,4	11,6	-19,4
Cherry	28.484	29.727	4,4	104,8	131,2	25,2	3,9	4,7	20,4
Apple	51.872	53.006	2,2	1.991,3	2.217,0	11,3	38,8	42,5	9,5
Nectarine	21.390	21.898	2,4	469,6	483,8	3,0	22,2	22,4	0,9
Peer	32.803	31.526	-3,9	645,5	743,0	15,1	19,9	23,9	20,3
Peach	44.849	49.653	10,7	862,0	918,0	6,5	19,6	18,9	-3,8
Plum	10.522	12.411	18,0	172,2	210,4	22,1	17,0	17,4	2,6
Table grapes	50.656	45.934	-9,3	1.056,6	1.108,3	4,9	21,4	24,5	14,7
<b>Totale</b>	<b>280.965</b>	<b>284.661</b>	<b>1,3</b>	<b>5.934</b>	<b>6.458</b>	<b>8,8</b>	<b>21,5</b>	<b>23,2</b>	<b>7,7</b>

<sup>1</sup> Yield is calculated on the national output.

Source: based on data from ISTAT.

Tab. 5.7 - Area and production of nuts in Italy

	Production area (hectares)			Harvested output (000 t)			Yield (t/ha) <sup>1</sup>		
	2012	2013	% change	2012	2013	% change	2012	2013	% change
Almond tree									
North-West	3	2	-33,3	0,0	0,0	-80,0	3,3	1,0	-70,0
North-East	3	8	166,7	0,0	0,0	201,3	2,7	3,0	11,6
Centre	71	98	38,0	0,1	0,1	39,6	1,6	1,6	-3,0
South	66.819	54.784	-18,0	89,7	72,5	-19,3	1,4	1,4	-0,7
<b>Italy</b>	<b>66.896</b>	<b>54.892</b>	<b>-17,9</b>	<b>89,9</b>	<b>72,6</b>	<b>-19,2</b>	<b>1,4</b>	<b>1,4</b>	<b>-0,7</b>
Hazelnut <sup>2</sup>									
North-West	228	14.593	-4,4	0,1	23,9	-30,0	0,7	0,6	-10,3
North-East	19	28	47,4	0,0	0,1	123,8	1,4	2,2	50,5
Centre	19.469	19.522	0,3	30,2	39,5	31,1	1,6	2,0	28,6
South	35.214	32.708	-7,1	54,9	49,1	-10,5	1,6	1,6	-2,5
<b>Italy</b>	<b>54.930</b>	<b>66.851</b>	<b>-4,5</b>	<b>85,2</b>	<b>112,6</b>	<b>4,2</b>	<b>1,6</b>	<b>1,7</b>	<b>7,3</b>
Pistachio									
North-West	-	-	-	-	-	-	-	-	-
North-East	-	-	-	-	-	-	-	-	-
Centre	-	-	-	-	-	-	-	-	-
South	3.527	3.521	-0,2	0,9	3,2	239,6	0,3	0,9	200,0
<b>Italy</b>	<b>3.527</b>	<b>3.521</b>	<b>-0,2</b>	<b>0,9</b>	<b>3,2</b>	<b>239,6</b>	<b>0,3</b>	<b>0,9</b>	<b>200,0</b>
Carob									
North-West	-	0	-	-	-	-	-	-	-
North-East	-	2	-	-	0,0	-	-	6,8	-
Centre	3	3	0,0	0,1	0,1	-5,2	21,7	20,7	-4,6
South	5.569	5763	3,5	30,8	9,4	-69,5	5,5	1,6	-70,5
<b>Italy</b>	<b>5.572</b>	<b>5.768</b>	<b>3,5</b>	<b>30,8</b>	<b>9,4</b>	<b>-69,4</b>	<b>5,5</b>	<b>1,6</b>	<b>-70,3</b>

<sup>1</sup> Yield is calculated on the national production<sup>2</sup> As to 2012, figures related to Piedmont are unavailable. % changes are calculated by excluding this region.

Source: based on data from ISTAT.

Tab. 5.8 - *Area and production of citrus in Italy*

	Production area (hectares)			Harvested output (000 t)			Yield (t/ha) <sup>1</sup>		
	2012	2013	% change	2012	2013	% change	2012	2013	% change
Orange	81.270	87.505	7,7	1.770,5	1.708,3	-3,5	22,7	20,0	-12,0
Bergamot	1.800	1.800	0,0	40,2	41,0	2,0	23,5	23,5	0,0
Clementines	26.387	26.291	-0,4	612,9	513,5	-16,2	24,1	20,9	-13,0
Lemon	21.023	21.376	1,7	346,3	336,2	-2,9	20,0	19,0	-4,6
Mandarines	8.159	9.076	11,2	146,7	136,9	-6,7	18,7	15,6	-16,5
Grapefruits	262	277	5,7	7,5	7,8	3,3	29,4	28,4	-3,5
Other citrus fruits	51	51	0,0	1,0	1,0	0,0	19,5	19,5	-0,2
<b>Citrus fruits</b>	<b>138.952</b>	<b>146.376</b>	<b>5,3</b>	<b>2.925</b>	<b>2.745</b>	<b>-6,2</b>	<b>21,6</b>	<b>19,8</b>	<b>-8,2</b>

<sup>1</sup> Yield is calculated on the national output,

Source: based on data from ISTAT.

Tab. 5.9 - *Production at basic prices of flowers and potted plants in Italy*

	(thousand euros)			
	2012	2013	% change 2013/12	% share <sup>1</sup>
Flowers and ornamental plants				
North-West	499.879	456.192	-8,7	3,8
North-East	145.122	133.185	-8,2	0,9
Centre	194.529	181.463	-6,7	2,3
South	490.714	453.341	-7,6	2,3
Italy	1.330.245	1.224.180	-8,0	2,2
Flower-growing companies				
North-West	187.649	187.749	0,1	1,6
North-East	150.984	147.397	-2,4	1,0
Centre	748.162	744.181	-0,5	9,3
South	189.443	91.114	-51,9	0,5
Italy	1.276.239	1.265.440	-0,8	2,3
Cane and wicker				
North-West	251,5	258,3	2,7	0,0
North-East	183,3	188,3	2,7	0,0
Centre	927,1	981,0	5,8	0,0
South	1.197,6	1.288,0	7,5	0,0
<b>Italy</b>	<b>2.559,6</b>	<b>2.715,6</b>	<b>6,1</b>	<b>0,0</b>

<sup>1</sup> Calculated as the ratio between the value of the output of each product and the value of total agricultural output of the geographical distribution of reference.

Source: based on data from ISTAT.

Tab. 5.10 - Area and production of grapevine by geographical area in Italy<sup>1</sup>

	Production area (hectares)			Harvested output (000 t)			Yield (t/ha) <sup>1</sup>		
	2012	2013	% change	2012	2013	% change	2012	2013	% change
Wine grapes plants									
North-West	69.649	73.323	5,3	514,3	602,4	17,1	7,4	8,2	11,5
North-East	158.770	164.193	3,4	2.178,9	2.472,2	13,5	13,8	15,1	9,4
Centre	97.073	109.871	-3,6	805,0	865,6	7,5	8,5	8,1	-4,5
South	310.496	308.785	-0,6	2.363,3	2.959,3	25,2	8,2	9,8	20,1
<b>Italy</b>	<b>635.988</b>	<b>656.172</b>	<b>0,6</b>	<b>5.861,4</b>	<b>6.899,5</b>	<b>17,7</b>	<b>9,5</b>	<b>10,7</b>	<b>11,9</b>
Table grapes plants									
North-West	175	194	10,9	0,9	1,6	68,9	5,4	8,4	55,5
North-East	107	113	5,6	0,1	1,0	604,8	1,4	9,2	570,7
Centre	1.077	1.058	-3,7	18,2	17,3	-6,2	17,8	18,1	1,5
South	49.297	44.569	-9,6	1.037,3	1.088,4	4,9	21,6	24,8	14,9
<b>Italy</b>	<b>50.656</b>	<b>45.934</b>	<b>-9,4</b>	<b>1.056,6</b>	<b>1.108,3</b>	<b>4,9</b>	<b>21,4</b>	<b>24,5</b>	<b>14,7</b>
Total									
North-West	69.824	73.517	5,3	515,2	604,0	17,2	7,4	7,4	-0,3
North-East	158.877	164.306	3,4	2.179,0	2.473,2	13,5	14,5	13,8	-4,8
Centre	98.150	110.929	-3,6	823,2	882,9	7,2	7,5	7,2	-3,3
South	359.793	353.354	-1,8	3.400,6	4.047,7	19,0	9,6	10,0	4,2
<b>Italy</b>	<b>686.644</b>	<b>702.106</b>	<b>-0,1</b>	<b>6.918,0</b>	<b>8.007,8</b>	<b>15,8</b>	<b>10,2</b>	<b>10,2</b>	<b>0,6</b>

<sup>1</sup> As to 2012, figures related to the area and production of table grapes in Marche are unavailable. % changes are calculated by excluding this region.

<sup>2</sup> Yield is calculated on the national output.

Source: based on data from ISTAT.

Tab. 5.11 - *Area under olive trees and production of olives and olive oil in Italy<sup>1</sup>*

(area in thousand hectares, output in thousand tons)

	Production area	Harvested output	Yield (t/ha) <sup>2</sup>	Olives for		Output of pressed oil
				direct consumption	oil pressing	
2012						
North-West	17,8	36,2	2,0	1,4	34,9	6,4
North-East	6,5	10,5	1,7	0,0	10,5	1,6
Centre	204,9	314,3	1,7	7,1	256,4	42,3
South	871,1	2.656,5	3,2	67,5	2.543,8	455,6
<b>Italy</b>	<b>1.100,3</b>	<b>3.017,5</b>	<b>2,9</b>	<b>76,0</b>	<b>2.845,6</b>	<b>505,9</b>
2013						
North-West	18,0	38,2	2,1	1,6	36,5	6,5
North-East	6,3	11,4	1,9	0,0	11,4	1,5
Centre	196,3	317,0	1,8	4,0	293,8	44,3
South	897,3	2579,7	3,1	81,7	2493,5	408,9
<b>Italy</b>	<b>1.117,9</b>	<b>2.946,3</b>	<b>2,8</b>	<b>87,3</b>	<b>2.835,1</b>	<b>461,2</b>
% change 2013/12						
North-West	1,2	5,4	4,5	14,4	4,6	0,9
North-East	-3,1	8,4	12,2	99,1	8,2	-2,1
Centre	-4,2	0,9	2,5	-44,1	14,6	4,8
South	-0,2	-4,3	-3,9	15,0	-3,1	-11,1
<b>Italy</b>	<b>-0,9</b>	<b>-3,6</b>	<b>-2,7</b>	<b>9,4</b>	<b>-1,3</b>	<b>-9,6</b>

<sup>1</sup> As to 2012, figures related to Sardinia are unavailable. % changes are calculated by excluding this region.<sup>2</sup> Yield is calculated on the national output.

Source: based on data from ISTAT.

Tab. 5.12 - *Beef slaughtered in Italy*

	Number of heads (000)		% change 2013/12	Carcass weight (000 t)		% change 2013/12
	2012	2013		2012	2013	
Calves	804,7	744,4	-7,5	119,6	106,0	-11,3
Bulls & Steers	1379,1	1165,1	-15,5	490,3	426,2	-13,1
Heifers	660,3	546,5	-17,2	187,2	158,7	-15,2
Oxen & Bulls	59,3	43,7	-26,3	21,0	17,1	-18,8
Cows	506,5	508,0	0,3	139,7	134,2	-4,0
<b>Total</b>	<b>3.410,0</b>	<b>3.007,6</b>	<b>-11,8</b>	<b>957,8</b>	<b>842,1</b>	<b>-12,1</b>

Source: ISTAT.

Tab. 5.13 - *Pigs slaughtered in Italy*

	Number of heads (000)		% change 2013/12	Carcass weight (000 t)		% change 2013/12
	2012	2013		2012	2013	
Piglets	694	537	-22,6	7,6	7,6	1,0
Pigs (baconers)	798	613	-23,2	53,7	37,5	-30,2
Heavy pigs	11.885	11.949	0,5	1.589,5	1.607,3	1,1
<b>Total</b>	<b>13.377</b>	<b>13.099</b>	<b>-2,1</b>	<b>1.651</b>	<b>1.652</b>	<b>0,1</b>

Source: ISTAT.

Tab. 5.14 - *Sheep and goat slaughtered in Italy*

	Number of heads (000)		Carcass weight (000 t)	
	2012	2013 <sup>1</sup>	2012	2013 <sup>1</sup>
Lambs	4.244	2.392	30,7	20,2
Lambs and castrated lambs	338	198	4,4	2,7
Ewes and rams	508	442	10,5	11,2
<b>Total sheep</b>	<b>5.090</b>	<b>3.031</b>	<b>45,6</b>	<b>34,2</b>
Kids	233	115	1,5	0,9
Goats	30	23	0,6	0,4
<b>Total goats</b>	<b>263</b>	<b>138</b>	<b>2,1</b>	<b>1,3</b>
<b>Total sheep and goats</b>	<b>5.352,4</b>	<b>3.168,7</b>	<b>47,6</b>	<b>35,5</b>

<sup>1</sup> 2013-related figures are uncomparable with those of the previous years due to the change in ISTAT detection methods.

Source: ISTAT.

Tab. 5.15 - *Main indicators in dairy sector in Italy - 2013*

	Million euros	% change 2013/12
National production of milk (all species)	5.290	5,9
Turnover of the dairy industry	14.900	0,0
Imports	3.896	11,0
Exports	2.392	6,6
Trade balance	-1.504	18,8
Milk production (all species)	Thousand tons	% change 2013/12
Production of cow milk	11.003	-1,1
Production of sheep milk	10.397	-1,0
Production of goat milk	384	-5,4
Production of buffalo milk	27	-3,6
	195	1,6
	Tons	% change 2013/12
Production of cheese	1.157.740	-3,8
Production of PDO and PGI cheeses	483.224	-2,8
Exports of cheeses	321.989	7,4
Exports of mozzarella and dairy products	133.162	15,5
Exports of Parmigiano Reggiano and Grana Padano	78.107	5,9
Exports of sheep cheese	16.830	-6,4
	Number	% change 2013/12
Number of dairy cattle farms in production (deliveries)	31.578	-3,9
Dairy cows (000 of heads)	1.862	3,4
Sheep (000 of heads)	6.323	0,4
Goats (000 of heads)	797	8,4
Buffaloes (000 of heads)	241	-13,0

Source: ISTAT, ISMEA, AGEA, FEDERALIMENTARE, ASSOLATTE.

Tab. 5.16 - *Catches and revenues of main fish species - 2013*

	Catches		Revenues	
	tons	%	million euros	%
Anchovies	29.664	17,2	55,4	6,7
Sardines	22.606	13,1	16,6	2,0
Clams	14.598	8,5	33,5	4,0
Hake	9.767	5,7	67,2	8,1
White and pink prawns	8.311	4,8	54,3	6,5
Common cattlefish	5.686	3,3	43,8	5,3
Grey mullets	5.304	3,1	5,9	0,7
Red mullets	5.130	3,0	24,1	2,9
Squills	4.970	2,9	28,3	3,4
Swordfish	2.862	1,7	29,2	3,5
Common octopus	2.786	1,6	21,0	2,5
Red shrimps	2.780	1,6	51,9	6,2
Horse mackerel	2.543	1,5	4,1	0,5
Calamari	2.522	1,5	14,0	1,7
Musky muscardin	2.375	1,4	14,2	1,7
White muscardin	2.052	1,2	14,0	1,7
Scampi	2.002	1,2	36,5	4,4
Scubbardfish	1.688	1,0	5,8	0,7
Surmullets	1.667	1,0	18,8	2,3
Other	43.310	25,1	292,8	35,2
<b>Total</b>	<b>172.624</b>	<b>100,0</b>	<b>831,6</b>	<b>100,0</b>

Source: MIPAAF - National programme fishery data collection.

Tab. 5.17 - *Production of Italian aquaculture - 2013*

	Production (tons)			Value (thousand euros)
	onshore and offshore plants	valley and brackish plants	total	
Seabass	6.800	600	7.400	59.000
Bream	8.400	600	9.000	63.000
Umbrine	200	-	200	1.500
Eel	1.000	100	1.100	12.500
Cefali	-	3.500	3.500	9.800
Trout	38.000	-	38.000	136.500
Salvelinus Fontalinis	500	-	500	2.200
Cat-fish	600	-	600	3.300
Carp	700	-	700	2.700
Sturgeon	1.900	-	1.900	15.700
Other fish	5.000	-	5.000	32.000
<b>Total fish</b>	<b>63.100</b>	<b>4.800</b>	<b>67.900</b>	<b>338.200</b>
Mussels	-	-	100.000	67.000
Clams	-	-	32.800	82.000
<b>Total shellfish</b>	<b>-</b>	<b>-</b>	<b>132.800</b>	<b>149.000</b>
<b>Total aquaculture</b>	<b>-</b>	<b>-</b>	<b>200.700</b>	<b>487.200</b>

Source: API.

Tab. 5.18 - *Yearly changes in wood-furnishing macro-sector and wood-building-furnishing system*

	(million euros at current prices)		
	2012	2013	% change 2013/12
<b>a. Wood-furnishing macro-sector</b>			
Output turnover (a)	28.346	27.446	-3,2
Exports (b)	12.448	12.742	2,4
Imports (c)	4.657	4.509	-3,2
Balance (b - c)	7.791	8.233	5,7
Apparent domestic consumption (a-b+c)	20.555	19.213	-6,5
Exports/turnover (% b/a)	43,9	46,4	2,5
Workers	373.653	366.832	-1,8
Companies	69.633	67.222	-3,5
<b>b. Wood-building-furnishing system</b>			
Output turnover (a)	10.206	9.760	-4,4
Exports (b)	1.938	1.971	1,7
Imports (c)	1.807	1.725	-4,5
Balance (b - c)	131	246	87,8
Apparent domestic consumption (a-b+c)	10.075	9.514	-5,6
Exports/turnover (% b/a)	19,0	20,2	1,2
Workers	159.424	156.514	-1,8
Companies	38.209	36.459	-4,6

Source: based on data from FederlegnoArredo, 2014.

Tab. 5.19 - Output, import, export and apparent consumption in Italian paper sector - 2013

	Domestic output	Imports	Exports	Balance	Apparent consumption	% change 2013/12			(thousand tons)
						output	imports	exports	
<b>Total paper sector</b>	<b>8.536,0</b>	<b>4.783,4</b>	<b>3.740,4</b>	<b>-1.043,0</b>	<b>9.579,1</b>	<b>-0,6</b>	<b>-2,8</b>	<b>3,0</b>	<b>-3,0</b>
<b>A. Paper for graphic purposes</b>	<b>2.738,7</b>	<b>2.148,0</b>	<b>1.638,3</b>	<b>-509,7</b>	<b>3.248,4</b>	<b>-5,7</b>	<b>-2,9</b>	<b>-0,7</b>	<b>-6,3</b>
Woody natural paper (newsprint paper)	76,9	979,4	30,1	-949,3	1.026,2	-59,2	0,6	-16,4	-8,9
No-wood natural paper	451,5	501,5	184,6	-316,9	768,3	0,6	0,0	3,4	-0,5
Woody coated paper	1.098,1	327,8	908,8	581,0	517,1	-2,2	-12,5	15,8	-27,5
No-wood coated paper	1.112,2	339,3	514,8	175,5	936,8	-2,8	-6,0	-20,8	9,5
<b>B. Paper for households and healthcare</b>	<b>1.397,1</b>	<b>64,5</b>	<b>741,4</b>	<b>676,9</b>	<b>720,2</b>	<b>-0,9</b>	<b>24,5</b>	<b>7,1</b>	<b>-6,5</b>
<b>C. Packaging paper and cardboard</b>	<b>3.992,7</b>	<b>2.500,2</b>	<b>1.297,3</b>	<b>-1.202,9</b>	<b>5.195,7</b>	<b>2,6</b>	<b>-3,5</b>	<b>6,0</b>	<b>-1,2</b>
Paper and cardboard for corrugated board	2.221,0	1.265,1	162,2	-1.102,9	3.323,9	4,8	-7,9	0,8	-0,2
Other wrapping paper and cardboard (to wrap boxes)	1.771,7	1.235,1	1.135,1	-100,0	1.871,7	-0,1	1,5	6,8	-3,2
<b>D. Other paper and board</b>	<b>407,5</b>	<b>70,7</b>	<b>63,4</b>	<b>-7,3</b>	<b>414,9</b>	<b>7,4</b>	<b>4,9</b>	<b>-3,5</b>	<b>8,9</b>
<b>E. Wood pulp for paper</b>	<b>381,7</b>	<b>3.295,6</b>	<b>35,9</b>	<b>-3.259,7</b>	<b>3.641,4</b>	<b>-27,1</b>	<b>7,2</b>	<b>-0,3</b>	<b>2,2</b>
<b>F. Waste paper</b>	<b>6.061,7</b>	<b>338,0</b>	<b>1.685,1</b>	<b>1.347,1</b>	<b>4.714,6</b>	<b>-2,7</b>	<b>-3,7</b>	<b>-12,8</b>	<b>1,4</b>

Source : based on data from Assocarta, 2014.

