



Volume

INEA

ITALIAN AGRICULTURE 1997

*An abridged version of the
"Annuario dell'Agricoltura Italiana"*

Istituto Nazionale di Economia Agraria

ITALIAN AGRICULTURE 1997

**An abridged version of the
«Annuario dell'Agricoltura Italiana» Vol. LI**



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This volume, edited by Margaret Loseby with the help of Manuela Cicerchia for drafting summaries, and the technical assistance of Fabio Iacobini for presentation of the tables, is adapted from:

Annuario dell'Agricoltura Italiana, Vol. LI

Il Mulino, Bologna, 1997

523 pages, 245 tables, 2 figures

The original italian versione of the Annuario can be obtained from Società editrice Il Mulino, Strada Maggiore, 37 - 40125 Bologna Italy, fax 051.25.60.34 - tel. 051.25.60.11 or from any major italian bookshop.

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Foreword

This volume is an abbreviated version of the fifty-first edition of the *Annuario dell'Agricoltura Italiana* (Yearbook of Italian Agriculture), the annual publication of INEA, the Italian National Institute for Agricultural Economics.

The *Annuario* was first published in 1948. Beginning with this first edition and continuing over the years, it has benefited from the collaboration of experts drawn from professional, administrative and academic backgrounds; it is recognised as a unique and authoritative source of information on all aspects of rural life in Italy. In fact, the successive editions trace the history of the remarkable social and economic changes which have taken place in Italy during the last half century, which witnessed the decline of the agricultural sector from its primary position as source of employment and household income, but, instead, saw the development of a flourishing agro-food sector, noted for the high quality of its final products as well as for that of its technical equipment.

The form and content of the *Annuario* has been adapted over the years to take into account changing circumstances. A radical restructuring has been undertaken in the present edition, with the intention of rendering the volume more synthetic and “user friendly”. This objective has, however, been achieved without reducing the subject coverage, as is explained in the Introduction.

This abbreviated English edition of the *Annuario* has now reached its eleventh edition. It replaces the summaries in English which followed each chapter in the earlier editions of the *Annuario*. The idea which inspired the production of a separate English edition of the *Annuario* is that of rendering accessible to a wider group of readers information on some of the key factors influencing the Italian rural and agro-food economy, in the belief that the experience gained from events in Italy could prove useful in other situations.

* * *

The Introduction to this volume explains the new format of the *Annuario* and provides an overview of the main issues and events affect-

ing the sector in 1997 . It is followed by summaries of each of the twenty one chapters included in the Italian version of the publication. A series of statistical tables are provided, which have been selected from the 245 Tables in the original version. In the process of selection, obligatory for reasons of space, but difficult to implement, priority has been given to tables documenting information newly available, and information on events of particular interest in the year in question. Several tables which recur each year in the *Annuario* have been included in the English version on a two year rotating basis. This year, for example, statistics on production have been included, whereas in the previous edition, these had been substituted by statistics on foreign trade.

* * *

INEA, the Italian National Institute of Agricultural Economics, was established in 1928 and is a public body, an organ of the State, with autonomous administration and legal status. The statutory task of the Institute is to undertake surveys and studies on the economic aspects of agriculture and forestry, with special reference to requirements for agricultural legislation, rural administration, farmers and workers' organisations. Since 1965 it has acted as liaison organ of the Italian State to the EU Farm Accountancy Data Network. Sixteen Regional Research Offices and eighteen Farm Accounting Offices are maintained and co-ordinated by the Headquarters, which are located in Rome. The Library of the INEA, also situated in Rome and open to the public, houses a collection of more than 20,000 volumes and 400 scientific journals representing publications from most parts of the worlds

Introduction

Since its first edition in 1947, the *Annuario dell'Agricoltura Italiana* (Yearbook of Italian Agriculture), published by INEA, has been an invaluable tool for understanding the changes in the sector, highlighting the most significant events affecting Italian agriculture and identifying the gradual structural transformations in progress. From its very beginnings this publication has represented the most detailed and comprehensive account of the Italian agricultural scene and has been a reference point for foreign scholars and academics. Besides being a precious source of factual information, the *Annuario* also plays an important role in research and analysis, with ad hoc surveys on issues of particular interest such as the land market, the employment of non-EU immigrants in agriculture, Regional public expenditure, public sector research and taxation in agriculture.

Over the years the content and breadth of subjects presented in the *Annuario* has steadily grown, to take into account the increased complexity of relationships between agriculture and other economic sectors, the growing interdependence of world markets and the greater influence of Community and international policies. As a result, the *Annuario* has gradually expanded, with the last edition totalling 720 pages, divided into 26 chapters and a statistical appendix. During a meeting organised by INEA on 18th December 1997 to mark the 50th year of the *Annuario*'s publication, and attended by some of the most distinguished Italian academics in the sector, it was recommended that the information in the *Annuario* should be reorganised. A “slimmer” volume was suggested, which would be easier to consult, but would also be “useful” - better meeting the needs of those using it - and “up-to-date”. Whilst not forgetting the *Annuario*'s status as the Institute's longest-standing publication and its uniqueness in the field, many constructive suggestions emerged regarding both content and structure. Given the broad range of users - including not just the academic world but also institutes and the business sector - it was suggested that the *Annuario* provide more interpretative and analytical comment, in addition to its role as a source of factual and statistical information. Furthermore, a reduction in the size of the volume was proposed, with more detailed

information on specific issues to be published separately alongside the *Annuario*.

INEA accepted these proposals and the Editorial Committee introduced some preliminary changes to make the *Annuario* easier to use and to enable it better to meet the needs of its increasingly wide readership.

Volume LI is published with 21 chapters and a Regional statistical appendix. It is certainly slimmer, but not at the expense either of the quality or of the quantity of information presented. Some chapters have been amalgamated or reorganised. The survey on immigrants employed in agriculture is included in the volume in some tables in the appendix; a more detailed analysis of the phenomenon is available in a separate publication.

For the first time, the *Annuario* of Italian agriculture (Volume LI) also includes a CD-Rom, containing the tables from the 1997 edition and a brief time series 1993-97 of the tables from the Statistical Appendix. It is the first step in the creation of a database for the INEA *Annuario*. The Institute is working to set up a computerised archive of all the data contained in the volume, in order to provide a CD-Rom with the data from the next *Annuario* organised in an interactive format.

In order to complete the range of statistical information the Institute is able to provide, the CD-Rom also includes the appendices from the 1997 Report on "Foreign trade of agro-food products".

* * *

1997 was a decisive year for European construction and some very important political steps were taken:

- the signing of the Treaty of Amsterdam on 2nd October - following the Intergovernmental Conference in Turin in March 1996 - which placed citizens' rights and employment among the fundamental principles of the European Union and included many dispositions regarding social and foreign policy and common security;
- the initiation of the process of enlargement of the EU;
- the completion of preparatory work for the passage to the third phase of Economic and Monetary Union and for the introduction of the new common currency, the EURO, as from 1st January 1999;
- the presentation by the European Commission of a communication (Agenda 2000) on the EU's prospects and policies as the third millennium approaches.

In the document Agenda 2000 the European Commission deals with the possible developments of, and the necessary changes to com-

mon policies with a view to an enlarged Union with Central and Eastern European countries; the problems connected with such an enlargement and the future financial framework of the Union. In particular, the Commission proposes a more general revision of the policy of economic and social cohesion and a new reform of structural funds based on three main axes which ought to permit increased efficiency and control: greater geographical concentration in measures financed by structural funds, greater decentralisation and further simplification of intervention.

In the framework of reforms proposed in Agenda 2000 the CAP reform plays a decisive role. The Commission considers it necessary to complete the process begun with the 1992 reform, both to consolidate the results achieved and to enable European agriculture successfully to meet the new challenges on the horizon: from the competitiveness of internal and international markets to the challenge of enlargement; from further liberalisation of agricultural trade (expected from the new round of multilateral talks in 1999) to the promotion of agricultural policies able to safeguard the economic vitality of rural regions; from the growing need to integrate environmental problems with common agricultural policy to that of simplifying the management of the CAP and ensuring greater decentralisation for implementing measures.

With these problems in mind, the Commission has defined some guidelines on which the proposals for the CAP reform are based, announced first in the document Agenda 2000 and then set out in March 1998 in legislative proposals: the reduction of institutional prices, the re-dimensioning of intervention, a new division of responsibilities between Brussels and member states, increased action in favour of the environment, strengthening of rural development policy, the simplification of regulations and the correction of a certain number of imbalances.

National legislative activity was dominated by the emanation of legislative decree no. 143 of 4th June 1997, in which administrative functions for agriculture and fishing were transferred to the Regions and central administration was reorganised: the new Ministry for Agricultural Policies (MiPA) was given responsibility for developing and co-ordinating agricultural, agro-industrial and forestry policies at national level, along with some other general responsibilities.

1997 was a year of considerable change in the fiscal organisation of the agricultural sector. Using the authority conceded to it by Law no. 662/96, the Government introduced some important changes regarding: the reform of VAT; the introduction of IRAP, the new tax on production; the maintenance of the current system of subsidy for agricultural fuel; the adjustment of the agricultural regime for social security contributions to

that of the general regime.

Italian agricultural production in 1997 suffered above all as a result of unfavourable weather conditions which affected most of the country in the first six months of the year and created problems for crop disease control. Gross final output fell by 0.8% in real terms as compared with 1996 and fell more sharply (-2.7%) at current prices. The reduction in production, which fell to about 66,700 billion lire, was due both to significant contractions in harvests in some important sectors (cereals, vines and, above all, fruit) which were not adequately compensated by good results for other crops, and to a negative trend in prices of agricultural products which fell on average by 1.9% as compared with the previous year.

Only the South recorded growth in agricultural production of 3.5% in real terms, more than compensating for the fall of 1996; the other areas recorded negative trends, led by the North-east (-5.6%) which saw the excellent results of the previous year completely reversed. The plentiful olive harvests, in a high-yield year, bolstered results for the South, as did citrus fruit production and some vegetable crops; in the Centre and North the failure of tree crops was the main cause of the negative results, particularly in North-eastern Italy where fruit production suffered a veritable collapse (-32.7%) along with vines (-20.4%), because of bad weather which affected yields.

Greater contractions in prices of agricultural products affecting most areas of production and a more limited reduction in prices for technical inputs led once more to a worsening in the agricultural terms of trade. If on the one hand however, the fall in prices of agricultural products contributed decisively to the general slowdown in consumer price increases, it also had negative repercussions on farm profitability. Indeed, value added for the sector fell by 3.1% at current prices as compared with 1996, to 48,674 billion lire, and by 0.6% in real terms, after three years of growth. Estimated at factor cost, value added in agriculture performed slightly better, remaining practically unchanged in constant lire (-0.2%) and falling 1.6% at current prices following an increase of 6.6% (+4.2% in real terms) in production subsidies, which reached 9,826 billion lire in 1997. The further increase in production subsidies must, however, be seen in the context of an increase in area for which subsidies were requested and of the delayed payment of subsidies for previous years.

The number employed in agriculture also fell further, to 1,370,000 units (32,000 employees less or -2.3% as compared with 1996). The erosion of the work force continued, even if more slowly than that recorded

in 1996. Several important factors may explain the slow down, such as the stagnant economic situation, where a slight fall in employment in the industrial sector was balanced by a modest increase in employment in the service sector. The process of reorganisation and rationalisation in Italian agriculture has surely contributed, in recent years to the elimination of such a large part of its work force that employment levels have probably reached their minimum thresholds, below which it is not possible to make reductions, especially if the new functions within the sector are taken into account regarding protection of landscape and environmental and cultural heritage.

* * *

In thanking the institutes and bodies which have lent their expertise to make this new edition possible, we cannot fail to mention the loss of a long-standing contributor to the INEA Annuario, Professor Franco Alvisi, who died prematurely in February 1998. His contribution to the Annuario over the years has been invaluable

Prof. Guido Fabiani
(President in charge)

Chapter 1

The economy in 1997

In 1997 Gross Domestic Product in industrialised countries rose by 2.8% in real terms as compared with 2% in 1996. Levels of unemployment generally remained high, although there were variations between countries: in the United States the situation improved considerably with the rate of unemployment falling to 4.7%, whereas in countries planning to introduce the EURO employment levels continued to be problematic.

The rate of increase in consumer prices fell further as compared with 1996, to 2% in the main industrialised countries; as a result, governments of these countries were able to implement less restrictive monetary policies, generally aimed at reducing interest rates.

Public sector deficits recorded an overall reduction, continuing the positive trend of the previous year; the public deficit for G7 countries averaged 1.4% of GDP.

In developing countries GDP increased 5.8% on average. The crisis in the financial and currency markets in the Asiatic area certainly affected this result, as some countries recorded zero growth. The situations found in the Eastern and Central European economies was strongly influenced by the progress made in the process of transition towards a market economy.

World trade in goods and services enjoyed renewed growth (+9.4% in volume), due above all to the United States and, to a lesser extent, the European Union.

Gross Domestic Product in Europe increased 2.7% overall, with higher than average increases in the United Kingdom (+3.3%) and lower increases in countries adhering to the EURO (+2.5%), particularly Germany, France and Italy.

The employment situation remained particularly acute in France (unemployment at 12.5%), in Italy (12.3%) and in Germany (11.7%), where there was a significant increase in the rate of unemployment.

Inflation rates fell overall, to 1.9% for the EU 15 (-0.6 points as compared with 1996). A marked improvement was also seen in the balancing of public accounts: the deficits for public administration fell by 1.6% in the 11 countries adhering to the EURO, to around 2.6% of GDP. Furthermore, on 3rd May 1997 the European Council decreed the pas-

sage to the single currency, the EURO, for eleven countries (Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Holland, Portugal and Spain), confirming the obligations of economic convergence as set out in the Maastricht treaty.

The Italian economy witnessed renewed growth, even if at a slower rate than that of the main industrialised countries; the average increase in GDP was 1.5% in real terms (+0.7% in 1996), with higher increases in the Centre and North (+1.7%) than in the South (+0.7%). The economic recovery was mainly due to domestic demand and, in particular, to private consumption. Net exports recorded a contraction and public consumption was also slightly lower.

Food consumption in 1997 increased by 0.3%, marking an inversion in trend after five years of contraction, although the ratio of food expenditure to overall domestic consumption was further reduced.

As regards supply, the growth in overall production was due mainly to the industrial sector; the service sector recorded more modest growth and figures for the agricultural sector were actually negative. The increase in production in the industrial sector depended exclusively on industry in the narrowest sense of the definition, and in particular to the processing industry; the rate of growth for the agro-food industry was in line with overall growth in the manufacturing industry as a whole (+2.5%).

Gross fixed investments increased 0.6% in real terms (despite the reduction in the South) due to the strong rise in stock levels.

The volume of foreign trade increased substantially, and the outcome was a reduction of more than 2% in Italy's trade surplus. This deterioration was due principally to falling trade with countries of the European Union, with a reduction in the trade surplus of around 13,000 billion lire.

Total population in Italy reached 57.5 million, with an annual increase of 2.2 per thousand; this increase was entirely as a result of immigration (around 149,000 people).

As regards employment, in 1997 there was an overall reduction in the number of standard labour units employed in the production process; the rate of unemployment stood at 12.3%, representing a 0.2 percentage point increase as compared with the previous year. The contraction in employment was higher than average in agriculture and in southern Regions.

Inflation continued to fall; the national index of consumer prices showed an increase of only 2.1% (3.9% in 1996), due mainly to a rather limited average increase in producer prices (+1.3%).

As regards public finance, a substantial reduction in the net debt of public administrations was recorded with a consequent fall in the ratio of net debt to GDP (2.7% in 1997, four points less than in 1996).

Chapter 2

The global setting for agro-food markets

In 1997 the prospects for world food supply improved slightly, due to higher growth in world cereal production as compared with the previous year. Cereal production is expected to exceed 900 million tons, permitting replenishment of world stocks to about 302 million tons, an increase of approximately 10 million tons as compared with 1996.

The number of countries suffering from problems of food supply in 1997 grew to an unprecedented 37 (31 in 1996). The African continent continued to be worst hit: for eastern African countries in particular the alternation between drought and flooding led to heavy losses of crops and livestock. In West Africa the food situation improved as compared to the previous year, and agricultural production was estimated at 20% more than that of 1996. The worst conditions were found in African states such as Burundi, Liberia, Sierra Leone and Angola. In Asia, the greatest problems were focused in South Korea, as the agricultural year was afflicted by prolonged drought after two years of heavy rains and flooding. Difficulties caused by drought also affected numerous other Asian countries, particularly in the South-east (Indonesia, Thailand, the Philippines, New Guinea, etc.). In the American continent serious food problems were experienced in El Salvador, Guatemala, Honduras, Nicaragua and Panama, while in the CIS humanitarian aid was required in Armenia, Azerbaijan, Georgia and, above all, Tajikistan.

World production of meat increased 3%, reaching about 283 million tons. China recorded the greatest increases (+10% for beef) and the greatest overall increase was for poultry (+7%), due mainly to the reduction in the price of feedstuffs.

In the European Union, agricultural production in 1997 experienced a gradual return to stability. The cereal market, which had benefited from particularly favourable internal and international factors in the previous year, returned to a more balanced situation in 1997. In contrast, the sub-sector for pork suffered from a particularly poor year, especially in Holland, where a serious epidemic among pigs caused enormous losses. On the other hand, the sectors of oilseed, sugar beet and sheep and goat meat all concluded the year positively.

Agricultural prices fell overall by more than 3% in real terms, more

sharply than in the previous two years, with a reduction of 5% for crops and of 1.5% for livestock production.

As regards market trends in various EU countries, the year was particularly bad for the United Kingdom, where prices paid to producers fell 11.6%, mainly on account of the revaluation of the pound against the ECU, followed by Ireland (-6.3%), Spain (-5.7%) and Portugal (-5.1%). In contrast, positive results were recorded for Holland (+3.9%), France (+1.8%) and Germany (+1.6%).

Following a period of sustained growth in agricultural income, in 1997 the EU suffered a reversal in trend. The average income from agriculture, measured by the real net value added at factor cost per annual labour unit fell by 3%, after the series of increases recorded in the previous three years.

As regards trade agreements, the constraints imposed on agriculture and agricultural policy in the EU in the first two years of implementation of the GATT agreement were dealt with in varying degrees.

In preparation for the next round of negotiations due in 1999 to review the agreement on agriculture of the Uruguay Round, initial positions were taken up in 1997 by some countries - such as the United States, for example - which are pushing for greater freedom of trade for agricultural products and, in particular, for the elimination of escape clauses which have so far allowed the European Union to exclude a series of CAP intervention measures (compensatory payments) from the multilateral agreement.

As regards relations between the EU and Central and Eastern European countries, the framework of agreements for association which have come into force was almost completed: the agreements with Latvia, Lithuania and Estonia came into force on 1st February 1998; in contrast, national procedures for ratification of the agreement with Slovenia, for which an interim agreement has been in force since 1st January 1997, have not yet been concluded. The interim agreement regulates the trade provisions and accompanying measures.

After two years of talks, negotiations were completed in 1997 to conclude additional protocols for modification of the European agreements for association stipulated between the EU and Central and Eastern European countries in the five-year period 1991-96, to take into account the enlargement of the EU with Austria, Sweden and Finland as well as the Uruguay Round decisions.

Relations between the EU and countries in the CIS have been consolidated: since 1994 important agreements for partnership and cooperation have been signed with (in chronological order) the Ukraine, Russia,

Moldavia, Kazakhstan, the Kyrgyz Republic, Belorussia, Georgia, Armenia, Azerbaijan and Uzbekistan. However, agreements with the EU have only come into force for the following: Russia (1st December 1997), the Ukraine (1st March 1998) and Moldavia (1st July 1998). In 1997 interim agreements came into force for Georgia and Armenia.

As regards the strengthening of EU Mediterranean policy, in order to implement the agreements on Euro-Mediterranean partnership decided at the Barcelona conference of November 1995, the first new agreements for association were signed between 1995 and 1997 with Tunisia, Israel, Morocco and, more recently, Jordan. In 1997 negotiations were started to complete other agreements for association with Algeria and Syria, while talks continue for agreements with Egypt and Lebanon.

Another important event in 1997 was the signing and coming into force (1st July) of the interim Euro-Mediterranean agreement regarding trade and cooperation between the EU and the Palestine Liberation Organisation (PLO) in favour of the Palestinian Authorities of Cisgiordania and the Gaza Strip.

Following the customs union with Turkey, which came into force on 1st January 1996 (with the exception of those for the agricultural sector), negotiations were completed in 1997 to modify the reciprocal concessions of the preferential agreements for agriculture with the EU, following the implementation of the Uruguay Round agreement and the most recent enlargement of the EU to 15 countries.

In the north Mediterranean an agreement on co-operation between the EU and Macedonia was also signed in 1997 and it came into force on 1st January 1998. It provides for a preferential trade regime on the part of the EU and cooperation in numerous sectors, as well as the development of political dialogue.

As regards Middle Eastern countries, the EU signed an agreement for cooperation with Yemen in 1997, focusing on cooperation in many different fields, including agriculture, and supported by a considerable amount of financial aid.

EU relations with South-eastern Asian countries in 1997 were characterised by the signing of the first agreements for cooperation between the EU and Cambodia and Laos, respectively, which aim to develop trade between the parties on the basis of most favoured nation status, to improve living conditions for the poorest in those countries, to favour rural development and environmental protection and to create new jobs.

As regards EU relations with Latin American countries, in 1997 strengthening of partnerships continued between the two areas, on the basis of orientations which emerged from the European Council of

Madrid in December 1995.

In 1997 a new agreement for political partnership, political co-ordination and cooperation was signed between the EU and Mexico, with the aim of establishing political dialogue and of strengthening cooperation and economic and commercial relations between the parties.

As regards bilateral agreements, two framework agreements for cooperation should be noted, completed between the EU and Brazil (it came into force on 1st November 1995) and Chile (signed in 1996), to prepare association through the gradual liberalisation of trade.

The main event regarding relations between the EU and ACP countries (Africa, the Caribbean and the Pacific) was the modification to the fourth convention of Lomé which came into force on 1st June 1998, with the aim of making Community support for the development of ACP countries more efficient.

Finally, on 1st January 1997 dispositions came into force for the implementation of the new generalised system of preferences for agricultural products, aimed at promoting the integration of developing countries into the world economy and the multilateral trade system.

Chapter 3

Agriculture in Italy

Italian agricultural production in 1997 suffered above all as a result of unfavourable weather conditions which affected most of the country in the first six months and created problems for crop disease control. Gross final output fell by 0.8% in real terms as compared with 1996 and fell more sharply (-2.7%) at current prices. The reduction in production, which fell to about 66,700 billion lire, was due both to significant contractions in harvests in some important sectors (cereals, vines and, above all, fruit) which were not adequately compensated by good results for other crops, and to a negative trend in prices of agricultural products which fell on average by 1.9% as compared to the previous year.

Analysis by geographical area reveals that the South recorded growth in agricultural production of 3.5% in real terms, more than recuperating the fall of 1996; the other areas recorded negative trends, led by the North-east (-5.6%) which saw the excellent results of the previous year, an increase of equivalent dimensions, completely reversed. The plentiful olive harvests, in a high-yield year, helped overall results for the South, as did citrus fruit production and some vegetable crops; in the Centre and North the failure of tree crops was the main cause of the negative results, particularly in North-eastern Italy where fruit production suffered a veritable collapse (-32.7%) along with vines (-20.4%), because of bad weather which affected yields.

Expenditure in agriculture in 1997 stood at just over 19,000 billion lire at current prices for purchases of technical inputs, a fall of 1.6% as compared with the previous year. This fall is due mainly to the further reduction in quantities used (-1.3%) accompanied by a very slight drop in prices (-0.3%). Several factors influenced this trend: general limits on production costs; a more widespread use of eco-compatible agronomic practices especially as a result of the implementation of Regulation (EEC) no. 2078/92; a further contraction in the number of cattle and a more rational use of resources produced on the farm

The limited increase in prices for technical inputs was smaller than that for producer prices (-1.9%), causing a further worsening in the agricultural terms of trade. The drop in prices of agricultural products which affected most types of production, can be attributed to two factors: the

fading of the upward trend in world prices of agricultural products which had occurred in the previous two years, and the gradual reduction of institutional prices in ECU dictated by the 1992 CAP reform, which, in 1997, was not sufficiently compensated by a devaluation of the lira as had been the case in previous years. However, if, on the one hand, the fall in prices of agricultural products contributed decisively to the general slowdown in consumer price increases, on the other hand it also had negative repercussions on farm profitability.

Indeed, after three years of growth, value added for the sector fell by 3.1% at current prices as compared with 1996, to 48,674 billion lire, and by 0.6% in real terms. Estimated at factor cost, value added in agriculture performed slightly better, remaining practically unchanged in constant lire (-0.2%) and falling 1.6% at current prices following an increase of 6.6% (+4.2% in real terms) in production subsidies, which reached 9,826 billion lire in 1997. The further increase in production subsidies must, however, be seen in the context of an increase in area for which subsidies were requested and of the delayed payment of subsidies for previous years.

The weight of subsidies on value added for the sector further increased; it continued a positive trend, rising from 13.5% in 1994 to 17.6% in 1997. Although reliance on Community aid leads to an increase in agricultural income, greater dependency on the aid component also makes farms more vulnerable to the future modifications, to be introduced in the Common Organisation of Markets of various products, which will inevitably lead to further reductions in levels of aid to agriculture. Other uncertainties over possible variations to which the Italian agricultural system of subsidy might be subject, are associated with the monetary situation, with the initiation of European Monetary Union on 1st January 1999 and the substitution of the ECU with the EURO.

As regards value added per person employed in agriculture, in 1997 this reached 32.2 million lire at constant prices, increasing 1.7% as compared with the previous year, in line with the positive trend emerging in recent years, even though the increase was more modest. The further reduction in the number employed in agriculture (-2.3% as compared with 1996) particularly influenced the trend, which accompanied a slight drop in overall value added for the sector.

The number of people employed in agriculture in 1997 amounted to 1,370,000 units, representing a further loss of 32,000 workers. The erosion of the work force continued, even if it was slower than the rate in 1996 (-6%) and that recorded as the average for the period 1990-96 (4.9%). Several important factors may explain the slowing down. Firstly,

the economy is quite stagnant, with industry also slightly reducing the number of employees, although the service sector recorded slight growth; furthermore, the rate of unemployment in 1997 reached a new high (12.2%). Secondly, the process of reorganisation and rationalisation in Italian agriculture already mentioned has, in recent years, eliminated so much of its work force that employment levels have probably reached their minimum thresholds, below which it is not possible to make reductions.

Organisations for improving the economic position of agricultural producers

As regards the normative framework for cooperation, the emanation of the legislative decree 173/98 was highly significant. It established a regime of support in favour of enterprises operating in the agro-food sector, including cooperatives; support for this category was aimed particularly at strengthening structures and at implementing specific projects in preparation for the new quality labels and quality certification processes that will be introduced.

The concentration of cooperatives varied significantly from filière to filière but it appeared generally favourable for the grape and wine and the dairy filières. Difficulties have, however, been encountered by small local cooperatives in adjusting to changing conditions in market competition, while a rather limited number of big consortium-type enterprises have managed to compete with leading private companies and to launch themselves successfully on the international markets.

Regulation (EC) no. 952/97 set out dispositions concerning producer associations and related unions, reconfirming their role as instruments to overcome the structural shortcomings currently present in some regions regarding the supply and marketing of agricultural products; these dispositions, therefore, maintained an incentive regime. The proposed regulation of March 1998 regarding aid for rural development from EAGGF, formulated within the context of Agenda 2000, provides for the abrogation of Regulation (EC) no. 952/97, thus eliminating the “horizontal” concept of producer associations and providing instead for their presence exclusively within the context of the common organisation of the markets for the relevant sector, as in the fruit and vegetable and tobacco sectors.

The abrogation of Regulation (EEC) no. 1360/78 provided for by Regulation (EC) no. 952/97, changes the national normative framework for associations, favouring the adoption of company status for legal purposes rather than a simple “judicial personality”, in order to benefit business activities.

Numerous problems accompanied the new activities of producer

organisations' in the Common Organisation of Markets for fruit and vegetables and for tobacco in Italy, particularly in the most backward and fragmented areas of production; in many cases access to community resources was impeded, as was the efficient performance of functions attributed to the organisations.

As regards interprofessional organisations and agreements, the most important provision was the above-mentioned legislative decree no. 173/98, which sets out norms (in articles 11 and 12) on the characteristics and functions of the "agro-food system agreements" for quality production recognised in accordance with Regulation (EEC) no. 2081/92 or obtained using organic farming methods. It also includes dispositions for interprofessional organisations.

There have been no significant changes in the recent past as regards interprofessional agreements in Italy. The trend towards more precise specification of quality in production continued, along with provision for more specific tools for vertical integration by contract.

The main production sectors in which interprofessional agreements are in force in Italy are the following: hard wheat, industrial tomato, industrial potato, cow's milk, sunflower and colza, sugar beet and citrus fruit. There are, however, some interesting interprofessional initiatives, particularly in the sectors recently hit by crises (olive oil and meat).

Chapter 5

The food industry

Industrial production rose by 2.2% in 1997, after the 1.7% reduction of the previous year, but there were no apparent positive effects for employment levels. The recovery in production did not produce benefits for the labour market but seemed linked mainly to improvements in labour productivity due to processes of reorganisation underway in the industrial sector. In contrast, domestic demand showed a marked recovery (+2.4%) as compared with the modest increase in 1996 (0.8%). This improvement, however, was principally the result of changes in the non-food sectors.

Food industry production increased by 2.4%, a slightly higher rate than that for industry as a whole. This increase, however, must be considered in the context of the 1.4% reduction recorded for the previous year. The growth in 1997 not only offset the fall of the previous year but was also higher than growth rates for the all of the 1990s. If, however, the whole decade is considered, expansion in the food sector has been consistently below that of the industrial sector overall.

Gross value added at factor cost also increased by 2.4% as compared with 1996. Partly as a result of this increase, the ratio of value added in the food industry to GDP stabilised at 1.7% and stood at 8.8% as compared with the value added for the manufacturing industry as a whole, while it rose to 55.3% as compared with the value of agricultural production.

Although the food industry undoubtedly achieved significant results in terms of production in 1997, there were enormous differences in performance between the various sub-sectors.

The improvement as compared with the previous year was confirmed by the dynamic sectors: total growth from the beginning of the 'nineties, the average annual rate and the rate of growth as compared with the previous year increased respectively from 8.4 to 12.5%, from 1.4 to 1.7% and from 0.5 to 3.1%. Similarly, a comparison of these three rates for the sector as a whole reveals increases: in 1996 they stood at 4.2%, 0.7% and -1%, while in 1997 they rose to 7%, 1% and 2.7% respectively.

The dynamic sectors were the same as those for 1996, with the

addition of the production and refining of sugar which in 1996 was among the sectors in stagnation. All these sub-sectors recorded higher growth rates as compared with 1996, with the exception of cocoa and chocolate (-2.8%).

Referring to the year 1996, the strategic map of enterprises and groups operating in the food industry in Italy did not present any significant changes as compared with previous years. The list of the top twenty companies by turnover and number of employees (tab. 5.6) in the Italian food industry was identical to the previous year, with two exceptions: Barilla Alimentare, which rose to third place due to the incorporation of Barilla Alimentare Dolciaria, Barilla Dolciaria, Barilla Dolciaria Industriale and Pavese; and ISI, which dropped from 16th to 20th place because of a particularly modest increase in output of sugar beet.

Overall, however, 1996 was a year of downturn in general in receipts in the food industry.

During 1997 companies made efforts to recover from the downturn of 1996 and they focused on processes of restructuring and rationalisation, rather than on acquisitions and mergers, which were rare and did not alter the overall framework.

On the international front, Parmalat continued its expansion by taking over Beatrice Foods, with its base in Canada and its business concentrated in North America. In contrast, the Star group ceded Starlux, historically the centre of its foreign business activities, to Cpc International.

As regards the list of top operating groups, in 1996 the first 10 places remained unchanged with the exception of Eridania, which fell from 2nd to 5th place and Veronesi which rose to 8th place, overtaking CA-FIN. As compared with 1996, Danone recorded increases of nearly 2% in turnover, Nestlè 4.6%, Ferrero 10%, Unilever 4.8% and Veronesi 10.3%. In contrast, Barilla was down 2.2%, Eridania was -10.3%, Parmalat -5.5%, CA-FIN -8%, and Philip Morris -4%.

Chapter 6

Italian foreign trade in agro-food products

In 1997 Italy's overall balance of trade deteriorated for the first time in four years, although it was still comfortably positive: in absolute terms the c.i.f.-fob surplus was reduced by about 16,000 billion lire, from over 67,500 billion lire in 1996 to just over 51,000 billion lire in 1997, while the ratio between the trade balance and total trade (the normalised balance) lost nearly 3 points, sliding from 9.6% to 6.7%.

Following the unprecedented favourable results for the agro-food trade component in 1996, which reduced the deficit by about 2,500 billion lire, agro-food trade also experienced a contraction in 1997. It was less marked, however, than that for overall trade: the agro-food deficit stood at just over 16,500 billion lire, an increase of 1,000 billion lire as compared with 1996.

In contrast to the trend for 1996, the agro-food component's share of total trade for Italy was significantly reduced in 1997: this was due above all to a fall in imports, from 13.3% to 12.4%, while the share of agro-food exports to total, although smaller, remained practically unchanged, falling slightly from 6.9% to 6.8%.

The agro-food deficit continues to be a structural phenomenon. The main change in 1997 was the break in the trend towards a progressive reduction in the deficit. The agro-food normalised balance had not worsened for about ten years: in the five-year period 1991-96 it had gained almost 15 points; in 1997, however, it deteriorated once more, even if only by 0.6 points. This inversion in trend was primarily due to the "price" component, since prices fell further for exports (-3.4%) than for imports (-2.1%) for the second consecutive year, with a deterioration in the terms of trade amounting to -1.3%.

Italian agro-food trade was subject to considerable variations between different trading areas. As regards the EU, the deterioration in the normalised balance was identical to that recorded for overall international trade (-0.6 points) and, just as in 1996, there was only a very modest increase in values, with 2.7% growth in imports and just 1.4% in exports.

In contrast, Italy's agro-food normalised balance improved for the second consecutive year for "other developed countries", gaining 2

points and strengthening Italy's position as a net exporter to this group of countries. The improvement is due to a considerable increase in exports in value terms (+8.5%), which is the consequence of an even greater increase in quantity (+13.2%), probably favoured by a simultaneous reduction in average unit value (-4.1%).

The agro-food balance also improved for "other Eastern European countries", whose exports to Italy suffered a collapse in value (-11.3%), above all because of the reduction in quantity. In contrast, the normalised balance with Central and Eastern European countries (CEECs) worsened by nearly 6 points, after years of consistent improvement in Italy's trade with such countries: the downturn was due, in particular, to a reduction both in value and in quantity of Italian exports. Finally, as regards Mediterranean countries and "the rest of the world", the normalised balance for agro-food trade fell by over 2 points in both cases, because of a rise in imports of over 11% in value and a more modest increase in Italian exports.

Processed food products now hold a dominant position in Italian agro-food trade, and seem destined to consolidate that position. The trend for the agro-food sector towards a trade structure reflecting that typical of a processing country is very positive for Italy. Indeed, the weight of the agricultural component in Italian imports (38%), is much higher than that for exports (just 24%); similarly, the weight of the food processing component is much higher for Italian exports (75.4%) than for imports (62.1%).

As regards processed products, cereals derivatives have maintained their dominant position (15.6%) within Italian agro-food exports, but exports of wines are growing steadily (13.1%) as are those of dairy products. The leading sub-sector in imports of processed products was fresh and frozen meats (13%), although during the 1990s it has registered a downward trend. Processed and preserved fish is the next most important sub-sector (7.4%), while there has been a significant increase in the share of the oils and fats sub-sector, which amounted to 7% in 1997.

Chapter 7

The domestic market

The process towards concentration in the Italian food distribution system continued in 1997, at the expense of traditional retail and self-service outlets which contracted considerably in terms of number and of sales area.

As regards types of retail outlet, supermarkets continued to increase their share of the market, continuing the trend of the previous three years (+20%) while the downward trend for traditional retail outlets persisted. The increase for hypermarkets was very small (+2.2%) while discount stores maintained their growth (+7.2%), although expansion both in the number of outlets and in turnover is expected to slow down, especially in northern regions where the market is showing signs of saturation.

The supermarket component is certainly the most dynamic, favoured by the conversion of many soft discount stores into supermarkets, while in towns megastores (a retail outlet of intermediate size, between that of a supermarket and a hypermarket, with a large non-food sector) are flourishing.

Two main types of strategy are currently being implemented: increased competitiveness and the conquest of new market segments. The first objective is pursued by measures such as the rationalisation of management and logistics, improvements in efficiency and reductions in unit cost, mainly through the creation of supercentres for purchasing. These macro-organisations link together several distribution chains with the aim of increasing concentration and negotiating leverage with suppliers.

The expansion of market share is sought above all in terms of customer loyalty and store name strategy. The battle for customer loyalty between the principal retail groups is fought mainly on the basis of distinguishing one's services from that of competitors; the key elements are: the quantity and quality of services offered to the customer, the range of products available and the direct promotion of the retailer's name through private label products and fidelity cards. The use of promotional price points and discounting helps to tackle competition on pricing from discount stores.

Food consumption in 1997 remained practically stationary (+0.3%). In contrast, purchases of other consumer goods increased by 2.8%, although average price increases were +2.9%. The differentiation in trends between categories of consumption resulted in a contraction in the share of food expenditure from 17.2% in 1996 to 16.4% in 1997.

In the early 1990s figures revealed an increasing preference in Italy for a lighter diet, above all in the home. The latest data, referring to 1996, show increases in consumption of bread (about +1%) and especially of pasta (+3.4%). In contrast, consumption of fruit continued to fall (-2.7%) as did that of beef (-8.7%), with a more marked drop as a consequence of the BSE crisis. Average monthly expenditure on food fell, reflecting the trend established in recent decades, from 21.5% of total consumption in 1995 to 21% in 1996.

Expenditure for food consumption in the home as compared to total consumption fell in 1996 for the entrepreneur category to 16.2% (-1.5%) and for the self-employed and professionals to 20.4% (-1.1%). This phenomenon is due to more frequent meals out by these families.

Changes to the structure and importance of main meals continued, with lunch as the main meal becoming less standard. Dinner is now the main meal of the day for around 21% of Italians, rising to 27%-30% in the Centre and North, whilst only 10-11% consider it so in the South. In 1996 families spent an average of 138,000 lire per month on eating out, though variations ranged from 190,000 lire in the North-east to 76,000 lire in the South, where there was a fall as compared to 1995. Average monthly food expenditure was highest for families of those in professional categories (279,000 lire), while the lowest expenditure was amongst farmers' families and those of non-professional categories. One sector of food demand in constant expansion was that of schools, with expenditure rising from 2,123 billion lire in 1996 to 2,239 billion lire in 1997. Indeed, children represent the category that consumes most outside the home: 40% and 13% respectively for 3-5 year-olds and 6-10 year-olds. The incidence of catering on total food consumption was estimated at around 22-23%, and is forecast to reach 25-26% in 1998.

As regards the quality of agro-food products, the iter for recognition of PDO and PGI products, provided for under article 17 of Regulation (EEC) 2081/92, can be considered almost complete. The European Community can now count on a protected agro-food patrimony of nearly 500 different products and Italy may consider itself duly satisfied as it holds second place, after France, for the number of products recognised. Italy's success is well deserved, rewarding its tradition and product diversification, even if in some cases the choice of product had

less in common with the spirit of the Regulation and more to do with excessively regional interests.

The most recent wave of recognitions in particular favoured Italian olive oils (a total of 20) and fresh fruit and vegetables (24 products). Also worthy of note was the recognition of 4 salted meats from Calabria. The first Italian bakery product to achieve PGI status was Genzano bread, and the first fresh meat product to gain recognition was the beef *vitellone bianco* from the Central Apennines, distinguishing the meat from Chianina, Marchigiana and Romagnola cattle.

The success achieved regarding recognition has not, however, been followed up with swift implementation of all the details of the Regulation; implementation has been delayed both by cultural problems, and by difficulties concerning the technical and organisational resources to set up adequate control and certification systems. Italy has not yet implemented the requirements of article 10 of the Regulation and a clear framework for operators of protected production is still not in place although some progress has been made.

During the first half of 1998 initiatives emerged and the debate heated up over certain issues regarding the quality of PDO and PGI production, particularly with regard to the problem of control, but also regarding controversial subjects such as planning production in line with market trends.

The legislative decree no. 173 of 30th April 1998, "Dispositions concerning limitation of costs of production and strengthening farm structures" also deals with questions relating to typical and protected production. The measures aimed at strengthening farm structures and achieving economic integration in the filière give consortia and, in general, organisations within the filière involved in PDO and PGI production, specific power to programme production according to market trends, by means of agreements between agricultural producers or between producers and firms. They can also carry out plans for improving product quality, even if this means limiting volumes supplied, and concentrate supply and the flow of produce to the market.

As usual, the Central Inspectorate for the Repression of Fraud operated on the basis of directives from the political-administrative programme of guidelines defined by the Ministry for Agricultural Policies and in accordance with the systematic programme of measures emanated jointly with the Ministry for Health. The first of these two programmes identified a series of controls with priority in the following sectors: quality wine; DPO cheese; fresh soft cheese and similar; citrus fruit juices; honey and feedstuffs for cattle to prevent any risk of BSE spreading.

As regards laboratory results, 1,405 irregular samples were recorded (13.1% of those analysed) as compared with 1,531 in 1996 (-8.2%). There has been no change in the priority sectors subject to control. These are the wine, dairy and oils sectors, all of which hold a key position in the Italian agro-food filière in terms of image and socio-economic importance, given the high levels of employment in these sectors. Considerable weight was given to checks in the feedstuffs sector, owing to the BSE emergency.

As regards the activities of the Anti-trust Authority, the number of decisions taken in the agro-food sector, as compared with previous years, fell both in absolute and relative terms and concentrated mainly on the dairy sector. The acquisition by Cirio of 75% of the capital of the Centrale del latte di Roma came under examination. In 1996 about 40% of fresh milk was processed by three groups: Cirio, Granarolo and Parmalat, all of which also have a strong position in the UHT milk market. With the proposed concentration, Cirio would have acquired a leading position in the Lazio Region for fresh milk production, increasing its share from 25% to 66%. At the end of its investigation, the Authority maintained that the acquisition of the Centrale del latte di Roma by Cirio would have had negative effects on competition in the market for fresh milk in Lazio; Cirio therefore agreed to relinquish one of its own brand names, together with the corresponding productive capacity, to an operator with a suitable industrial plan. Under these conditions the Authority approved the operation.

Chapter 8

The industry for production of technical inputs for agriculture

In 1997 the overall turnover in Italy for industrial enterprises producing technical inputs for agriculture was 21,700 billion lire, an increase of 500 billion lire as compared with 1996.

Production increased for the fourth consecutive year, 3.7% higher than production for the manufacturing industry as a whole which amounted to +2%. As in previous years the increase in production was due mainly to the agricultural machinery sector which experienced a considerable expansion in foreign demand and also maintained the improvement which had already taken place on the domestic market. In 1997 the main change was the reversal in trend for the fertiliser sector which recorded growth after six years of steady decline. In contrast, production of chemical inputs suffered from stagnation in the domestic market which affected all the main kinds of product but particularly herbicides and insecticides.

In 1997 the surplus in the balance of trade for industrially produced technical inputs for agriculture increased further, reaching 2,836 billion lire. In foreign trade, too, the overall increase was due exclusively to agricultural machinery. The balance of trade for fertilisers worsened once more, with a deficit of over 1,000 billion lire: despite the dramatic reduction in prices on world markets the value of imports of fertilisers increased 11.6% as a result of a growth in volume of over 20%. In contrast, trade in feedstuffs, chemical inputs and seeds experienced limited variations and only marginally affected overall results. The industrially produced feedstuffs sector, with a deficit of 700 billion lire, continued to show a high self-sufficiency ratio, which, however, masked a heavy dependency on foreign supplies of raw materials. The self-sufficiency ratio for seeds remained stationary, in the face of a slight deterioration in the negative balance of trade, revealing a significant reliance on foreign technology, particularly for seed with greater value added. In 1997, along with an increase in the trade deficit, the self-sufficiency ratio for chemical inputs worsened.

Expenditure by Italian farmers on industrially produced technical inputs amounted to 18,467 billion lire, or about 28% of gross saleable output in agriculture, showing an overall reduction in expenditure at cur-

rent prices. Most expenditure was for feedstuffs, as in previous years, but the amount allocated to investment in new machinery grew further, from 27.7% to 29% of overall expenditure. After touching record lows in 1993, investment in agricultural machinery increased for the fourth consecutive year, returning to the levels seen at the beginning of the decade. The largest increase was recorded for seeds, due also to the reduction in the area of set-aside, while the overall reduction in purchases of technical inputs was a consequence of the fall recorded in the other three sectors: the downward trends of previous years continued in 1997 for the eighth consecutive year for feedstuffs, the fourth for fertilisers and the second for chemical inputs.

Prices of technical inputs purchased by farmers fell on average by 0.8% with greater reductions for fertilisers, seeds and feedstuffs; in contrast, prices for chemical inputs and agricultural machinery increased slightly. The overall dynamic for prices of technical inputs was, however, better than that for agricultural products, thus creating a further worsening in the terms of trade between agriculture and supplier sectors.

As regards biotechnologies, the total area under transgenic crops world-wide reached about 13 million hectares, a net increase of 10 million hectares as compared with 1996. Over 60% of the area is in the United States; the most important plant crops involved are: soya (40% of overall area under transgenic crops), corn (25%), tobacco (13%), cotton (11%) and colza (10%). As regards the type of genetic traits introduced, over 50% of the area was cultivated with plants tolerant of herbicides, 31% with insect-resistant plants and 14% with virus-resistant plants. There are 48 transgenic plants which have obtained authorisation for marketing in at least one country, relating to 12 species developed by 20 different companies. The emanation of Regulation (EC) no. 258/97 defined the conditions for the introduction to EU markets of new products, new food ingredients and novel foods, including those containing, made from or produced by, genetically modified organisms (GMO). The novel foods regulation requires that foods containing GMO be labelled so as to inform consumers of the characteristics and properties that distinguish it from the equivalent traditional product and about the possible presence of live GMO. Currently, despite the progress made in legislation, the diffusion of transgenic crops in Europe and their possible cultivation seems to be "sub judice" because of opposition from pressure groups such as environmentalists, consumer associations and from the negative attitude of some EU member state governments.

Chapter 9

EU policy

1997 was a significant year on the political front: the Intergovernmental Conference held in Turin in March 1996 concluded with the signing of a new treaty; the process of enlargement of the EU was initiated and the foundations were laid for the unification of the European continent. The last obstacles were overcome to the introduction of a single currency from 1st January 1999 and the European Commission presented its views on the EU's prospects and policies as the year 2000 approaches.

The new treaty, signed in Amsterdam on 2nd October, enriches and reinforces the individual rights of European citizens and constitutes a step forward in the gradual creation of an "area of freedom, security and justice" for the Community. It also provides for some improvements in foreign policy and common security.

In July 1997 the European Commission presented a communication entitled "Agenda 2000 – For a larger and stronger Union" in which the Commission deals with the possible developments of and the necessary changes in common policies with a view to an enlarged Union with Central and Eastern European countries. It also deals with the great challenges faced as this century draws to a close, such as the horizontal problems connected with enlargement and the future financial framework of the Union.

The preparatory work was completed in 1997 for the passage, from 1st January 1999, to the third phase of Economic and Monetary Union (EMU) and for its efficient implementation. More specifically, it was agreed that, with the beginning of the third phase of the EMU, the European Monetary System would be substituted with a new exchange mechanism based on the central parities of the various currencies included, against the new common currency, the EURO. As agreed, the introduction of bank notes and coins in EUROS will take place from 1st January 2003. By 1st July of the same year they will have completely replaced national currencies.

As regards agro-monetary measures, following a fall in agricultural conversion rates of the Italian lira, British sterling and the Irish pund, on 22nd April the Council decided to block the agricultural conversion rates

applicable to most of the direct income subsidies for producers until 1st January 1999, as well as to authorise concession of compensatory payments for loss of income by farmers.

For 1997 the agricultural expenditure ceiling was set at 41,805 million ECU. Overall, actual expenditure for 1997, attributable to the EAGGF - Guarantee Fund, amounted to 40,675.2 million ECU, leaving, therefore, a margin of 1.1 billion ECU as compared with the guideline

Expenditure attributable to EAGGF-Guarantee Fund for 1997 increased by 1,567.6 million ECU (+4%) as compared with 1996. This increase was mainly in the arable crop sector (+1,090 million ECU), while greater savings were achieved in the dairy sector (-593 million ECU) and the sheep and goat meat sub-sector (-256 billion ECU). Expenditure rose in particular for arable crops, from 16.4 to 17.5 billion ECU, a little over 30% of pre-CAP reform levels. Besides these obvious increases, there was also an increase in expenditure for export restitutions (+220 million ECU), whilst expenditure for the withdrawal of field crops from production fell (-284 million ECU) due to the two-percentage-point reduction in the set-aside rate (from 12% to 10%).

As regards Italy, EAGGF-Guarantee expenditure rose from 4,219.8 million ECU (equivalent to 10.8% of total for the EU) in 1996 to 5,121.4 million ECU (equivalent to 12.6% of EU total) in 1997.

Overall funds provided by EAGGF-Guidance in 1997 amounted to 4,132.4 million ECU, an increase of 197.9 million ECU as compared to the previous year. More than 60% of total funding (equivalent to about 2.6 billion ECU) was directed to regions qualifying under Objective 1. Expenditure under Objective 5a represented 23.6% of the total (just under 1 billion ECU) while expenditure for Objective 5b represented 10.2% of funds (about 420 million ECU).

Implementation of policies in favour of agricultural structures and rural development in 1996 had been rather limited; in 1997, action by the government and local authorities to stimulate policy implementation led to growth in expenditure of a structural character, even though difficulties still persist in the use of funds.

Public finance (national and EU) for structural intervention in Italian rural areas – the programmes under Objectives 1, 5a and 5b, the Leader II Community initiative and CAP accompanying measures – amounted to just under 10 billion ECU, added to which was over 4 billion ECU of private investment. Of the 14 billion ECU available, 6 billion ECU were allocated while 3.5 billion ECU (about 26% of programmed investment) represent the total resources actually erogated to beneficiaries.

In the Italian regions that qualify under Objective 1, at the end of

1997 the total expenditure allocated as compared with planned resources (capacity for allocations) for the interventions co-financed by EAGGF, stood at about 45%, as compared with an average in the Community Framework of Support of over 60%. In contrast, funds erogated were 27% of the total cost of planned measures, a considerable increase as compared with the same period in 1996, in which the ratio between payments and planned resources (capacity for expenditure) was equivalent to about 15%.

Resources available for Central and Northern regions under Objective 5b – considering both the public and private share – amounted to 4.7 billion ECU overall. Planned Community finance amounted to about 900 million ECU.

At the end of 1997 the overall capacity for allocations amounted to 52%. In contrast, the ratio between payments and the total cost of planned measures amounted to only 19%, an increase in expenditure equivalent to about 876 million ECU in absolute terms.

Objective 5a provides for interventions in favour of agricultural and agro-industrial enterprises, to facilitate changes in production and processing structures of agricultural products, through the implementation of a series of Regulations and Directives. Regulation (EC) no. 950/97 is undoubtedly the most important of these, both from the point of view of the financial resources available and the type of measure planned. It provides for the implementation of a series of very specific measures for enterprises relating to “the improvement of efficiency of agricultural structures”.

Expenditure in the first three-year period of implementation, 1994-97, amounted to just under 500 million ECU, 39% of planned expenditure.

In 1997 the first Leader project was completed. It enabled 29 groups to implement development projects in their local areas. The 174 Local Action Groups (LAG) and Collective Operators selected covered an area of over 130 thousand square kilometres, equivalent to 43% of national area and 64% of areas under Objectives 1 and 5b. Within Leader project areas the total protected area represented about 5.7%, as compared with the national average of about 4%.

The population potentially affected (population resident in LAG areas) amounted to over 9 million, representing 16% of the Italian population and 35% of population in the areas under Objective 1 and 5b.

Of the 920 billion lire invested in the 139 plans, the largest share of resources (about 50%) was for measures to promote agri-tourism and rural tourism and for those for improving and agro-food production.

Chapter 10

National and Regional legislation

In 1997, national legislative activity was dominated by the emanation of the legislative decree no. 143 of 4th June 1997, by which administrative functions for agriculture and fishing were transferred to the Regions and central administration was reorganised. The decree established that Regional authorities be responsible for all functions regarding agriculture, forestry, fishing, agri-tourism, hunting, rural development and food, except for the items listed under article 2. Under article 2, the Ministry for Agricultural Policies (MiPA) was established and given responsibility for developing and co-ordinating agricultural, agro-industrial and forestry policies, along with some other general tasks. Responsibility for national co-ordination in the following areas was also attributed to MiPA: protection of quality of agro-food products, food education (excluding health issues), agricultural research and experimentation, the safeguard and protection of bio-diversity, management of marine fish resources, use of innovative biotechnologies in the agro-food sector, registers of plant varieties and animal breeding genealogies, large-scale irrigation networks, regulatory intervention for markets, food supplies and stocks and for game. The article also makes the Ministry responsible for the recognition and support of the farmers' and workers' unions, of national associations and national certification bodies and for national interprofessional agreements, the declaration of a state of emergency for severe weather conditions, the prevention and repression of fraud and the collection, analysis and propagation of data and information at national level.

In 1997 finance for agricultural policies suffered as a result of the general restrictions on public expenditure, introduced to meet the objectives of convergence required for the creation of EMU. The most significant measures approved in 1997 were: the annual refinancing of emergency measures for agriculture; the legislative decrees relating to the milk quotas; the fiscal decrees and the reform of social security for the agricultural sector; the budget for 1998.

The annual refinancing for emergency measures for agriculture allocated funds amounting to 517 billion lire in 1997, since the pluri-annual law for planned intervention in agriculture had not yet been approved.

These measures reflected both in spirit and substance the needs arising from the new institutional situation, of which the inter-Regional programmes are an example. These programmes represent a new form of dialogue between the State and Regions regarding agricultural planning. They were approved with the CIPE deliberation of 26th June 1997, which allocated and assigned 147 billion lire.

The 1998 Budget allocated funding amounting to 3,050.3 billion lire to the agricultural and fishing sectors. Although the amount is in line with that allocated in the previous three-year period, there were, however, significant increases in funding for some important items, above all for natural disasters. It is evident that agricultural expenditure is still bound to emergency legislative decrees, with obvious repercussions for the efficiency and effectiveness of public action in the sector (over two-thirds of expenditure is related to measures of an annual or accidental nature, calamities, regulation of fines and specific sectoral interventions).

Following the milk quotas emergency, the situation concerning national production was defined more precisely than in the past, with clearer statement of the levels of responsibility between public administrations and producers in the management of the milk quotas; at the same time, important measures were implemented in favour of the livestock sector, some of which have a significant impact on the whole agricultural sector. Law no. 81/97 provided for modes of implementation of the Community regime for dairy production, including, among other measures, support intervention for breeders hit by the BSE emergency and premia for voluntary relinquishing of quotas and animals in highly suitable areas. Law no. 5/98, "Urgent measures for controlling dairy production" provides for a vast operation of cross-referenced checks and controls to establish the size and location of unauthorised production in order to manage milk quotas.

The release of finance for payment of subsidies to farmers under the CAP accompanying measures was a definite step forward both in terms of procedural time-scale and quantity. In 1997 the provision regarding national quotas was approved in June, rather than December as had been the case for the previous two-year period, and funds allocated amounted to 450 billion lire, as compared with 174 billion lire in 1995 and 167.2 billion lire in 1996.

1997 was a year of considerable change for the fiscal organisation of the agricultural sector. One particularly important event was the reform of VAT. It was approved with legislative decree no. 313 of 2nd September 1997 and provides for the dismantling of the special agricultural regime for most agricultural enterprises within three years. The legislation was

necessary, above all, to bring the Italian regime into line with that of other European countries, but it will also have considerable implications for producer support, especially for producers in the livestock sector.

Overall average support payments to the agricultural sector for the three-year period 1994-96 amounted to 26,573 billion lire at current prices and 20,778 billion lire at constant 1990 prices, representing 39% of gross final output in agriculture and 53% of value added. Support payments amounted to 18,729 billion lire (70.5%) for transfers for agricultural policy and 7,844 billion lire (29.5%) for fiscal concessions.

The most important item was that of AIMA support payments (9,887 billion lire, equivalent to 37.2%), followed by regional intervention (6,529 billion lire, or 24.6%), pensions and social security payments (3,681 billion lire, or 13.9%) and concessions for fuel (2,368 billion lire or 8.9%). Intervention by MiPA amounted to 4.7% (1,239 billion lire), while other intervention bodies in the agricultural markets managed 750 billion lire (2.8%); they were followed by fiscal concessions on income tax (IRPEF) and ICI, worth 901 billion lire, and VAT concessions (895 billion lire, equivalent to 3.4% of total).

Looking at the origin of funds, those from the EU amounted to 49.5% of the total, (9,279 billion lire, average for 1994-96 at 1990 prices) while the remaining 50.5% (9,448 billion lire) was allocated from national resources. A part of national expenditure is incurred as a direct result of Community decisions (AIMA "related expenditure"), therefore support decided in Brussels is actually 53.9%, while the remaining 46.1% is governed by national decisions.

In comparing support for the three-year periods 1988-90, 1991-93 and 1994-96, a downward trend is revealed, with support falling from 25,169 billion lire to 20,778 billion lire (at constant prices), representing a more marked fall than that for value added and gross final output in agriculture (the support to VA ratio fell from 57.2% to 52.8% and the ratio of support to gross final output fell from 41.2% to 38.7%), confirming a trend on the part of public authorities towards less commitment to the primary sector.

Research, training and extension

Financial resources for agricultural research amounted to 925 billion lire, the equivalent of 1.32% of the agricultural sector's gross saleable output

The total number of teachers and researchers in universities and public institutions, expressed in Full Time Equivalent, remained practically unchanged, at just over 3,000 FTE.

Finance from various sources used by regionally supervised centres, institutes and services in 1997 amounted to about 105 billion lire, stationary as compared with the previous year. Law no. 491 of 4th December 1993 and the legislative decree no. 143 of 4th June 1997 set out principles and rules for the transfer of structures and functions from national government supervision to Regional control; both laws deal with the transfer of activities previously under the Ministry's control. In 1997, Parliament and the government considered the reform of the Italian research system to make it more competitive on the international scene.

On 31st July, the Ministry for Universities, Scientific Research and Technology (MURST) presented both Chambers of Parliament with a report outlining the reorganisation of the research system, which is made up of a number of "networks" reporting to various different bodies and administrations, one of which is the Ministry for Agricultural Policies (MiPA). Towards the end of 1997 MiPA nominated a group of experts to put forward proposals on the restructuring of the organisations and the Agricultural research and experimental institutes under its authority. After a detailed study of the structural situation, it became quite clear that the main change required was the aggregation of the institutes reporting to MiPA and to a further six government ministries, in order to reduce duplication and increase the "critical mass" in the different fields of research.

In the second half of 1996 and in 1997 the organisational structure of services under MiPA and the Agricultural Departments of the Regional governments underwent considerable changes, in order to accommodate the evolution in state and regional responsibilities.

Indeed, at national level there has been a gradual fragmentation of initiatives regarding services promoted both by nationally funded programmes (Laws nos. 578/96 and 135/97) and Community funded pro-

grammes (MOP "Support activities for services for agricultural development"), without any co-ordination or harmonisation of the planned activities.

National laws have financed 12 inter-regional projects which deal with services, with sums amounting to 259 billion lire for the two-year period. Horizontal measures account for 68% of the resources (communication, computer systems, statistics, commercial promotion, training and updating, studies and research) and vertical measures account for 32%, aimed at specific production sectors.

The Multi-regional Operative Programme (MOP) is now at an advanced stage. As compared with the document approved in October 1995, the current MOP has been subjected to significant changes both in its content and in the distribution of resources for the various activities; most of the residual resources, resulting from the elimination of one measure and savings made from others, have been transferred to research initiatives.

The activities promoted by Community regulations under the Reform of Structural Funds are fully underway in the form of Plurifund Operative Programmes (POP) in southern Regions and Single Programme Document in central and northern Regions.

INEA carried out a survey in 1997 on the quality of training in agriculture, interviewing about 150 people, including farmers, extension workers, technical operators and managers from professional organisations and Regional authorities. The following picture emerged: there was a close connection between a person's level of education and his/her ability to gain access to services; a crisis existed in the sector of training and refresher courses for agricultural development and extension; links between the different training resources in the field were poor; there was uncertainty regarding the role of agricultural extension and trainers, extension workers and technical operators had difficulty in identifying and applying a successful method and in organising their work.

These problems highlight the lack of a coherent training system for agriculture, firmly linked to services for agricultural development and to other segments of the broader Italian educational system and capable of meeting the informational and training needs of both technical operators and working farmers.

In Italy there are around 2.5 million farms and about 15 million hectares under agricultural production, representing about half of national territory. Consequently, Italy is one of the main agricultural producers in the European Union. Yet agriculture suffers from structural disadvantages as compared with other economic sectors and displays strongly

differentiated levels of development within the sector itself. The disparity between “strong farmers” and “weak farmers” depends to a large extent on the human factor, on the specific professional skills of those employed in agricultural production and on low levels of formal education. Indeed, the agricultural work force has the lowest level of education of any category. In Italy, Regional authorities are responsible for professional training, although management and implementation of programmes is sometimes delegated to the Provinces. In recent years new training initiatives have emerged alongside the traditional training channels, particularly as a result of cultural and financial aid from the European Union; these initiatives are generally for adults, with the aim of reducing unemployment. Some of the programmes initiated in the agricultural sector have included interesting new elements both in method and contents, as, for example, training programmes under Objectives 1 and 5b, where there is also often a strong emphasis on training in the ecological-environmental sector alongside that of services to enterprises and social services. The considerable number of technical assistants and extension workers (about 4000) operating around the country and the existence of centres and organisations for research, experimentation and training and information in the sector undoubtedly form an excellent basis on which to build an extension model focusing on local initiatives within a wider global view of training.

Agriculture and the environment

According to data produced by the main representative bodies of the industries producing technical inputs, use of fertilisers and pesticides fell by 3.4% and 3% respectively, between 1997 and 1996, continuing the downward trend of recent years.

During 1997 results were published of the fourth and final year of activity of the National network for monitoring residuals of chemical products in agricultural products, a project financed by the Ministry for Agricultural Policies. The data collected will help to identify the causes of potential anomalies, and so increase the information available to, and the awareness of, operators in the sector.

During the course of the four year programme 40,800 samples were collected and irregularities were on average between 3% and 4%. There were three main types of irregularities: higher levels of residuals than the maximum permitted level; the presence of unauthorised active ingredients and lack of respect for the period of suspension of application of the active ingredient, as fixed by law. Unfortunately, due to a reduction in funding – which was only available for the first six months of the final year – the number of samples taken in the fourth year was significantly lower than in previous years. Of the 3,958 samples taken, 140 proved irregular, equivalent to 3.5% of the total. Cases of improper use (16.7% of total) were high, as were cases in which the period of suspension was not respected (6.4%). More detailed analysis also confirmed better results for the samples taken from integrated control programmes as compared to those taken from areas employing more traditional methods of control.

Results were also published of the Official Programme for checking residuals of chemical products in fruit and vegetable crops, carried out by the Ministry for Health. In contrast to the National network for monitoring residuals, random samples were taken from collecting points for products from within the Region and from wholesale markets, wholesalers' deposits, hypermarkets and supermarkets for products from outside the Region.

In short, 7,356 samples of fruit and vegetable products were analysed, representing a ratio of 12.3 samples per 100,000 inhabitants,

in line with the ratios used in other European countries. Results showed 64% of samples contained no residuals; 34.3% contained residuals below the legal limit and 1.7% of samples were irregular. According to the Ministry for Health, over the last five years the level of irregularities in percentage terms fell from 5.6% in 1993 to 1.7% in 1997.

As regards waste management, the approval by Parliament of legislative decree no.22 of 5th February 1997 was an important step forward in Italian environmental policy. The decree, better known as the Ronchi decree, finally implemented the EU directives 91/156/EEC on waste, 91/689/EEC on toxic waste and 94/62/EC on packaging and toxic waste. The Ronchi decree has introduced some important new elements into the national legislative framework, in line with the European Union waste management strategies based on five principal points: prevention; recycling and reuse; optimisation of final treatment; recovery of polluted sites and control of transport of waste.

The agricultural sector is greatly affected by the decree, given that the new provisions no longer provide for a series of exceptions and conditions that in the past had always exempted agricultural producers from the most onerous requirements. However, one of the modifications made to the first decree does concern the exemption from some requirements for farms with a turnover of less than 15 million lire. For the other producers changes are being negotiated, with agreements between the Ministry for the Environment and the professional organisations and with the establishment of special consortia, obligatory and voluntary, for the collection and treatment of waste.

At the end of the first four years of implementation, the provisions of Regulation 2078/92 has been definitively applied in most Italian Regions. In 1997 agro-environmental measures were employed in an area equivalent to 1,622,000 hectares, covered by a total of 122,400 applications. The area increased by 595,000 hectares, i.e. by 58% as compared to the previous season and, at the same time, 45,000 new applications were accepted. An analysis of applications by geographical area showed that half of the total area was in the North. The greatest growth, however, was in the South and Islands, where in the final season of implementation, the area doubled.

At national level the measures affected 11% of the total utilised agricultural land (UAL) and the percentage in some Alpine areas was significantly higher (Bolzano, Trento and the Valle d'Aosta), at over 35%. In contrast, the effect of Regulation 2078 on UAL in other regions, such as the Abruzzi Region, was negligible. Targets for utilisation of Regulation 2078 have been met by farmers in the first four years of implementation:

the total national area is almost 90% of that planned under agro-environmental programmes.

Most applications came under three main measures: reduction in the use of chemical inputs (647,000 hectares); care and management of rural countryside (471,000 hectares) and organic agriculture (314,000 hectares). Of the remaining measures, actions taken to achieve extensive farming of field crops were the most significant (110,000 hectares).

As regards expenditure, during the most recent season finance erogated reached over 783 billion lire, a significant increase as compared with the previous year. The implementation of Regulation 2078 nationally until 1997 involved total expenditure of over 1,671 billion lire, equivalent to 94% of the total expenditure planned for the first four years (1994-97) by the EAGGF Guarantee section.

As regards planning of intervention, in 1997 the Commission approved numerous modifications and integrations to the agro-environmental plans proposed by the Regions, to bring them into line with Regulation (EEC) no. 746/96, to update production procedures and to encourage the diffusion of eco-compatible practices using new kinds of measures. As of 31/12/1997 the Commission had approved 32 decisions which modified to a greater or lesser extent 21 agro-environmental plans already initially approved. The activity of the Technical and Scientific Committee 2078 was particularly significant, delegated by the Commission to evaluate the technical norms of phytopathological control presented in the agro-environmental plans with respect to the general principles of integrated pest control.

There were 30,844 agro-biological farms operating in Italy as of 31 December 1996, with total UAL (organic or under conversion) of 641,149 hectares. The growth of the sector in 1997 was substantial, mainly due to the more widespread adoption of support measures for organic farming set out in Regulation (EEC) no. 2078/92, equivalent to an increase of 78.5% for farms and 91.9% for area. The biggest increase was in the South, where the area used doubled, and in the islands, with an increase in farms of 79% and in land of 99.6% (organic or under conversion). However, organic farming is not of great importance in Italian agriculture, representing only 1.2% farms and 4.3% of UAL in 1997. The average size of enterprise for organic farms or those under conversion was 20.7 hectares in 1997, a slight increase from 19.3 hectares in 1996.

Despite the considerable overall increase, organic farming is prevalently carried out by farms larger than the national average, and generally involved in extensive farming. In 1996 with 1.9% of UAL under organic crops Italy was the second country in Europe in terms of organ-

ic farmed land or land under conversion, after Germany; in 1997 the percentage rose by more than 4%.

In 1997, the market for organic products in Italy showed more decisive signs of change. Turnover for the organic food sector was estimated at around 1,500 billion lire. The increase in business as compared to 1996 amounted to 50% but was still lower than the increase in area under organic production. In the distribution sector specialised retailers with small and medium sized outlets (maximum 400 square metres) were prevalent; the share (about 25%) of supermarkets and hypermarkets increased) and the share of direct sales contracted from 35% to 25%. The changes in the market's organisational structure and increased competition also led to a significant reduction in wholesale prices, which in turn had an effect on consumer prices. This trend, which was more marked towards the end of 1997, is also still quite apparent in the modern retailing sector.

Agricultural Credit

1997 was characterised by uncertainty as regards short-term subsidised credit. State subsidies for short term loans continued to be available during 1997 due to an extension of the period of application foreseen for the previous norms. The Commission of the European Union, however, had neither approved nor rejected the document presented by the Italian government and examined by the Conference of State and Regional authorities, containing the directives with which systems of national and regional aid should have complied.

Another factor which emerged in 1997 was the strong increase in risk in the sector, indicated by the level reached by the ratio of non-repayments to loans, above all in the southern Regions and islands. According to a study carried out by the Bank of Italy on the economy of the regions, whilst the national average index of non-repayments to loans in agriculture increased between 1995 and 1996 from 19.3% to 21.1%, in southern Regions the same index rose to 36.36% by the end of 1996, with maximum ratios of 44.69% in Puglia and 29.87% in the islands. The Bank of Italy also reported that in 1997 the national average index of non-repayments to loans for the branch "agricultural, forest and fishing products" improved between 1996 and 1997, falling from 23.5% to 20.6%.

The world economic situation in 1997 was generally positive and, coupled with Italy's decision to conform to the parameters set out in the Maastricht Treaty for admittance to European Monetary Union, it had a favourable effect on interest rates. These benefits also extended to reference rates for operations of agricultural credit, which had automatically followed the trend of market rates since the Treasury Minister's decree of 21/12/94 had come into force.

Although it is true that the general reduction in interest rates has rendered less onerous the problems of disparity in rates on credit for agriculture as compared with other sectors, credit operations in 1997 showed that the problem still remained, constituting an obstacle to development in the sector.

According to the statistics provided by the Bank of Italy, loans for agricultural credit increased between 1996 and 1997 by over one thou-

sand billion lire, reaching 23,789 billion lire.

In contrast, the volume of medium and long-term operations remained unchanged; indeed, the volume of new operations could not completely match the extinction of outstanding loans. This data could be misleading, however, as medium and long-term credit continued to be used in agriculture in 1997, even if recourse to agricultural credit was very limited. Indeed, between 1996 and 1997 medium and long-term finance erogated for investment in agriculture increased by 14.6%; concession of credit for buying machinery and means of transport increased in particular (+40.3%).

It is important to note that the substantial volume of transfers from the European Union following the reform of structural funds should be considered, in the intervention phase, as national and community contributions of non-repayable grants, requiring the beneficiaries to guarantee the contribution of residual finance, resorting to credit if it is not within their means.

The volume of outstanding loans confirms what has already been said about new loans: loans outstanding increased (+3.8%), in particular those for buying machinery and equipment (+14.6%). It should be emphasised that credit operations at subsidised rates are very important in supporting both short and long-term investments in agriculture.

Unfortunately, between 1996 and 1997 the amount of outstanding operations at a subsidised rate fell by 1.2%, and in particular those for medium and long-term operations fell (-1.3%).

In view of Italy's prospective inclusion in European Monetary Union the convergence of market rates towards the more favourable rates existing in the rest of the Union has certainly made the cost of credit less of an issue in the investment choices of the agricultural enterprise. Incentives, however, whether in the form of contributions to capital account or contributions towards interest repayments, are still an important instrument in agricultural policy to direct and stimulate the development of a sector.

The land market

In 1997 land prices increased slightly: as a national average, the value of land increased by 2.8% as compared with 1996, a slightly higher increase than the previous year. Movement in the market continued to be limited and differentiated depending on the geographical area and type of land for sale, but compared with recent years there was a significant change. For the first time since the beginning of the 1990s the price of land in Italy increased above the rate of inflation. After six consecutive years of falling prices for land capital in real terms, prices rose 1% as compared with 1996. Although it is still too early to establish whether this change represents a true reversal in trend, it is certainly the most important feature of the Italian land market in 1997.

The increase seems to mirror the market for urban property, where signs of recovery are evident in the increased number of purchases and in higher prices. Presumably, the primary sector can also benefit in some way as the dynamics of fundamental parameters in the economic cycle – the growth in GDP, the reduction of the public deficit, the accompanying reduction in rates and the recovery in productive investments – restore vigour to the land market. The general increase in land values with rates higher than that of inflation is based, according to sector operators, on a general macro-economic factor and on a sectoral factor. Indeed, on the one hand, the trend towards expansion in the national economy, after several difficult years, has led to positive expectations on the part of investors; on the other hand, there has been a gradual adjustment in production to reflect the new orientations of Community policy, which have proved less drastic than first feared.

There is an enormous disparity between the dynamics of the land market in Northern Italy and the situation in Central regions and above all in the South. The difference may substantially be explained by the effects created by the macro-economic and sectoral factors at regional level. The significant increase in land values recorded in the North may be the result of the increased benefits these regions receive from the expansionary cycle of the economy and from income support policies, whereas the stagnation of the land market in the South could be attributed to the more limited economic growth and to the type of agricultur-

al production, generally characterised by less protection.

Two types of land dominated the market in most of Italy, but particularly in the north: vines and arable. As regards vines, the trend of the previous two years was consolidated: a stable commercial situation and favourable prospects for most wine production in northern regions has led to a substantial increase in land prices.

As regards arable land, there are many different factors that can account for land prices. Firstly, direct income support has taken on an important role, now seemingly constituting a fixed revenue for producers of cereals and other arable crops. Apart from the uncertainties linked to the changing orientation of the Common Agricultural Policy, operators in the sector perceive that any potential new changes to the system of price subsidy will undoubtedly be compensated with direct income support. Given that these subsidies are not connected with production but are usually awarded in proportion to the area under cultivation, there is an obvious advantage for those who own land.

According to the most recent survey on farm structures carried out by ISTAT in 1995, land rented in Italy reached 3,807,000 hectares. Increases in rents during the first half of the 1990s were differentiated depending on the different geographical areas. The highest increases, both in percentage and absolute terms, were recorded in central and southern regions. In 1995 the highest percentage of rented land was in the North-west and Sardinia. The North-east and Centre-south were below the national average.

The market for rented land in 1997 displayed an entrenched attitude of waiting on the part of operators because the termination of the most recent extended rent contracts was imminent. In general, in northern regions most contracts due to expire were transformed into short-term renting contracts, due to a large extent to the negotiating skills of the category organisations. In southern regions the situation was more complicated: for example in Lazio the contracts due for expiry became the subject of litigation, still awaiting a legal verdict and few contracts have been renewed with short-term renting contracts. Generally speaking, new contracts usually signified increased ground rents and a reduction in the length of the contract. For arable land the length of contract was not more than 3-5 years, while for vineyards and fruit orchards it was between 5 and 12 years.

Considerable stagnation in negotiations and uncertainty continue to dominate a market whose main feature in 1997 was the prevalence of demand. In almost every region requests for land to rent outstripped supply, particularly for specialised crops (fresh fruit and vegetables) and

high value crops (vines in highly suitable areas). Supply exceeded demand only in marginal areas and mountainous and hilly terrain. As in previous years, strong demand came from the livestock sector for land in northern regions. On the one hand was the request for land from dairy farmers for land which also included the acquisition of milk quota rights, and on the other hand was the request from pig and poultry farmers, obliged to distribute the waste produced over a certain specified area as set out in regional norms and so forced to increase the area of the farm. The need for further farmland by breeders makes them ready to pay very high ground rents, even double the normal rates, as is the case in some areas of Piedmont.

During 1997 Parliament continued to debate the issues of land mobility and agricultural contracts. Besides the renewed proposal for a prorogation regime for financial subsidies and the usual activity of the Cassa per la formazione della proprietà contadina (Bank for the Formation of Peasant Property), the parliamentary iter also continued for the law regarding young entrepreneurs – which contains numerous changes concerning land mobility – and for the law on contracts involving agricultural land. However, the draft laws regarding these issues have so far been considered only by the Agricultural Commission, where a considerable amount of work was done to prepare texts to be approved by the two Chambers.

An important change in the activity of Cassa per la formazione della proprietà contadina concerns the definition of agreements for planning with Regional administrations, aimed at starting specific pilot projects to experiment with new forms of intervention in the field of land reform, complementing support measures for new farms implemented by the Regions. Generally speaking, the agreements permit potential beneficiaries – priority is given to those under 40 years old – to receive 30-year mortgages at a subsidised rate of 4% from the Bank, in order to buy agricultural land; they must also present a plan of improvements based on Regulation (EC) no. 950/97 relating to improvements in the efficiency of farm buildings, financed by the Region.

Chapter 15

Cereals and industrial crops

In 1997 world production of cereals amounted to 1,909 million tons, a slight increase (+0.6%) as compared with the previous year.

Following the decline in production achieved by implementation of the reform of the CAP in the first three years (1993-95), cereals production in the EU rose for the second consecutive year, reaching unprecedented levels of around 202 million tons, mainly due to the reduction of set aside to 5% (reconfirmed for the 1998/99 season), which offset the 2.3% reduction in yields. The area cultivated increased in all countries except Italy. Availability increased slightly, causing an increase in stocks amounting to about 34.6 million tons. Export levels remained unchanged.

Italian production of cereals, estimated at 17.2 million tons, fell 4.3% as compared with 1996; all cereal crops were affected, with a reduction of 19% for hard wheat and 14% for barley, caused both by a contraction in area cultivated and in yields as a result of a dry season. The only exception was maize, production of which increased by 6.2%.

There were 704,506 applications for support within the Common Organisation of the Market for arable crops, representing a total of 5.39 million hectares. Applications for the simplified regime represented 82% of the total (53% in terms of area), a reduction, in favour of the general regime, of 4% as compared with the previous year.

The trade balance closed with a negative balance of 2,670 billion lire for non-processed cereals, slightly less than the previous year. Imports fell 3.2% in value following a reduction in prices. In contrast, the balance of trade for cereals derivatives, which represent 16% of Italian agro-food exports, was positive. Exports amounted to nearly 4,300 billion lire, compared with around 580 billion lire in imports. Levels of both imports and exports increased slightly and the trade balance rose to over 3,700 billion lire.

The area under soft wheat was reduced (-12% on average), and the fall affected all regions of production, although it was more marked in the North-west. Output fell even more (-21%) on account of the lack of rain in the period of crop growth and abundant rain during the harvest. Production of hard wheat also fell (-11%). The market for soft wheat was

characterised by low prices, far lower than those of the previous year (-6.8%). In contrast, hard wheat prices increased by 2.4%.

Imports of soft wheat fell slightly (-2.6%) while those of hard wheat increased by over 30%. As regards soft wheat, the main sources of imports were France (51%), Germany (12.3%), Austria and the United Kingdom (6%). Among non-EU countries, Canada was the main supplier (5.5%). As regards hard wheat, imports increased from Greece and the American continent.

With the implementation of the new COM for hard wheat, Italy will benefit from compensatory payments to the value of 344.5 ECU/ha for a maximum guaranteed area of 1,646,000 hectares, falling to 138.9 ECU/ha in traditional areas, up to a maximum area of 4,000 hectares.

The area under rice, equivalent to 232,000 hectares, fell by a further 2%.

Following the implementation of the new COM for rice, 5,829 applications were presented representing a total area of 218,397 hectares, lower than the maximum guaranteed area which was fixed at 239,259 hectares.

World oilseed production in 1997 reached 348 million tons (+5.1%), due to the continued expansion of soya production (+12.7%).

Production of oilseeds in the EU for the 1997/98 season also increased, by 17%, reaching 12,471 million tons. As regards the COM, in the 1997/98 season there was a double reduction in compensatory payments. The area under oilseed in the EU for which applications for support were presented was more than 3.16% higher than the maximum guaranteed area, causing a reduction in compensatory payments in those countries which exceeded their national quota (Italy, Greece, France, Ireland and the United Kingdom). The reduction for Italy amounted to 10.23% (about 74,000 hectares) as compared with an excess in area of 48.15% (about 235,000 hectares).

In Italy the area under oilseed expanded to 605,000 hectares, an increase of 12% as compared with 1996. There was also an increase in overall production (+18%).

The area under sunflower amounted to 230,000 hectares, a reduction of 9.2% as compared with 1996. In contrast, the more modest contraction in production (-7.2%) was due to a slight increase in yields, despite unfavourable weather conditions which affected central regions. The Regions of Tuscany, Umbria and Marche were the main producers.

Imports of sunflower seed for food purposes fell by 6% as compared with 1996; 61% of imports were from the Ukraine, followed by Russia, which, with only 20.1%, is no longer Italy's main supplier.

The area under sunflower for industrial use was further reduced between the 1996/97 and 1997/98 seasons, from 32.3 thousand hectares to 8.9 thousand hectares, while production fell from 70.3 to 17.9 thousand tons.

The area under soya continued to expand (+37%), reaching 306,000 hectares. The increase in production was also substantial (+39%), sustained by good yields. The Veneto region was the primary national producer.

Imports of soya represented 82.2% of Italian imports in volume of the three main oilseed crops. As compared with 1996 the quantity imported fell by 14.8% because of a considerable reduction in imports from the United States and Argentina, partially offset by an increase in supplies from Brazil.

Despite the slight increase in the area under cultivation, production of colza fell by 29.3% because of a substantial contraction in yields affecting nearly all Italian Regions. Lombardy, Lazio, Puglia and Tuscany were the main producers. Overall availability of oilseed remained stable as compared with 1996. As regards oil-cakes and extracted flours, both production and exports increased, by 2% and 7% respectively. In contrast, imports fell by 6% causing an overall reduction in availability of 3%.

According to the latest estimates, world production of sugar in the 1997/98 season ought to reach 125.5 million tons (in equivalent raw sugar), an increase of 1.4% as compared with the 1996/97 season. Sugar production in the European Union for the 1997/98 season was estimated at 17.8 million tons (+6%). This increase is attributable both to an increase in yields and to an increase in the area under sugar beet (+0.9%).

In Italy the area under sugar beet increased (+18.5%) from 249,000 to 295,000 hectares. Average national production of sugar amounted to 1,739,906 tons (+21.1%) with considerable increases in the North and South (about 23% per area) and more modest rises in the Centre (+9.3%).

The number of processing plants remained unchanged: 23 in total, of which 15 in the North, 4 in the Centre and 4 in the South.

Taking into consideration the 10,682 tons of stocks carried over from the 1996/97 season, production attributed to the 1997/98 season was estimated at 750,588 tons, of which 1,320,000 tons are in quota A and 241,175 tons in quota B. The surplus carried over to the 1998/99 season amounted to 187,338 tons, while 2,075 tons are exports to be supplied to the world market by producers.

As regards foreign trade, total trade of sugar and sugar products in 1997 recorded a deficit of over 300 billion lire, with an improvement in the trade balance as compared with 1996.

World production of tobacco stood at 8.3 million tons (+11%). Production in the EU for 1997, for which provisional data only are available, amounted to 3.4 million quintals, with a decline in production of about 3%. Greece and Italy were the main producers in the European Union. The European Commission defined the new framework of the COM for tobacco, which will come into effect for the 1999 season until the 2001 season, with an option for extension for a further two-year period.

At national level, both the area under cultivation and overall production levels remained practically unchanged as compared with the previous year, thereby halting the trend towards a reduction in area which had characterised the five-year period 1990-95. 45% of production is in the Campania Region where Burley and Kentucky cultivars predominate (2nd and 4th cultivar groups respectively). Then there is Umbria, with 30%, almost all of which is Bright (1st group), followed by Veneto with 16% (also prevalently Bright) and Puglia, with 9%, producing exclusively Levantini, in the 5th cultivar group.

Production of the Bright cultivar in Veneto (representing about a third of national production) recorded a sharp fall in average yields as compared with 1996, mainly due to a virus estimated to have caused a loss of about 35% of local production and 40 billion lire in value. However, the 1997 season was characterised overall by good quality production, especially for the 1st and 2nd cultivar groups which together represent over 70% of production. The high quality helped to maintain prices.

As regards market outlets, the State monopoly recently bought around 15,000 quintals of Levantine, i.e. around 10% of production in this group; the remaining stocks are put on the various foreign markets, including those of Russia, Rumania, Holland, Germany, Belgium, but also on the markets of North African countries.

National exports of uncured tobacco fell by almost 30% as compared with 1996, to 989,000 tons. Export revenues, worth about 345 billion lire, also fell (-11%) but the reduction was more modest due to a notable rise in prices and a further weakening of the lira compared to the US dollar, the currency in which these transactions are carried out. 15% of Italian exports are bought by the United Kingdom and just under 12% by Germany. National imports of uncured tobacco increased by more than 22% in quantity and almost 40% in value. 30% of total tobacco imports come from the USA.

Vegetables, fruit and flowers

All the main countries of the European Union recorded falls in production in 1997 both for vegetables and for fruit. As a result, the deficit in the EU balance of trade worsened: exports represented only 20% and 53% of vegetable and fruit imports respectively. Italy was the leading European producer (with 28% of overall production).

The new Common Organisation of the Market (COM) for fruit and vegetables established in Regulation (EC) no. 2200/96 was in its first year of implementation, having come into force on 1st January 1997. For the first time in the field of market policies, procedures for planned intervention were introduced with the aim of increasing the competitiveness of fresh produce.

Besides the general reform of the COM, Regulation (EC) no. 2200/96 also provided for the introduction of a recovery programme for EU production of apples, pears, peaches and nectarines, allocating a single premium for the extirpation of plantings in order to achieve significant reductions in surplus production. The premium was agreed for a maximum area within the EU equivalent to 10,000 hectares, both for apple and pear production and for the peaches and nectarines group.

As the EU's leading fruit and vegetable producer, Italy's overall production reached 17,000 billion lire in value, equivalent to about 25% of national gross saleable output. The Italian domestic market for produce was quite stable as compared with 1996.

There was a general reduction in open air production of vegetables in 1997 (-7%), due partly to a reduction in area (-4%). In contrast, greenhouse production recorded a sharp increase of around 20%, partly due to an expansion in area of almost 4%.

Dramatic falls in production were recorded in 1997 for nearly all the main types of fresh fruit on account of bad weather conditions. In some cases, such as for pears, peaches, nectarines and kiwis the drop was more than 30%, whereas the reduction for apples, of 5%, was less dramatic.

Prices in the fruit sector were affected by the fall in production and rose 3.5% on average as compared with 1996.

The trade balance for the fruit and vegetable sector in 1997 was

positive at around 2,300 billion lire, mainly due to fruit (1,558 billion lire). There were falls in value for fresh vegetables and pulses both for imports (-2.2%) but above all for exports (-8.7%), and the normalised balance dropped to 43% as compared to 45.8% in 1996. On the contrary, foreign trade of fresh fruit increased, although the increase in value of imports (+17%) was much higher than that of exports (+9%).

Citrus fruit production has been quite static in Italy for several years now, but there was a slight increase (about 2,000 hectares) in the area under production in 1997. Overall production of oranges increased by more than 10% and that of clementines by about 20%, whereas production of lemons remained practically unchanged. The marketing season was, on the whole, disappointing, with only a minimum change in trends. Exports were also down, amounting to 1,972,148 quintals in quantity and 180.4 billion lire in value while imports reached 1,953,071 quintals, for a value of 237.6 billion lire; as a result, the trade balance for fresh produce showed a deficit of 57.2 billion lire.

In 1997 996,000 tons of citrus fruit were processed (-5.3%), including 594,000 tons of oranges (-23%), 320,000 tons of lemons (-3%), 68,000 tons of mandarines and clementines (+13%) and 14,000 tons of bergamot (-13%).

Exports of derivatives, amounting to 220.7 billion lire, fell by about 13 billion lire (-5.6%), due to the reduction in exports of juices, although this was partially compensated by an increase in exports of essences, in particular lemon and bergamot.

Following a long period of development, difficulties in production in the flower and nursery sector had emerged in 1996 and persisted in 1997. Gross saleable output fell to 43 billion lire (about -1% as compared with 1996) because of a slight contraction in both production (-0.7%) and prices (-0.3%).

The balance of trade was positive for the second consecutive year, equivalent to 153 billion lire. Prices fell on both national and international markets, resulting in increased trade: exports increased in quantity by 9.3% and imports also increased by 9.5%.

Sales by flower growers amounted to 3,643 billion lire, a fall of 2% as compared to 1996, due mostly to a reduction in production of 1.6%. As regards flower production, levels in the North were quite stable, with 46% of national production. The Liguria Region continued to lead in high quality production, enabling it to maintain a share of around 29%. The market share for the South was 39%.

There was a further contraction in open air production of cut flow-

ers in 1997 (155 hectares) and also in greenhouse production (138 hectares).

After years of steady growth, turnover at Pescia, the leading Italian market in the sector, fell 6.1%, to 277 billion lire. Moreover, the difficulties experienced by the San Remo market showed no signs of being resolved. In 1997 turnover suffered a further contraction to 90 million lire (-19.2%), even greater than that of 1996 and less than half the 1993 levels.

The surplus balance of trade for flowers and leaf plants fell as compared with the previous year. Both imports and exports were subject to reversals in trend: import values, equivalent to 234.2 billion lire, rose 10.3% while export values fell to 341.7 billion lire (-3.4%), so the overall trade surplus stood at 107.5 billion lire (-23.4%). The reduction in the surplus is attributable exclusively to cut flowers; exports contracted in volume (-7.8%) and value (-10%) while imports rose by 12.6% in volume and 8.6% in value.

Trade in leaf plants continued to improve, since production is targeted more for foreign markets than the domestic market. Indeed, exports grew by about 10% in quantity and 6% in value.

In the flower sector 70% of imports are from other EU countries, which also take 77% of exports. Holland is still Italy's main supplier (60%) and imports from third countries fell.

Nursery production increased overall in both agricultural and non-agricultural sub-sectors. Gross saleable output for nursery production was estimated at 1,029 billion lire (+2.5%) and volume increased by 3%. Central regions, and Tuscany in particular, led Italian production, with 42% of overall value, followed by the North (32%) and the South (26%).

Italian exports were increasingly competitive, both for price and quality. The value of exports in 1997 increased (+15.7%) more than that of imports so the balance of trade for nursery production was positive for the second consecutive year. The fall in imports was due above all to house plants and bulbs

Grapes, wine and olives

The 1996/97 season had seen a recovery in overall production of wine in the European Union (+10%), with over 165 million hectolitres; the 1997/98 season also reached the same level and provisional data indicate production totalling about 163 million hectolitres. Almost 37% of total production is represented by quality wines (VQPRD), which increased substantially in all the main producer countries.

In more recent seasons the significant contraction in production has meant that obligatory distillation could be avoided, by using a particular adjustment mechanism with preventive distillation open several times during the year. In the 1996/97 season, for example, a maximum quantity of wine for distillation was fixed, of about 4.5 million hectolitres for the whole of the European Union, 1.9 million hectolitres of which were attributed to Italy, with a ceiling fixed at 15 hectolitres per hectare. Support distillation was also authorised, exclusively for white wine, with an overall limit of 555,000 hectolitres (100,000 hectolitres for Italy). Repeated opening of preventative distillation also characterised the 1997/98 season, in which 12,685 thousand hectolitres of withdrawals were authorised (6,075 thousand for Italy).

In 1997 the area under vines in Italy contracted to about 878,000 hectares, a reduction of 1.4% as compared with 1996. A little over 71,000 hectares of this area are given over to dessert grapes, which experienced an even more marked contraction in area (-2.8%). This decline was accompanied by a sharp drop in production of grapes to just over 82 million quintals. The reduction was particularly dramatic in north-eastern Italy, with production down by almost 22%, while for dessert grapes it was the southern regions, where almost all national production is concentrated, that were most affected (-15%). As a result, there was a dramatic reduction in overall wine production, from 54 to 48.6 million hectolitres (-10%). The reduction affected production of white wines in the southern regions and islands, whereas the production of red wines was affected not only in the South but also in the North-east.

Italy is a strong exporter of wines, which represent over 13% of its total agro-food exports; in particular VQPRD red wines accounted for

4.5% of the agro-food trade balance. In 1997 exports were worth more than 3,500 billion lire, representing growth of nearly 9% as compared with 1996. However, levels of imports rose even more dramatically (+15%), due above all to the increase in volume.

The best trading results were recorded for red and white quality wines. European Union countries are major importers of Italian wine (62%), while remaining exports are bought almost entirely by other developed countries. Germany is traditionally the principal market with 35% of exports, followed by the United States (19%), the United Kingdom (10%), Switzerland and France (6%), Japan (4%) and Canada (3%).

As regards olive oil, EU production eligible for producer aid in the 1996/97 season amounted to 1,930,278 tons. In the 1997/98 season EU production is estimated to have risen further (+12.2%), by more than 2 million tons. If these data are confirmed, the reduction in aid should be around 40%.

During 1997 a slight increase (+0.4%) in the area under olive groves was recorded in Italy, interrupting the consolidated downward trend which had reduced total area to little more than 1.1 million hectares (expressed in pro rata).

Production of oil was estimated at 601,200 tons, an increase of 54.3% as compared with the previous year, considered to be a low-yield year. In the 1996/97 season there were 5,999 oil-mills operating, which represented a fall of 11.8% as compared with the previous season, concentrated in Calabria (-37.2%) where the number of mills fell to 842. The greatest concentration of oil-mills was in southern regions

Imports of olive oil and *sansa* oil to Italy in 1997 more than doubled, reaching 516,411 tons (+104%), above all due to purchases of virgin oils as compared with the lower quality *lampante* oils. Virgin oils represented 61% of imports and *lampante* 26%. Half of all olive oil imports were from Spain, which recorded an increase of 200% in its sales to Italy as compared with 1996, followed by Greece and Tunisia.

Exports increased by 24% as compared with 1996, reaching 215,290 tons; the increase affected refined olive oil and virgin olive oil and was welcomed by operators, while the rise in imports was due to the low-yield year as well as to a recovery in consumption. The United States was the main receiver of Italian exports, followed by Germany, France and Japan.

Trade in virgin olive oil recorded a worsening in the normalised balance as compared with 1996 due to a reduction in the value of exports and an increase in that of imports.

On a national level, the proposal and approval of Law no. 313/98 containing “Dispositions for the labelling of designation of origin of extra-virgin olive oil, virgin olive oil and olive oil” was extremely significant. The law, which concerns extra virgin olive oil, virgin olive oil and olive oil, specifies that a label may state “*produced in Italy* or *made in Italy*” only when the whole processing process (from harvesting of olives to bottling of oil) takes place in Italy. The law has, however, been challenged by the start of infraction procedures by the EU, which had invited Italy to suspend approval until 5th May 1999 because it considered the law to include technical norms for production which limit free circulation of goods within the EU. The Commission intends to issue regulations on the issue at Community level.

Chapter 18

Livestock production

Total world production of meat in 1997 was estimated at around 213 million tons, a slight increase as compared with the previous year. The EU ranked as the third largest producer of meat world-wide with production amounting to 34.3 million tons. In the EU France was the largest EU, with 6.6 million tons, slightly more than 1996. Over 46% of total production was in pork.

In 1997 the number of cattle in Italy fell to 7.3 million head, -0.6% as compared with 1996. The number of cattle slaughtered also fell, to 4.6 million head (-0.5%), with carcass production equivalent to 1.2 million tons. Meat production contracted about 3% (live weight), amounting to a reduction of 1.8% (dead weight).

Imports of breeding cattle into Italy amounted to 1,333 billion lire, a substantial rise as compared with the previous year, while purchases of cattle for slaughter were worth about 311 billion lire. The total cost of imports of fresh beef amounted to 2,028 billion lire, an increase compared to the previous year, while that of processed beef stood at around 400 billion lire. Italian exports totalled a value of 224 million lire, a 3% reduction as compared with 1996.

The upward trend in pork production recorded in 1996 continued in 1997. Numbers of pigs increased by 0.8% as compared with 1996, amounting to about 8 million; pork production exceeded 16 million quintals (live weight), equivalent to 10 million quintals (slaughter weight). The processing industry also made a good recovery in the valuable salted meats sub-sector (cured ham).

Imports of fresh and frozen pork stood at about 400 billion lire, compared with exports of only 13 billion lire. Semi-processed pork was a more significant component, with imports reaching 1,900 billion lire, a slight increase on the previous year. Processed meat was the most important element of export trade, amounting to about 1,000 billion lire overall.

Production of sheep and goat meat recorded a slight contraction (-2.3% dead weight) in 1997, partly compensated by the positive trend maintained by milk-based products. The number of animals increased by just 0.1%. to around 12.3 million. Imports of fresh and frozen meat were

mainly from France, Spain and the United Kingdom, while over 75% of semi-processed meat came from New Zealand. Export volumes were negligible.

National production of poultry reached 14.2 million quintals, a slight increase as compared with 1996. About 57% of production was chicken, 29% turkey and the remaining 14% other poultry.

The Italian balance of trade was negative for live animals in 1997 but recorded a surplus for fresh and frozen meat, at around 45 billion lire, reflecting the steady positive trend which began in 1994. The increased trade surplus was due to increased trade in semi-processed meat, worth over 150 billion lire.

Rabbit meat production in 1997 suffered a slight contraction after a decade of steady growth and amounted to about 2.2 million quintals (dead weight). The filière for rabbit production recorded a trade deficit of around 9 billion lire, a 70% reduction as compared with the previous year, due to a considerable reduction in imports (-37%) and substantial expansion in export sales (+69%).

There were few changes in dairy production or in the international markets for dairy products in 1997 as compared with the previous year. World production of cow's milk continued to increase, rising 1% in 1997, and amounting to over 471 million tons. Market conditions in the EU were also similar to 1996, with no significant reversals in trend.

The milk quotas problem in Italy badly hit the dairy sector, radically affecting the way in which all the operators in the filière have to work. Overall production of milk in Italy in 1997 remained the same as previous years. The increase in imports was considerably higher than that for exports. There was a significant increase in net imports of liquid milk and cheese, in contrast to a further reduction in imports of powdered milk. The increase in overall consumption was due essentially to increased demand for drinking milk, which rose by about one million quintals. The increase in demand was met exclusively by increased imports of packaged milk, which rose by almost 36%. In contrast, domestic production of milk for direct consumption remained practically unchanged. As regards derivatives, domestic dairy production recovered slightly, rising about 3%; production of mozzarella from buffalo milk and other fresh cheeses increased in particular, while the crisis involving production of pecorino cheese continued.

Foreign trade for the dairy sector did not record any significant changes, with the trade deficit amounting to about 3,150 billion lire. However, for the first time in over 15 years, cheese exports fell slightly (-1.3%).

Italian production of eggs reached 12 billion in number in 1997, an increase of 3% as compared with the previous year. Annual consumption per capita, however, remained almost unchanged at 222 units, of which 142 fresh and 80 in prepared foods. Of the 4.5 billion eggs used in prepared foods, about 2.1 billion eggs were used by the processing industry (47% by the confectionery sector, 37% by the pasta sector and 15% by other sectors) and about 2.4 billion eggs were used in local industry, particularly for ice-cream and bakery products. There was a significant improvement in foreign trade due to an increase in exports and a reduction in imports. Increased exports were mainly due to trade in egg yolks and egg whites, while sales of whole eggs fell by about 50%.

Italian production of honey, 11,000 tons in 1997, recorded somewhat poor and uneven results because of weather conditions that particularly affected spring production. Prices were higher than in previous years, due to only limited growth in world production and to increased demand for most kinds of honey. Italy imported about 12,000 tons of honey and exported only about 2,600 tons; the negative balance of trade stood at around 22 billion lire.

Aquaculture

In 1997 overall European production of farmed fish increased: salmon production (about 450,000 tons) rose 9% as compared with the previous year; trout production (292,000 tons) increased by 5% and eel production (8,140 tons) by 7%. In countries in the Mediterranean basin there was increased production of sea-bass and sea-bream.

On a national level, Italian aquaculture production was practically unchanged in volume, amounting to 218,000 tons, compared with 219,000 tons in 1996. Whilst there were increases in fish production sectors, notably trout farming (+3,000 tons) and in marine species (+1,350 tons overall for sea-bream, sea-bass and diplodus), production of molluscs fell (-7,000 tons of mussels and -300 tons of clams).

In contrast, the value of total output for aquaculture in 1997 was slightly higher than the previous year (+2.1%), rising from 929 billion to 950 billion lire. The increase was due mainly to production increases in some highly valuable commercial species such as sea-bream and sea-bass, compensating for the fall in mollusc production.

As regards havelings of marine species, there was a further increase in production between 1996 and 1997 (from 53.3 to 70.5 million units; +24%). This growth can be attributed not only to the improvement of techniques of reproduction and larval breeding but also to the increasing competitiveness in economic and technological terms of the Italian hatcheries which export a large proportion of production to other Mediterranean countries, and to Greece in particular. Moreover, the production of havelings of new species such as diplodus, pandoras, shi drum and dentex has increased further, to over 6 million units. Overall saleable output of marine havelings was estimated at around 38 billion lire.

The number of aquaculture plants was almost unchanged as compared with 1996 with the exception of a new farms for marine species using floating cages. As regards the marine species sector, in 1997 there were 65 intensive farms, 11 with submerged or floating cages and 20 hatcheries; for eel farming there were 120 intensive farms and 7 for producing baby eels. The overall number of intensive farms reached around 1,000 units besides the 63,485 hectares involved in extensive fish farming (fishing valleys and sea-water lakes).

As regards legislation, the Fifth Triennial Plan for fishing and aquaculture 1997-99 approved by the Ministry for Agricultural Policies (MiPA) assigned a strategic role to the development of aquaculture within the fishing sector. More specifically, it provides for different uses of coastal waters and, in an increasingly integrated vision, fish farming is considered as a measure of support in coincidence with the reduction in the intensity of fishing. The Fifth Plan also promotes the following objectives: the introduction of the latest technology in order to improve productivity and profitability; the correct use of the environment as a resource; the improvement of environmental competitiveness for existing plants; increased competitiveness of national production through quality certification; the enhanced use of extensive aquaculture as a form of environmental protection in wetland and lagoon areas; a limit to contributions in capital account, compensated by greater diffusion of contributions towards interest charges, in order to discourage entrepreneurs lacking the necessary managerial and technical experience from entering the sector; the stipulation of insurance policies for breeding stocks in order to safeguard enterprises from potential damage caused by adverse weather and environmental conditions; the review and technological updating of current national and EU health norms.

Prices of aquaculture fish products have fallen overall because of an increase in production both at national and European level. Producer prices "at farm gate" for white trout fell from 4,000 lire per kilo (300-400 g) in 1996 to 3,200 lire per kilo in 1997. Prices for eel, already down in 1996, also recorded a further reduction and weak markets due, it seems, to the introduction of large quantities of frozen eel from Asia to the German market, causing a surplus in supply. Producer prices for the *capitone* quality fell from 20,000 lire per kilo to 18,000 lire per kilo between 1996 and 1997 and from 16,500 to 13,500 lire per kilo for the *buratello* quality. Prices for marine species also fell, above all due to the increase in national production and the flow of imports from Greece at particularly competitive prices. Sea-bass weighing 350 g, quoted at around 16,000 lire per kilo in 1996 was worth only 15,000 lire per kilo in 1997, while prices for sea-bream remained stable at around 13,500 lire per kilo for the 350g size. Larger sea-bass and sea-bream fared better on the markets, fetching up to 5,000 lire per kilo more, for example, for fish over 800 g.

With an overall improvement in the trade deficit for the fish sector, foreign trade in some aquaculture species showed progress in 1997 (primarily trout and eels, both fresh and processed); mussel farming was the only category to suffer a net worsening in the balance of trade.

Fishing

A precautionary approach towards exploitation of marine resources and the achievement of sustainable fish stocks continued to be the main subjects of international agreements in 1997. The third Conference of Ministers for Fisheries, held in La Toya, Spain, focused on the important role international trade plays in determining situations of over-exploitation of resources. The main problems affecting the fish trade are linked to the new measures employed for quality control of products imported to the main consumer countries; many of the major importers have fully adopted the new HACCP system (Hazard Analysis Critical Control Point), the principal aim of which is to safeguard consumer health, but at the same time it requires significant efforts on the part of exporting countries.

Within the framework of agreements and international conventions stipulated by the Italian government was Italian adherence (Law no. 169 of 04/06/97) to the International Convention for the conservation of tuna fish in the Atlantic (ICAAT), extended to include the Mediterranean Sea, in which, together with others, both the Italian and French fleets operate. Adhesion requires the obligation to respect fishing quotas of red tuna established by the Convention.

On a national level, 1997 was the first year of implementation of the Fifth Triennial Plan for fishing and aquaculture, for the period 1997-1999. Its objectives are to modernise organisation and production, to expand aquaculture in general, and sea farming in particular, and to safeguard levels of employment. An important element of the Fifth Plan is the primary role given to the co-operative movement in the management of the sector: the plan provides for the creation of management consortia made up of the fishing enterprises registered with the Maritime offices responsible for homogeneous areas. It is intended to favour a more rational management of the coastal waters through increased involvement of local operators.

As regards the other objectives identified in the Fifth Triennial Plan – i.e. the expansion of aquaculture and sea farming activities – the main means considered for achieving them are the modernisation of production plants and improvements in their environmental compatibility.

Moreover, one of the main priorities set out in the Triennial Plan is that of improving the competitiveness of national fishing production, increasingly under pressure from foreign competition both for sea and freshwater production.

Besides the implementation of the Fifth Triennial Plan, there were some other very important initiatives regarding the management of the sector: the plan for the withdrawal or conversion of fishing vessels registered for fishing with drift nets; the plan for clams and the new regulations for bivalve mollusc fishing involving the introduction of self-managing consortia.

The total catch of fish for the Italian fleet amounted to 441,000 tons, a slight contraction of about 1.6% as compared to the previous year; gross saleable output was over 2,941 billion lire.

The competitiveness of the processing industry for fish products continued to worsen and production also fell. More specifically, there was a slow down in the sub-sector for the production of tuna and sardines in oil; furthermore, the difficulties regarding the supply of raw materials from domestic sources persisted, in particular for clams. In recent years the share of products processed from freshwater aquaculture has increased and, in particular the trend to integrate farming and processing has been further consolidated. Overall production reached 110,900 tons, worth 1,122 billion lire.

The trade deficit for the fish sector increased further by 1.7%. Imports increased by 2.4% in quantity and 8.8% in value while exports increased 5.6% in quantity and 15% in value. Considering trade by commercial group, an increase in imports of preserved fish was registered while import levels of fresh and frozen fish remained stable. As regards exports, there was a significant increase, both in volume and value, in processed products. Italy's main importers continue to be non-EU countries, while Italian exports are destined primarily for EU rather than non-EU countries.

Forestry

In this chapter five fundamental aspects of forestry are examined: the extension of the forest and woodland area, its state of health, the legislative provisions in favour of forestry, timber production and trade in timber, paper and allied materials.

The area given over to forest, currently estimated at 6.8 million hectares, has not changed greatly in the last twenty years, except for the increase in Mediterranean *macchia* and mixed high stands.

As regards reafforestation, implementation of some EU regulations, including Regulation no. 2080/92, have helped in the reafforestation of only 50,000 hectares, compared with the forecast of around 132,000 hectares, for a cost equivalent to 265 billion lire.

As regards forest fires, there were 11,600 fires and about 63,000 hectares were burnt. The State Forest Corps estimated damages to be about 201 billion lire. The Regions most affected by fire were Calabria, with around 16,500 hectares and Sicily, with 15,100 hectares.

Domestic timber production was estimated at around 8 million cubic metres, a slight increase as compared with 1996 (+0.8%). This growth in production was mainly due to increases in firewood (+5.1%), while timber for manufacturing showed a sharp fall (-4.9%).

The balance of trade in the timber sector was positive in monetary terms (+11,720 billion lire) and negative in terms of quantity (-8.9 million tons) with a balance that was positive in terms of value (+0.4%) and negative in terms of quantity (-14%) as compared with 1996, confirming the strength of exports in products with high value added (mainly furniture and furnishings) and the conclusion of the phase of surplus stocks that was a permanent feature of 1996, limiting imports of raw timber materials.

The industry of paper and allied products showed good progress: production of paper and card increased 8.3%; imports, favoured by the recovery in domestic demand, increased by 11.8%, while exports also increased, by 6.7%, due to the expansion in demand from Italy's main trading partners but also to a national export policy aimed principally at limiting prices. Turnover for the sector reached 10,450 billion lire, a slight increase (+1.5%) as compared with 1996.

TABLES

Tab. 1.3 - Gross domestic product at market prices (1)

	(billion lire)					
						% change
	1990	1995	1996	1997	1996 on 1995	1997 on 1996
Current prices						
Value added at market prices	1.232.875	1.667.330	1.764.948	1.836.617	5,9	4,1
Final goods and services (2)	1.052.284	1.441.608	1.520.852	1.579.396	5,5	3,8
agriculture, forestry, fishing	42.133	50.048	51.924	50.380	3,7	-3,0
industry	437.523	557.513	577.015	594.983	3,5	3,1
services	634.539	912.390	970.424	1.012.198	6,4	4,3
Non - marketable services	180.591	225.722	244.096	257.221	8,1	5,4
public administration	169.020	207.838	225.204	237.018	8,4	5,2
other	11.571	17.884	18.892	20.203	5,6	6,9
Constant (1990) prices						
Value added at market prices	886.569	1.305.024	1.313.982	1.331.766	0,7	1,4
Final goods and services (2)	777.288	1.119.472	1.128.966	1.147.263	0,8	1,6
agriculture, forestry, fishing	36.509	45.800	46.675	46.465	1,9	-0,4
industry	338.321	458.469	456.127	463.327	-0,5	1,6
services	446.162	684.972	695.215	707.364	1,5	1,7
Non - marketable services	109.281	185.552	185.016	184.503	-0,3	-0,3
Indirect taxes on imports	54.818	80.836	81.036	84.289	0,2	4,0
Gross domestic product at market prices	941.387	1.385.860	1.395.018	1.416.055	0,7	1,5

1 Provisional data for 1997.

2 Net of banking services.

Source: Relazione generale sulla situazione economica del paese (1997).

Tab. 1.4 - Consumption expenditure in Italy (1)

	(billion lire)					
					%	
	1990	1995	1996	1997	1990	1997
At current prices						
Food and drinks	156.305	194.917	200.411	200.945	19,3	16,4
Non-food	654.154	913.248	966.520	1.022.707	80,7	83,6
Tobacco	11.713	18.736	19.920	20.852	1,4	1,7
Clothing and shoes	81.056	101.082	101.526	106.841	10,0	8,7
Housing	92.138	154.026	168.809	180.119	11,4	14,7
Fuel and electricity	27.936	40.072	41.103	41.187	3,4	3,4
Household goods and services	75.819	101.544	103.499	107.365	9,4	8,8
Health expenditure	54.138	72.215	77.151	81.626	6,7	6,7
Transport	90.070	118.260	126.805	143.664	11,1	11,7
Communication	9.192	15.899	17.543	19.274	1,1	1,6
Recreation and cultural activities	73.190	95.925	99.439	103.318	9,0	8,4
Other goods and services	138.902	195.489	210.725	218.461	17,1	17,9
Final domestic consumption	810.459	1.108.165	1.166.931	1.223.652	100,0	100,0
Expenditure abroad by Italian residents	16.591	23.868	24.118	28.121	-	-
Expenditure in Italy by non-residents	23.664	46.809	46.259	50.757	-	-
Final domestic consumption	803.386	1.085.224	1.144.790	1.201.016	-	-
At constant (1990) prices						
Food and drinks		156.215	154.116	154.534	20,2	17,7
Non-food		688.743	697.805	717.532	79,8	82,3
Tobacco		11.316	11.364	11.426	1,4	1,3
Clothing and shoes		82.304	79.488	81.595	9,8	9,4
Housing		96.006	97.855	97.892	10,0	11,2
Fuel and electricity		29.234	29.784	29.240	3,8	3,4
Household goods and services		80.963	79.458	80.840	9,4	9,3
Health expenditure		57.713	59.595	60.940	6,4	7,0
Transport		88.684	91.153	101.617	11,8	11,7
Communication		13.372	14.666	16.022	1,3	1,8
Recreation and cultural activities		78.392	78.718	80.800	9,1	9,3
Other goods and services		150.759	155.724	157.160	16,8	18,0
Final domestic consumption		844.958	851.921	872.066	100,0	100,0
Expenditure abroad by Italian residents		14.769	15.574	17.759	-	-
Expenditure in Italy by non-residents		36.598	34.834	37.542	-	-
Final domestic consumption		823.129	832.661	852.283	-	-

1 Provisional data for 1997.

Source: Relazione generale sulla situazione economica del Paese (1997).

Tab. 2.2 - Percentage changes in agricultural producer prices in EU member states

	at current prices			at constant prices		
	1995/94	1996/95	1997/96	1995/94	1996/95	1997/96
Belgium	-7,6	5,8	1,7	-9,1	4,2	0,3
Denmark	2,9	2,5	-0,4	0,9	0,6	-3,2
Germany	-0,8	0,5	1,6	-3,1	-0,4	0,7
Grecia	1,3	3,1	0,4	-7,4	-4,9	-6,1
Spain	7,8	-0,7	-5,7	2,7	-3,6	-7,5
France	1,0	-2,7	1,8	-0,6	-3,8	0,7
Ireland	1,8	-3,6	-6,3	1,4	-4,6	-7,5
Italy	7,4	2,7	-1,9	2,3	-2,3	-4,3
Luxembourg	0,8	-5,6	2,8	-0,1	-6,5	15,7
Netherlands	-1,9	2,3	3,9	-3,2	0,9	1,9
Austria	-21,4	0,6	0,4	-23,2	-1,5	-0,9
Portugal	7,3	1,2	-5,1	2,2	-1,5	-8,5
Finland	-38,8	-1,0	-3,5	-40,2	-2,1	-4,3
Sweden	-1,9	-5,5	-1,6	-5,5	-6,4	-3,3
United Kingdom	8,4	-3,7	-11,6	6,0	-6,6	-13,9

Source: EUROSTAT.

Tab. 2.3 -Percentage changes in input prices in EU member states

	at current prices			at constant prices		
	1995/94	1996/95	1997/96	1995/94	1996/95	1997/96
Belgium	-0,2	4,6	-0,2	-1,9	3,0	-1,5
Denmark	0,2	2,3	0,7	-1,6	0,2	-1,9
Germany	1,1	3,0	2,0	-1,0	1,9	1,1
Greece	6,7	8,4	2,3	-2,3	-0,1	-4,4
Spain	3,3	3,8	1,8	-1,5	0,7	-0,2
France	0,9	2,6	1,9	-0,6	1,4	0,7
Ireland	2,3	3,1	-1,1	1,8	2,0	-2,5
Italy	8,0	4,3	-0,3	2,9	-0,7	-2,7
Luxembourg	-0,1	3,7	0,5	-1,1	2,7	-0,7
Netherlands	0,1	4,2	1,9	-1,9	3,4	0,0
Austria	0,0	7,5	2,0	-2,3	5,4	0,7
Portugal	2,8	2,4	-2,4	-2,1	-0,3	-5,8
Finland	-24,3	2,5	3,6	-26,2	1,3	2,7
Sweden	4,3	5,6	2,7	0,6	4,6	0,8
United Kingdom	3,8	1,1	-2,7	1,4	-1,9	-5,3
EU	1,9	3,4	1,0	-1,0	1,1	-0,9

Fonte: EUROSTAT.

Tab. 3.1 - The value of final output (1) and value added in agriculture and forestry (2)

(million lire)

	at current prices			at constant prices (1990)		
	1996	1997 value	%	1996	1997 value	% change
Agriculture						
Field crops	23.323.529	23.039.418	34,5	21.269.826	21.502.717	1,1
Cereals, of which:	6.719.588	5.650.172	8,5	6.550.053	6.188.965	-5,5
wheat	2.614.522	2.250.778	3,4	2.904.425	2.529.576	-12,9
Pulses	90.401	82.773	0,1	69.777	67.094	-3,8
Potatoes and vegetables	10.252.505	10.764.742	16,1	9.207.417	9.478.075	2,9
Industrial crops	2.377.435	2.724.181	4,1	2.260.231	2.630.730	16,4
Forage	166.000	174.250	0,3	161.848	165.753	2,4
Flowers and ornamental plants	3.717.600	3.643.300	5,5	3.020.500	2.972.100	-1,6
Tree crops	18.377.348	17.339.700	26,0	15.058.807	14.308.522	-5,0
Vines	7.549.047	6.744.145	10,1	5.693.793	5.084.061	-10,7
Olives	2.849.979	3.442.047	5,2	1.876.863	2.644.126	40,9
Citrus	2.010.808	2.078.831	3,1	1.734.439	1.937.349	11,7
Fruit	4.963.284	4.045.388	6,1	5.027.934	3.895.575	-22,5
fresh fruit	4.571.047	3.602.065	5,4	4.717.670	3.561.855	-24,5
nuts	392.237	443.323	0,7	310.264	333.720	7,6
Other	1.004.230	1.029.289	1,5	725.778	747.411	3,0
Livestock	26.873.260	26.376.011	39,5	23.285.275	23.325.172	0,2
Meat of which:	16.729.278	16.263.811	24,4	14.633.146	14.736.743	0,7
beef	6.202.258	5.986.434	9,0	5.647.389	5.596.548	-0,9
pork	4.562.834	4.649.254	7,0	3.978.384	4.090.799	2,8
poultry & rabbit	5.439.471	5.098.437	7,6	4.487.011	4.538.933	1,2
Milk	8.233.527	8.233.854	12,3	7.129.149	7.022.001	-1,5
Eggs	1.845.985	1.813.717	2,7	1.471.372	1.517.904	3,2
Honey	39.369	38.660	0,1	31.737	28.855	-9,1
Non-food livestock prod.s	25.101	25.969	-	19.871	19.669	-
Value of final output	68.574.137	66.755.129	100,0	59.613.908	59.136.411	-0,8
intermediate inputs	19.332.849	19.032.995	28,2	15.226.507	15.034.705	-1,3
Value added (3)	49.241.288	47.722.134	71,8	44.387.401	44.101.706	-0,6
subsidies	9.218.000	9.826.000	13,4	4.630.000	4.824.000	4,2
Value added at factor cost (4)	58.459.288	57.548.134	85,2	49.017.401	48.925.706	-0,2
indirect taxes	839.000	952.000	1,2	601.000	596.000	-0,8
Value added at market prices (5)	50.080.288	48.674.134	73,0	44.988.401	44.697.706	-0,6
Forestry						
Timber products of which (6):	957.396	987.432	98,0	679.932	693.566	2,0
wood for manufacturing	455.523	445.869	44,2	376.292	371.946	-1,2
firewood	501.873	541.563	53,7	303.640	321.620	5,9
Non-timber products	17.324	20.222	2,0	8.255	8.518	3,2
Value of final output	974.720	1.007.654	100,0	688.187	702.084	2,0
intermediate inputs	110.684	121.873	12,1	90.398	97.631	8,0
subsidies	23.000	27.000	2,7	16.000	16.000	-
Value added at factor cost	887.036	912.781	90,6	613.789	620.453	1,1
indirect taxes	9.000	9.000	0,9	8.000	8.000	-
Value added at market prices	873.036	894.781	88,8	605.789	612.453	1,1

- (1) Weighted average prices applied to marketable volumes, i. e. for crops, quantity harvested (excluding that not harvested or lost during harvest) net of that used on farm; for livestock, slaughter weight and annual increase in weight of national herd and of imported cattle.
- (2) Provisional data for 1997. For Regional data, see Appendix Tables A1 and A4 for agriculture; A5 for forestry.
- (3) Excluding production subsidies and indirect taxes
- (4) Including production subsidies, excluding indirect taxes.
- (5) Including indirect taxes, excluding production subsidies.
- (6) Value of utilised timber volumes.

Source: INEA calculations on ISTAT data.

Tab. 3.2 - The value of final output in agriculture by product group and geographical area, at 1990 prices.

	North west				North east				Centre				South inc. islands				Italy			
	1996	1997	% change		1996	1997	% change		1996	1997	% change		1996	1997	% change		1996	1997	% change	
Field crops	4,512,927	4,361,258	-3,4		4,658,996	4,893,321	5,0		3,536,052	3,532,799	-0,1		8,561,851	8,715,339	1,8		21,269,826	21,502,717	1,1	
Cereals	2,028,218	1,823,759	-10,1		1,878,295	1,930,649	2,8		1,094,257	1,039,896	-5,0		1,549,283	1,394,661	-10,0		6,550,053	6,188,965	-5,5	
Pulses	14,155	14,196	0,3		3,996	5,996	50,1		6,278	6,026	-4,0		45,349	40,876	-9,9		69,778	67,094	-3,8	
Potatoes, vegetables	779,563	756,562	-3,0		1,570,787	1,556,555	-0,9		1,411,315	1,424,296	0,9		5,445,752	5,740,662	5,4		9,207,417	9,478,075	2,9	
Industrial, flowers	1,631,888	1,706,189	4,6		1,161,739	1,354,890	16,6		996,706	1,034,443	3,8		1,490,397	1,507,308	1,1		5,280,730	5,602,830	6,1	
Forage	59,103	60,552	2,5		44,179	45,231	2,4		27,496	28,138	2,3		31,070	31,832	2,5		161,848	165,753	2,4	
Tree crops	1,279,173	1,227,029	-4,1		4,302,988	3,129,631	-27,3		1,837,209	1,723,483	-6,2		7,639,437	8,228,379	7,7		15,058,807	14,308,522	-5,0	
Vines	616,039	664,164	7,8		1,556,345	1,239,503	-20,4		824,867	700,541	-15,1		2,696,542	2,479,853	-8,0		5,693,793	5,084,061	-10,7	
Olives	31,972	21,632	-32,3		8,997	7,670	-14,7		218,195	232,142	6,4		1,617,699	2,382,682	47,3		1,876,863	2,644,126	40,9	
Citrus	346	399	15,3		-	-	-		7,299	8,305	13,8		1,726,794	1,928,645	11,7		1,734,439	1,937,349	11,7	
Fruit and nuts	490,927	396,760	-19,2		2,627,025	1,768,528	-32,7		490,184	476,977	-2,7		1,419,798	1,253,310	-11,7		5,027,934	3,895,575	-22,5	
Other	139,889	144,074	3,0		110,621	113,930	3,0		296,664	305,518	3,0		178,604	183,889	3,0		725,778	747,411	3,0	
Livestock	8,143,271	8,137,031	-0,1		7,379,785	7,407,805	0,4		2,791,786	2,801,898	0,4		4,970,433	4,978,438	0,2		23,285,275	23,325,172	0,2	
Meat	4,960,149	4,999,365	0,8		4,621,129	4,672,653	1,1		1,932,122	1,942,575	0,5		3,119,746	3,122,150	0,1		14,633,146	14,736,743	0,7	
Milk	2,792,989	2,737,574	-2,0		2,209,240	2,165,366	-2,0		650,054	645,243	-0,7		1,476,866	1,473,818	-0,2		7,129,149	7,022,001	-1,5	
Eggs and other	390,133	400,092	2,6		549,416	569,786	3,7		209,610	214,080	2,1		373,821	382,470	2,3		1,522,980	1,566,428	2,9	
Total	13,935,371	13,725,318	-1,5		16,341,769	15,430,757	-5,6		8,165,047	8,058,180	-1,3		21,171,721	21,922,156	3,5		59,613,908	59,136,411	-0,8	

1 Provisional data for 1997.

Source: INEA calculations on ISTAT data.

Tab. 3.4 - Intermediate inputs in agriculture by category of goods and services purchased (1)

	current prices (billion lire)			constant 1990 prices (billion lire)		
	1997		%	1996		% change on 1995
	1996	value		value	value	
Fertilisers	1.861,4	1.762,0	9,3	1.498,2	1.471,8	-1,8
Pesticides	1.371,2	1.359,7	7,1	1.046,6	1.023,8	-2,2
Seeds	1.040,6	1.065,9	5,6	852,8	894,3	4,9
Feedstuffs	9.275,7	8.914,3	46,8	7.525,5	7.352,5	-2,3
Other livestock expenditure	335,6	338,7	1,8	262,4	261,4	-0,4
Electricity	2.955,3	3.049,3	16,0	2.173,0	2.167,2	-0,3
Transport	155,4	202,0	1,1	133,2	132,1	-0,8
Irrigation water	338,1	348,3	1,8	246,6	250,3	1,5
Credit and insurance	987,6	909,6	4,8	685,4	636,6	-7,1
Various	1.011,9	1.083,2	5,7	802,9	844,8	5,2
Total	19.332,8	19.033,0	100,0	15.226,5	15.034,7	-1,3

1 Final data for 1996, provisional data for 1997. Regional data in Appendix Table A2 of the Italian version of the Annuario

Source: INEA calculations on ISTAT data.

Tab. 3.5 - Value added in agriculture, forestry and fishing at current and at constant prices (1) by geographical area (2)

	(billion lire)			
	Current prices		Constant (1990) prices	
	1996	1997 % change	1996	1997 % change
North-west	10.350,3	9.768,0	9.629,0	9.458,6
North-east	12.781,4	11.572,8	11.688,0	10.782,7
Centre	6.609,9	6.376,1	6.013,8	5.949,0
South and Islands	19.499,7	20.005,2	17.056,6	17.911,4
Italy	49.241,3	47.722,1	44.387,4	44.101,7
		-3,1		-0,6

1 Provisional data for 1997.

2 For value added by Region see Appendix tables A3, A5 and A6 in the Italian version of this Annuario.

Source: INEA calculations on ISTAT data.

Tab. 3.7 -The percentage share of agricultural production subsidies in Regional value added at factor cost and at current prices

	1993	1994	1995	1996	1997
Piemonte	11,3	10,9	12,0	14,9	18,7
Valle d'Aosta	30,7	36,0	29,5	37,9	43,8
Liguria	3,0	3,0	2,3	2,7	1,3
Lombardia	9,3	8,3	9,5	13,6	15,3
Trentino-Alto Adige	8,8	7,1	7,4	8,2	10,8
Veneto	14,5	13,1	13,3	13,7	15,8
Friuli-Venezia Giulia	16,6	15,9	17,4	21,6	22,8
Emilia-Romagna	10,5	9,1	9,4	11,9	14,5
Toscana	21,2	19,6	20,1	23,8	26,8
Umbria	26,8	23,4	28,8	30,2	32,8
Marche	17,6	14,6	15,4	18,2	20,1
Lazio	13,2	13,2	12,2	15,8	17,1
Abruzzo	13,2	11,6	12,9	12,5	12,6
Molise	24,5	25,0	25,6	26,0	27,3
Campania	14,9	15,1	16,3	16,1	17,3
Puglia	14,4	15,0	14,6	18,8	16,8
Basilicata	23,8	24,9	30,2	30,7	39,2
Calabria	14,9	20,5	17,4	19,3	16,0
Sicilia	14,9	14,5	11,3	16,2	16,4
Sardegna	24,3	21,8	22,8	25,3	25,3
Italy	14,1	13,5	13,8	16,4	17,6
North-west	9,3	8,6	9,7	13,2	15,4
North-east	12,3	10,9	11,4	12,9	15,3
Centre	18,3	16,7	17,5	20,9	22,8
South including islands	15,9	16,2	15,8	18,5	18,1

Source: INEA calculations on ISTAT data

Tab. 4.4 - Community funds requested by Producers' Organisations in the EU and in Italy (1)

	Final output 1996 (a)	Output of Organisations (2) (b)	% share (b)/(a)	Production of Operative plans (3) (c)	% share (c)/(b)	Finance requested (d)	Ratio % (d)/(b)	Maximum to be conceded (4) (e)	Ratio % (d)/(e)
Total EU	33.285	10.784	32,4	8.768	81,3	238,7	2,2	1.331	17,9
of which Italy	8.785	2.186	24,9	1.622	74,2	52,5	2,4	351,4	14,9
Spain	7.507	2.252	30,0	1.837	81,6	55,3	2,5	300,3	18,4
France	4.866	2.702	55,5	2.088	77,3	55,3	2,0	194,6	28,4
Germany	3.113	583	18,7	482	82,7	12,5	2,1	124,5	10,0
Netherlands	2.276	1.716	75,4	1.716	100,0	37,5	2,2	91	41,2
United Kingdom	1.691	478	28,3	296	61,9	7,8	1,6	67,6	11,5
Belgium	1.215	651	53,6	636	97,7	15,4	2,4	48,6	31,7
				(million ECU)					
Italy	17.186	-	-	3.190	18,6	104,5	-	687,5	15,2
of which: Emilia-Romagna	1.994	-	-	1.277	64,0	46,4	-	79,8	58,1
Trentino-Alto Adige	895	-	-	818	91,4	31,5	-	35,8	88,0
Sicilia	3.066	-	-	140	4,6	2,3	-	122,6	1,9
Puglia	2.615	-	-	137	5,3	2,4	-	104,6	2,3
Calabria	992	-	-	193	19,5	4,9	-	39,7	12,3
				(billion lire)					

1 Situation at 17/12/97, requests for financing presented at 30/6/97

2 Value of production passing through producers' associations, co-operatives and other forms of producers' organisations

3 Final output of producers' organisations which presented an operative programme, average 1994-96.

4 The maximum sum which can be requested is theoretically equivalent to 4% of the value of final output of each country or region

Source: Calculations by INEA and the agro-industrial observatory for Tuscany on data from Unaproa

Tab. 5.4 - Rates of growth of individual sectors of the Italian food industry

Sectors (1)	Overall growth 1990-1997 (%)	Average annual growth rate (%)	
		1990 to 1997	1996 to 1997
I - SECTORS WITH GROWTH RATES ABOVE THE AVERAGE OF THE FAST-GROWING SECTORS			
Pasta (15.85)	30,2	3,8	4,8
Industrial production of wine (15.93)	28,8	3,7	13,8
Mineral waters and non-alcoholic beverages (15.98)	25,6	3,3	6,8
Sugar (15.83)	21,4	2,8	22,1
Various food products (15.86+15.87+15.89)	21,2	2,8	4,2
Cocoa, chocolate, sweets, ice cream (15.84+15.52)	16,5	2,2	-2,8
Industrial cake-making and biscuits (15.82)	15,9	2,1	5,8
Fast growing sectors of the food industry I+ II+ III	12,5	1,7	3,1
II - SECTORS WITH GROWTH RATES ABOVE THE FOOD INDUSTRY AVERAGE (2)			
Food industry (I+II+III+IV)	7,0	1,0	2,7
III - SECTORS WITH GROWTH RATES BELOW THE FOOD INDUSTRY AVERAGE			
Meat and meat preparations (15.11+15.13)	4,8	0,7	3,9
Milling (15.61)	4,1	0,6	-1,5
Dairy (15.51)	3,8	0,5	-2,9
Dietary and infant foods (15.88)	1,5	0,2	3,8
IV - STAGNATING OR DECLINING SECTORS			
Margarine and treated vegetable oils (15.42+15.43)	-3,2	-0,5	-4,8
Processing fruit and vegetables (15.32+15.33)	-6,1	-0,9	5,2
Beer (15.96)	-7,7	-1,1	8,6
Fish processing and preserving (15.20)	-20,5	-3,2	2,7
Alcoholic beverages, spirits and liqueurs (15.91+15.92)	-21,7	-3,4	16,0

(1) Codes in brackets refer to the NACE Rev. 1 Classification. The following classes are excluded from the indicators of industrial production:

- 15.12 Production, processing and preserving of poultry.
- 15.31 Processing and preserving potatoes.
- 15.41 Production of oils and fats.
- 15.62 Production of starch-based products.
- 15.81 Production of fresh bread and cakes.
- 15.94 Production of cider and other fruit-based alcoholic beverages.
- 15.95 Production of other fermented but un-distilled beverages.
- 15.97 Production of malt.
- 15.99 Production of other alcoholic beverages.
- 15.7 Production of animal feeds.

(2) in 1997 no sector fell into this category

Source: INEA calculations on ISTAT data.

**Tab. 5.7 - The leading ten groups in the Italian agro-food industry:
estimates of turnover from the Italian-based operations**

		<i>(billion lire)</i>	
		1995	1996
Groupe Danone	(1)	4.928	5.023
Nestlé italiana	(3)	3.321	3.475
Barilla	(4)	3.316	3.240
Ferrero	(5)	2.848	3.141
Eridania B.S.	(2)	3.387	3.036
Unilever Italia	(6)	2.764	2.897
Parmalat finanziaria	(2)	2.668	2.521
Veronesi	(4)	1.949	2.151
CA-FIN	(4)	2.338	2.149
Philip Morris	(2)	1.901	1.825

(1) Sum of net turnover of the group's main Italian companies plus turnover of Star (held for 50%) and Birra Peroni (24.5%)

(2) Sum of net turnover of the Group's main Italian companies

(3) Consolidated turnover. Operations in the sector of mineral waters are excluded

(4) Consolidated turnover.

(5) Net turnover of Ferrero Spa

(6) Turnover of food products of Unilever Italy.

Source: INEA calculations on data from R&S and Mediobanca.

Tab. 6.1 - Italian foreign trade: total and for the agro-food sector, 1991-97

<i>(billion lire, current prices)</i>							
	1991	1992	1993	1994	1995	1996	1997
Imports							
Total	225.746	232.111	232.191	270.063	332.416	319.396	354.456
Agro-food	33.126	32.682	34.536	39.007	44.230	42.320	44.085
Agro-food: total	14,7	14,1	14,9	14,4	13,3	13,3	12,4
Exports							
Total	209.729	219.436	265.092	305.479	376.786	386.946	405.732
Agro-food	15.202	16.352	19.220	21.768	26.181	26.740	27.501
Agro-food: total	7,2	7,5	7,3	7,1	6,9	6,9	6,8
Balance							
Total	-16.017	-12.674	32.901	35.416	44.370	67.550	51.276
Agro-food	-17.924	-16.330	-15.316	-17.239	-18.049	-15.580	-16.584
Non-agro-food	1.906	3.656	48.218	52.655	62.419	83.130	67.860
Normalised balance (%)							
Total	-3,7	-2,8	6,6	6,2	6,3	9,6	6,7
Agro-food	-37,1	-33,3	-28,5	-28,4	-25,6	-22,6	-23,2
Non-agro-food	0,5	0,9	10,9	10,2	9,8	13,0	9,9

Source: INEA, Il commercio estero dei prodotti agroalimentari. Rapporto 1997.

Tab. 6.3 - Italian foreign trade in agro-food products by country groups

	billion lire			% AA su Totale		Normalized balance
	imports	exports	balance	imports.	esport.	
1997						
EU	29.521	18.066	-11.455	13,9	8,2	-24,1
Other developed countries	3.599	4.908	1.309	7,4	7,6	15,4
CEECs	1.087	903	-184	8,1	4,4	-9,2
Other Eastern European countries	1.051	1.219	168	11,2	9,4	7,4
Mediterranean countries of Europe, Africa, Asia	1.442	909	-533	7,7	3,8	-22,7
Rest of the world	7.385	1.496	-5.890	14,3	2,4	-66,3
WORLD TOTAL	44.085	27.501	-16.584	12,4	6,8	-23,2
1996						
EU	28.734	17.821	-10.913	14,9	8,4	-23,4
Other developed countries	3.483	4.523	1.040	7,9	7,4	13,0
CEECs	998	930	-69	9,1	5,2	-3,6
Other East European countries	1.186	1.156	-30	13,2	10,1	-1,3
Mediterranean countries of Europe, Africa, Asia	1.291	856	-435	7,3	3,8	-20,2
Rest of the world	6.628	1.454	-5.174	14,6	2,4	-64,0
WORLD TOTAL	42.320	26.740	-15.580	13,3	6,9	-22,6

Source: INEA, Il commercio estero dei prodotti agroalimentari. Rapporto 1997.

Tab. 6.5 - Foreign trade in agro-food products, by sub-sector, 1997

(billion lire, current prices)

	Imports	%	Exports	%	Balance	Normalised balance
Cereals	2.792,8	6,3	120,2	0,4	-2.672,6	-91,7
Fresh vegetables and legumes	485,4	1,1	1.219,4	4,4	734,0	43,1
Dried vegetables and legumes	145,6	0,3	35,2	0,1	-110,4	-61,1
Citrus	237,6	0,5	180,4	0,7	-57,2	-13,7
Fresh fruit	1.392,7	3,2	2.950,3	10,7	1.557,6	35,9
Dried fruit	540,3	1,2	230,5	0,8	-309,8	-40,2
Coarse fibrous crops	1.175,9	2,7	22,9	0,1	-1.153,0	-96,2
Oilseeds	603,3	1,4	36,5	0,1	-566,8	-88,6
Coffee, tea, spices	1.768,1	4,0	70,2	0,3	-1.697,9	-92,4
Flowers and ornamental plants	528,3	1,2	567,6	2,1	39,3	3,6
Uncured tobacco	291,1	0,7	345,5	1,3	54,4	8,5
Live animals, food sector	2.349,5	5,3	106,8	0,4	-2.242,7	-91,3
of which cattle	1.714,7	3,9	73,2	0,3	-1.641,5	-91,8
Other live animals	45,5	0,1	5,7	0,0	-39,8	-77,6
Other livestock products	1.080,8	2,5	54,4	0,2	-1.026,4	-90,4
Forestry products	1.570,8	3,6	274,7	1,0	-1.296,1	-70,2
of which timber	1.071,4	2,4	17,5	0,1	-1.053,9	-96,8
Game and fishing	1.242,7	2,8	322,6	1,2	-920,1	-58,8
Other	436,4	1,0	230,4	0,8	-206,0	-30,9
Total, primary sector	16.686,9	37,9	6.773,2	24,6	-9.913,7	-42,3
Cereal derivatives	581,8	1,3	4.288,6	15,6	3.706,8	76,1
of which pasta	11,2	0,0	1.927,8	7,0	1.916,6	98,8
Sugar and confectionery	1.239,1	2,8	1.190,9	4,3	-48,2	-2,0
Fresh and frozen meat	5.780,5	13,1	975,6	3,5	-4.804,9	-71,1
Processed meat	236,3	0,5	977,5	3,6	741,2	61,1
Processed and preserved fish	3.248,2	7,4	326,5	1,2	-2.921,7	-81,7
Processed vegetables	945,3	2,1	1.605,0	5,8	659,7	25,9
Processed fruit	549,4	1,2	1.229,1	4,5	679,7	38,2
Dairy products	4.811,1	10,9	1.664,2	6,1	-3.146,9	-48,6
of which milk	1.325,9	3,0	3,1	0,0	-1.322,8	-99,5
cheese	1.951,1	4,4	1.303,5	4,7	-647,6	-19,9
Oils and fats	3.082,8	7,0	1.577,4	5,7	-1.505,4	-32,3
Oilseed cake and flours	1.811,3	4,1	344,5	1,3	-1.466,8	-68,0
Drinks	1.362,8	3,1	4.745,6	17,3	3.382,8	55,4
of which wine	270,6	0,6	3.571,8	13,0	3.301,2	85,9
Other, industrial food products	3.749,9	8,5	1.802,9	6,6	-1.947,0	-35,1
Total food industry	27.398,5	62,1	20.728,0	75,4	-6.670,5	-13,9
TOTAL AGRO-FOOD	44.085,4	100,0	27.501,2	100,0	-16.584,2	-23,2

Source: INEA, Il commercio con l'estero dei prodotti agroalimentari, Rapporto 1997.

Tab. 6.8 -The Italian agro-food balance sheet

					% change (2)	
					1997/90	1997/96
billion lire, current prices						
VFO agriculture, forestry and fishing		58.366	72.018	70.174	20,2	-2,6
Value added, food industry		30.438	44.601	46.190	51,8	3,6
Total agro-food industry	(P)	88.804	116.619	116.364	31,0	-0,2
Imports	(I)	30.438	42.320	44.085	44,8	4,2
Exports	(E)	13.614	26.740	27.501	102,0	2,8
Net imports	(I-E)	16.824	15.580	16.584	-1,4	6,4
Total trade	(I+E)	44.052	69.060	71.586	62,5	3,7
Estimated domestic consumption	(C = P+I-E)	105.628	132.199	132.948	25,9	0,6
indices						
Degree of self-sufficiency. (%)	(P/C)	84,1	88,2	87,5	3,5	-0,7
Propensity to import (%)	(I/C)	28,8	32,0	33,2	4,3	1,1
Propensity to export (%)	(E/P)	15,3	22,9	23,6	8,3	0,7
Average degree of openness	((I+E)/(C+P))	22,7	27,8	28,7	6,1	1,0
Normalised balance (%)	((E-I)/(E+I))	-38,2	-22,6	-23,2	15,0	-0,6
Degree of trade cover (%)	(E/I)	44,7	63,2	62,4	17,7	-0,8

1 Provisional data.

2 For indices, the simple difference between one year and the next.

Source: INEA calculations on ISTAT data.

Tab. 7.1 - The structure of the Italian distributive sector. (1)

	1995	1996	1997	% change 1997-96
Retail, of which	627.165	575.230	508.922	-11,5
food	220.856	203.085	181.964	-10,4
Wholesale, of which	125.667	115.901	101.344	-12,6
food	42.079	39.081	34.667	-11,3
Hypermarkets	210	225	230	2,2
Supermarkets	4.198	4.787	5.207	8,8
Discount stores (2)	2.210	2.359	2.528	7,2
Large stores	820	841	902	7,3
Cash and Carry	297	293	288	-1,7
Bars etc.	207.365	197.365	184.009	-6,8

1 Data at 1st January.

2 Data at year end.

Source: Mica 1995 and Nielsen 1998.

Tab. 7.2 - Retail stores (1)

	(thousand)					
	Number			% annual change		
	food	non food	total	food	non food	total
1995	220,9	406,3	627,2	-9,4	-9,2	-9,3
1996	203,1	372,1	575,2	-8,0	-8,4	-8,3
1997	181,0	328,0	508,9	-10,9	-11,9	-11,5

1 Data at 1st January.

Source: MICA, 1997.

Tab. 7.6 - Supermarkets and hypermarkets by size, 1997

sq. m		Fresh			Frozen		
		m.l. (1) fresh produce	% change 1997/98	% total area	m.l. (1) frozen	%change 1997/96	area %
Supermercati							
400-600	52,1	38	5,6	8,3	12	0,0	2,6
601-1000	28,6	54	1,9	6,6	17	-5,6	2,1
> 1000	19,3	85	-4,5	5,8	29	-3,3	2,0
Total	100,0	52	2,0	6,9	17	0,0	2,2
Hypermarkets							
< 3000	22,4	113	-1,7	4,3	46,0	-4,2	1,8
from 3000 to 5000	38,4	157	6,8	4,4	55,0	3,8	1,5
from 5000 to 7000	20,5	234	-3,3	4,2	81,0	-4,7	1,4
> 7000	18,7	356	-1,7	3,8	92,0	7,0	1,0
Total	100,0	200	0,0	4,1	65,0	0,0	1,3

(1) linear metres

Source: Nielsen, 1998

Tab. 7.8 Groups in modern retailing in Italy, 1996

	Sales (billion lire)	% change 1996/95	Sales outlets (n.)	Sales area (000 mq)	Employees (n.)
Chains (1)					
Rinascente (2)	6.403	6,9	383	820	16.528
GS (2)	4.509	14,8	421	353	9.628
Standa (2)	3.791	-5,9	483	668	12.225
Esselunga (3)	3.711	14,0	86	150	6.819
Metro (4)	2.839	10,5	38	241	5.068
Pam (4)	2.396	9,1	310	266	6.315
Finiper (2)	2.375	8,0	14	108	6.000
Sun (consorzio) (2)	1.949	8,2	218	311	-
Lombardini (2)	1.893	24,0	495	259	2.560
Gruppo G (Garosci) (4)	1.703	9,4	250	145	3.220
Coin (4)	1.208	-5,3	-	-	4.132
Total	37.450	4,2	2.890	-	-
Vertical associations					
Mdo (2)	7.870	-	3.390	1.008	-
A&O Selex (2)	5.570	15,5	1.319	640	11.075
Végé (2)	3.850	-	-	-	-
Despar (4)	5.110	1,3	2.273	666	14.330
C3 (2)	3.950	-	740	470	-
Unvo (4)	2.145	7,3	1.411	380	-
Total	29.225	10,1	9.133	3.164	-
Cooperatives					
Coop Italia (2)	13.141	7,9	1.275	877	33.914
Total	13.141	7,9	1.275	877	33.914
Horizontal associations					
Crai (4)	6.040	1,0	-	-	-
Sisa (2)	5.100	12,3	895	427	-
Conad (4)	4.646	10,0	2.493	780	-
Sigma (2)	3.250	4,8	2.412	541	13.870
Total	19.036	6,8	5.800	1.748	-

(1) Modern retailing outlets are included in this group

(2) Including VAT

(3) Estimate

(4) Excluding VAT

Source: Largo Consumo

Tab. 7.9 - Food consumption - new time series

	Current prices					Constant 1990 prices			(billion lire)
	1990	1995	1996	1997	1990	1995	1996	1997	
Total consumption, food and beverages	156.305	194.917	200.411	200.945	156.305	156.215	154.116	154.534	
Bread and cereals	18.634	24.272	24.940	25.028	18.634	18.966	19.160	19.179	
Meat	43.159	51.827	51.412	51.911	43.159	42.259	40.425	41.042	
Fish	9.845	11.517	11.899	12.037	9.845	9.650	9.642	9.671	
Milk, cheese, eggs	22.199	29.172	30.924	30.385	22.199	22.786	23.092	22.585	
Oils and fats	5.897	7.335	8.227	8.199	5.897	5.658	5.432	5.454	
Fruit and vegetables	32.840	39.026	39.992	39.857	32.840	33.053	32.406	32.603	
Potatoes	1.662	2.645	2.241	2.128	1.662	1.594	1.608	1.583	
Sugar	1.880	2.703	2.766	2.764	1.880	1.886	1.829	1.871	
Coffee, tea, cocoa	3.386	4.887	4.919	5.030	3.386	3.417	3.480	3.507	
Other	4.920	6.519	6.952	7.241	4.920	5.299	5.409	5.472	
Non-alcoholic beverages	3.131	4.621	4.961	5.047	3.131	3.636	3.659	3.728	
Alcoholic beverages	8.752	10.393	11.178	11.318	8.752	8.011	7.974	7.839	
Total non-food consumption	654.154	913.248	966.520	1.022.707	654.154	688.743	697.805	717.532	
Total final domestic consumption	810.459	1.108.165	1.166.931	1.223.652	810.459	844.958	851.921	872.066	

Source: Ministero del Tesoro, bilancio e programmazione economica, Relazione generale sulla situazione economica del Paese (1997).

Tab. 7a – List of Italian agro-food products recognised as Denomination of Protected Origin (DPO) and Protected Geographical Indication (PGI) (1)

Cheeses	Fruit & vegetables, cereals and bakery	Olive oil	Salumi e Carni
DPO Asiago Bitto Bra Caciocavallo Silano Caciotta d'Urbino Canestrato Pugliese Formai de Mut dell'alta Valle Brembana Gorgonzola Grana Padano Pecorino Siciliano Montasio Monte Veronese Castelmagno Fiore Sardo Fontina Mozzarella di Bufala Campana Murazzano Pecorino Toscano Parmigiano Reggiano Pecorino Romano Pecorino Sardo Provone Valpadana Quartirollo Lombardo Ragusano Raschera Robiola di Roccaverano Taleggio Toma Piemontese Valle d'Aosta Fromadzo Valtellina Casera	PGI Arancia Rossa di Sicilia Cappero di Pantelleria Castagna di Montella Clementine di Calabria Fagiolo di Lamon della Vallata Bellunese Fagiolo di Sarconi Farro di Garfagnana Fungo di Borgotaro Lenticchia di Castelluccio di Norcia Marrone del Mugello Marrone di Castel del Rio Nocciola del Piemonte Nocciola di Giffoni (SA) Pane casareccio di Genzano Peperone di Senise Pera dell'Emilia-Romagna Pera Mantovana Pesca e nettarina di Romagna Radicchio Rosso di Treviso Radicchio Variegato di Castelfranco Riso Nano Vialone Veronese Scalogni di Romagna Uva di Canicatti	DPO Aprutino Brisighella Bruzio Canino Cilentio Collina di Brindisi Colline Salernitane Colline Teatine Dauno Garda Laghi Lombardi Monti Iblei Penisola Sorrentina Riviera Ligure Sabina Terra di Bari Terra d'Otranto Umbria Valli Trapanesi	DPO Capocollo di Calabria Coppa Piacentina Culatello di Zibello Pancetta di Calabria Pancetta Piacentina Prosciutto di Carpegna Prosciutto di Modena Prosciutto di Parma Prosciutto di S.Daniele Prosciutto Toscano Prosciutto Veneto Berico-Euganeo Salame Brianza Salame di Varzi Salame Piacentino Salsiccia di Calabria Soppresata di Calabria Valle d'Aosta Jambon de Bosses Valle d'Aosta Lard d'Amad
	DPO Toscano	PGI Bresaola della Valtellina Mortadella Bologna Prosciutto di Norcia Speck dell'Alto Adige Vitellone bianco dell'Appennino centrale	

(1) Updated to Reg. EC 1549/98.

Tab. 7.15 - Agro-food products in the EU recognised as DPO and PGI (1)

	cheese	meat	preserved meat	fruit & veg.	oils, fats	waters	beers	honey(2)	cider	fish	bakery and confectionery	non food (3)	resins	Total
France	37	45		10	3	-	-	3	-	-	1	2	-	102
Italy	30	1		24	20	-	-	-	-	-	1	-	-	98
Greece	20	-	-	28	22	-	-	1	-	1	1	1	2	76
Portugal	10	19	12	18	5	-	-	9	-	-	-	-	-	73
Germany	4	6	1	-	1	31	11	-	-	1	3	-	-	58
Spain	11	5	6	11	4	-	-	1	-	-	2	-	-	40
United Kingdom	9	5	-	1	-	-	3	1	3	1	-	-	-	23
Austria	6	-	1	2	1	-	-	-	-	-	-	-	-	10
Holland	3	-	-	1	-	-	-	-	-	-	-	-	-	4
Luxembourg	-	1	1	-	1	-	-	1	-	-	-	-	-	4
Belgium	1	-	1	-	1	-	-	-	-	-	-	-	-	3
Denmark	2	-	-	1	-	-	-	-	-	-	-	-	-	3
Finland	-	-	-	1	-	-	-	-	-	-	-	-	-	1
Sweden	1	-	-	-	-	-	-	-	-	-	-	-	-	1
Total	134	82	45	97	58	31	14	16	3	3	8	3	2	496

(1) Situation up-dated to Reg. (EC) 1549/98 and Reg. (EC) 2139/98. The list includes products recognised according to art. 17 and art. 6 of Reg (EC) 2081/92.

(2) Including other products of animal origin such as products based on eggs.

(3) Including essences and hay (Hay of Crau).

Tab. 7.16 - Inspections for fraud control carried out by main sector - 1997

	Total firms	Firms investigated		Firms not conforming		Violations of administrative procedures		Confiscations	
		(n.)	% of total	(n.)	% of checked	Notification of offence	(n.)	(kg)	value (x 1.000)
Wines	65.932	5.405	8,2	1.148	21,2	149	72	1.038.085	1.414.266
Dairy	13.093	1.896	14,5	208	11,0	135	36	10.982	91.511
Oils and fats	7.949	1.005	12,6	132	13,1	132	62	569.290	2.114.118
Sugars (1)	3.166	356	11,2	209	58,7	5	4	122.307	245.769
Pasta	4.512	358	7,9	51	14,2	5	0	0	0
Preserved vegetables	1.950	522	26,8	37	7,1	12	4	1.227	17.034
Feedstuff and their additives	2.745	580	21,1	136	23,4	37	18	258.810	140.273
Additives	143	9	6,3	4	44,4	0	6	3.950	9.422
Fertiliser	1.803	606	33,6	227	37,5	8	55	495.614	178.201
Seeds	4.652	685	14,7	188	27,4	11	31	120.719	138.733
Liqueurs	1.362	166	12,2	23	13,9	7	3	2.238	2.848
Eggs	2.119	647	30,5	63	9,7	3	4	2.176	4.662
Pharmaceuticals	549	74	13,5	17	23,0	0	2	191	1.614
Honey	1.271	257	20,2	42	16,3	7	0	0	0
Rice	793	205	25,9	59	28,8	14	8	14.280	28.684
Alcoholic beverages	1.005	68	6,8	3	4,4	0	0	0	0
EC butter	5.669	523	9,2	13	2,5	3	1	280	1.512
Citrus (imported)	1.556	305	19,6	36	11,8	4	32	81.248	130.816
Other sectors	4.323	292	6,8	57	19,5	24	7	1.835.440	128.505
Sales points for agriculture	3.559	781	21,9	77	9,9	3	0	0	0
Sales points for food	12.269	2.020	16,5	219	10,8	32	0	0	0
Restaurants and bar	1.716	376	21,9	10	2,7	4	0	0	0
Total	142.136	17.136	12,1	2.959	17,3	595	4.335	4.556.837	4.647.968

(1) The high percentage of firms not conforming to the rules is because many offences concerned non-observance of obligations relating to packing lists to accompany sugar derivatives. Since these checks are carried out in the office, only the non-conforming firms are recorded: this accounts for the anomalous ratio to the total number of firms checked.

Source: Ispettorato centrale repressione frodi.

Tab. 8.1 - Dimensions of industrial sectors producing inputs for agriculture in Italy

	Fertilisers	Phyto- farmaceuticals	Veterinary prod.s and feed additives	Seeds (1)	Feed concentrates	Agricultural machinery	Total inputs
Turnover (billion lire)							
1995	1.600	1.382	700	680	7.800	8.093	20.255
1996	1.650	1.395	720	750	7.800	8.933	21.248
1997	1.650	1.416	710	780	7.900	9.320	21.776

(1) INEA estimates from various sources.

Source: Inea calculations on data from Federchimica (Assofertilizzanti, Agrofarma, AISA), Assalzoo, UNACOMA.

Tab. 8.3 -Production of certified seeds in Italy, 1990-97

	Quantities of seed officially certified (000 quintals)		Annual average growth rate		
	1996	1997	1990 to 1997	1995 to 1996	1996 to 1997
Durum wheat	2.798,8	3.354,7	11,9	26,4	19,9
Soft wheat	1.332,3	1.257,8	1,9	5,9	-5,6
Rice	516,0	535,5	2,8	6,1	3,8
Hybrid maize	93,4	114,7	6,4	-17,9	22,9
Barley	343,4	398,6	-4,4	6,8	16,1
Other cereals	28,0	29,4	-8,4	-10,2	5,2
Medica	31,8	32,5	-5,8	-46,9	2,2
Lucerne	65,0	55,1	17,9	14,9	-15,3
Loietto italico	28,1	56,2	33,6	16,9	100,2
Other forage cereals	3,9	3,5	66,8	38,7	-11,9
Soya	51,3	18,4	29,5	68,1	-64,1
Other oilseed and fibre crops	10,3	11,0	-2,0	-8,8	6,8
Potatoes	182,6	194,8	0,3	-2,0	6,7
Sugar beet	62,7	87,9	8,2	-8,4	40,2
Beet for forage	6,5	2,8	-12,6	47,6	-57,1
Commercial seeds	6,2	5,8	-31,1	-21,5	-6,8
Total quantity certified	5.609,0	6.207,3	5,9	14,1	10,7
Total area inspected	221,3	226,8	3,9	16,6	2,5

(1) Seed for crops subject to official registration

Source: INEA calculations on data from ENSE

Tab. 9.1 - Expenditure of the EAGGF-Guarantee Section by product

	Total EC				Italy				Italy/EC	
	million ECU		%		million ECU		%		%	
	1996	1997	1996	1997	1996	1997	1996	1997	1996	1997
Arable crops										
of which:	16.372	17.462	41,9	42,9	2.033	2.208	48,2	43,1	12,4	12,6
cereals	10.826	12.209	27,7	30,0	1.496	1.605	35,4	31,3	13,8	13,1
oilseeds	2.381	2.439	6,1	6,0	325	447	7,7	8,7	13,6	18,3
protein crops	523	525	1,3	1,3	6	8	0,2	0,2	1,2	1,5
other	371	386	0,9	0,9	11	3	0,3	0,1	2,9	0,8
set-aside	2.271	1.904	5,8	4,7	195	145	4,6	2,8	8,6	7,6
Sugar	1.711	1.608	4,4	4,0	109	84	2,6	1,6	6,4	5,2
Olive oil	2.008	2.207	5,1	5,4	636	983	15,1	19,2	31,7	44,5
Dried forage and legumes	365	367	0,9	0,9	49	43	1,1	0,8	13,3	11,6
Textile crops and silk worms	832	907	2,1	2,2	-	-	-	-	-	-
Fruit and vegs.	1.589	1.569	4,1	3,9	405	415	9,6	8,1	25,5	26,4
Vine products	782	1.030	2,0	2,5	339	441	8,0	8,6	43,4	42,8
Tobacco	1.026	998	2,6	2,5	395	395	9,4	7,7	38,6	39,6
Other crops.	295	274	0,8	0,7	42	72	1,0	1,4	14,3	26,2
Sub-total I - Crops	24.980	26.423	63,9	65,0	4.009	4.640	95,0	90,6	16,0	17,6
Dairy prods.	3.582	3.101	9,2	7,6	178	-110	4,2	-2,1	5,0	-3,5
Beef	6.687	6.675	17,1	16,4	283	317	6,7	6,2	4,2	4,7
Sheep and goat meat	1.321	1.425	3,4	3,5	158	121	3,7	2,4	12,0	8,5
Pork	124	479	0,3	1,2	5	5	0,1	0,1	4,0	1,0
Eggs and poultry	139	79	0,4	0,2	1	1	-	-	0,9	0,8
Other livestock prods.	116	94	0,3	0,2	-	-	-	-	-	-
Fish prods.	34	34	0,1	0,1	-	-	-	-	-	-
Sub-total II Livestock prods.	12.003	11.887	30,7	29,2	625	333	14,8	6,5	5,2	2,8
Non-annexe II prods.	491	566	1,3	1,4	24	27	0,6	0,5	4,8	4,7
Restitutions, food aid	29	15	0,1	-	11	4	0,3	0,1	38,5	26,0
Free distribution	102	282	0,3	0,7	8	88	0,2	1,7	8,1	31,4
Fraud control	29	43	0,1	0,1	-	-	-	-	-	0,7
Rural development	499	-	1,3	-	47	-	1,1	-	9,3	-
Other measures	225	258	0,6	0,6	-	5	-	0,1	-	1,8
Income support	20	5	-	-	3	-	0,1	-	13,8	-
Accompanying measures	1.852	2.065	4,7	5,1	87	418	2,1	8,2	4,7	20,2
Sub-total III	3.247	3.233	8,3	7,9	179	542	4,2	10,6	5,5	16,8
Total agric. expenditure	40.230	41.543	102,9	102,1	4.814	5.515	114,1	107,7	12,0	13,3
Closure and previous balances	-1.123	-868	-2,9	-2,1	-594	-394	-14,1	-7,7	52,9	45,4
Total EAGGF-Guarantee Section	39.108	40.675	100,0	100,0	4.220	5.121	100,0	100,0	10,8	12,6

Source: INEA calculations on data from EU.

Tab. 9.5 - Implementation of structural programmes for Italian rural areas

(situation at 31/12/97)

	Total cost	Allocation	Payments	Planning capacity	Spending capacity	Utilisation capacity
		000 ecu			%	
	1	2	3	4=2/1	5=3/1	6=3/2
Objective 1 Regions)	4.307.902	1.955.392	1.160.479	45,4	26,9	59,3
Regional OP FEOGA share	3.948.247	1.862.444	1.070.969	47,2	27,1	57,5
Multiregional OP	359.655	92.948	89.510	25,8	24,9	96,3
Non-Objective 1 Regions	6.888.309	3.151.175	1.431.950	45,7	20,8	45,4
Single Planning Docs. Ob. 5b	4.717.560	2.455.953	875.580	52,1	18,6	35,7
Objective 5a	2.170.749	695.222	556.370	32,0	25,6	80,0
- direct action	733.349	158.522	19.670	21,6	2,7	12,4
- indirect action	1.437.400	536.700	536.700	37,3	37,3	100,0
PIC Leader II	753.900	8.657	5.260	1,1	0,7	60,8
Objective 1 Regions	380.200	8.657	5.260	2,3	1,4	60,8
Objective 5b Regions	373.700	-	-	-	-	-
Total structural funds	11.950.111	5.115.224	2.597.689	42,8	21,7	50,8
Reg. 2078/92	1.074.000	806.210	806.210	75,1	75,1	100,0
Reg. 2079/92	291.900	663	663	0,2	0,2	100,0
Reg. 2080/92	494.000	139.937	139.937	28,3	28,3	100,0
Total accompanying measures	1.859.900	946.810	946.810	50,9	50,9	100,0
Total MECU	13.810.011	6.062.034	3.544.499	43,9	25,7	58,5

Source: Sistema informativo ragioneria generale dello Stato (SIRGS).

Tab. 9.6 - Implementation of Programmes for Objective 1 regions
(situation at 31/12/97)

	Total cost	Allocation 000 ecu	Payment	Planning capacity	Spending capacity %	Utilisation capacity
	1	2	3	4=2/1	5=3/1	6=3/2
MOP Support to agricultural development	231.429	92.242	89.196	39,8	38,5	96,7
MOP Promotion of agricultural production	120.000	706	314	0,6	0,3	44,4
MOP Support to horticultural producers' assoc. ns	8.226	-	-	-	-	-
OP Single fund, Abruzzo	187.570	147.730	74.537	78,8	39,7	50,5
POP Basilicata	392.594	228.005	115.261	58,1	29,4	50,6
OP Single fund, Calabria	501.952	228.517	127.112	45,5	25,3	55,6
POP Campania	506.969	211.179	120.607	41,7	23,8	57,1
SG Livestock Regione Campania	66.470	-	-	-	-	-
POP Molise	205.731	72.292	44.173	35,1	21,5	61,1
POP Puglia	710.202	304.831	154.384	42,9	21,7	50,6
POP Sardegna	644.014	328.481	232.215	51,0	36,0	70,7
POP Sicilia	732.745	341.409	202.680	46,6	27,7	59,4
Total	4.311.622	1.955.391	1.160.479	45,4	26,9	59,3

Source: SIRGS.

Tab. 9.9 - Objective 5b Regional programmes - state of implementation by types of investment
(situation at 31/12/97)

	Total cost	Allocation	Payments	Planning capacity	Spending capacity	Utilisation capacity
		000 ecu			%	
	1	2	3	4=2/1	5=3/1	6=3/2
Total EAGGF	1.405.589	848.112	271.897	60,3	19,3	32,1
Infrastructure	229.778	126.921	34.199	55,2	14,9	26,9
Adaptation of agricultural structure	816.204	540.205	158.382	66,2	19,4	29,3
- filière	513.831	364.698	115.112	71,0	22,4	31,6
- diversification	302.373	175.507	43.270	58,0	14,3	24,7
- agriturismo	101.054	66.744	13.047	66,0	12,9	19,5
- forestry	39.163	24.135	3.464	61,6	8,8	14,4
Promotion	36.061	22.610	615	62,7	1,7	2,7
Environment	181.959	101.077	39.282	55,5	21,6	38,9
Services	82.969	34.012	20.277	41,0	24,4	59,6
Other	58.619	23.287	19.143	39,7	32,7	82,2
Total ERDF	3.017.677	1.457.962	545.717	48,3	18,1	37,4
Aid for investment in SMEs of which:	1.977.972	1.086.941	399.331	55,0	20,2	36,7
- industrial	1.196.139	707.903	256.160	59,2	21,4	36,2
- artisan	497.177	287.365	122.846	57,8	24,7	42,7
- tourism	284.656	91.673	20.325	32,2	7,1	22,2
Infrastructure	200.142	77.636	27.024	38,8	13,5	34,8
Services	267.689	105.049	49.581	39,2	18,5	47,2
- financial	64.640	32.530	18.728	50,3	29,0	57,6
- research and technical dev't.	4.095	1.790	187	43,7	4,6	10,4
Cultural heritage, local dev't., restoration town centres	133.971	62.142	19.414	46,4	14,5	31,2
Environment	158.653	48.207	15.747	30,4	9,9	32,7
Tourism (excl. Investment aid)	261.782	73.501	33.133	28,1	12,7	45,1
Other	17.468	4.486	1.487	25,7	8,5	33,1
Total ESF	294.301	149.879	57.968	50,9	19,7	38,7
Training	273.611	144.233	56.551	52,7	20,7	39,2
Aid to employemnt	5.058	3.293	414	65,1	8,2	12,6
Services	5.604	1.736	832	31,0	14,8	47,9
Other	10.028	617	171	6,1	1,7	27,8
Total	4.717.568	2.455.954	875.582	52,1	18,6	35,7

Source: INEA calculations on data from SIRGS

Tab. 10.3 - Percentage of value added at market prices absorbed by taxation and other levies

	1990	1991	1992	1993	1994	1995	1996	1997
Agriculture	11,9	12,1	14,3	14,2	13,2	12,0	12,0	12,3
Other sectors	36,5	37,2	36,8	39,8	37,6	37,2	38,0	39,3
Other sectors:agriculture	3,1	3,1	2,6	2,8	2,8	3,1	3,2	3,2

Source: INEA calculations on data from ISTAT and Ministero delle Finanze

Tab. 10.10 - Net fiscal benefits for the agricultural sector

	1990	1991	1992	1993	1994	1995	1996	1997
	(billion lire)							
Concessions	3.667	4.398	4.536	3.993	3.906	4.235	4.349	4.514
Taxes and levies	5.009	5.789	6.761	6.542	6.271	6.080	6.329	6.321
Net benefit	-1.342	-1.391	-2.226	-2.549	-2.366	-1.845	-1.980	-1.807
Net benefit as % of value added	4,7	3,7	1,5	2,8	2,1	4,4	3,1	4,0

Source: INEA calculations on data from ISTAT and Ministero delle Finanze.

Tab. 10.13 -Type of measure financed in the agricultural sector by Regional governments by broad geographical area, 1995

	(million lire at current prices)							
	Aid to investment		Aid to intermediate inputs and services		Processing aid		Total	
		%		%		%		%
North	862.473	27	631.116	41	111.071	39	1.845.786	30
Centre	408.610	13	254.285	17	31.162	11	764.531	12
South	1.929.144	60	642.951	42	140.591	50	3.634.631	58
Total	3.200.227	100	1.528.352	100	282.824	100	6.244.948	100

Source: calculations on data from INEA-SPEAR data-bank

Tab. 10.18 - Support to the agricultural sector, 1988-90 to 1994-96

(billion lire, 1990 prices)

	Average 1988-90		Average 1991-93		Average 1994-96	
		%		%		%
Aima	7.757	30,8	7.992	33,4	7.721	37,2
Other intervention agencies	1.233	4,9	1.552	6,5	588	2,8
Direct action, EU	93	0,4	50	0,2	0	0,0
Rotating fund, EU Reg.s	130	0,5	212	0,9	176	0,8
Ministry for Ag. Policies	1.419	5,6	1.099	4,6	970	4,7
Fund for mechanisation	173	0,7	100	0,4	77	0,4
Regions	6.550	26,0	6.009	25,1	5.115	24,6
Total transfers through ag. policy	17.355	69,0	17.014	71,1	14.647	70,5
VAT	1.342	5,3	929	3,9	702	3,4
Concessions for fuel	1.607	6,4	1.881	7,9	1.847	8,9
Income tax	764	3,0	659	2,8	576	2,8
ILOR local tax	528	2,1	478	2,0	0,0	
ICI local tax	0	0,0	46	0,2	129	0,6
Concessions on social security contrib.s	3.571	14,2	2.939	12,3	2.878	13,8
Total concessions	7.813	31,0	6.932	28,9	6.131	29,5
Grand total	25.169	100,0	23.946	100,0	20.778	100,0
Value added in agriculture	43.968		41.868		39.370	
Support:agricultural value added (%)		57,2		57,2		52,8
Value of final output	61.042		56.836		53.687	
support:VFO (%)		41,2		42,1		38,7

Source: INEA calculations

Tab. 11.1 - Allocations of public expenditure for research (1) in agriculture and related activities

	1997 (million lire)	% distribution
MURST - Finance for research in Agricultural and Veterinary Faculties	254.835	27,5
MURST - Finance for research in agro-food industry	113.000	12,2
CNR - National Research Council	132.311	14,3
Ministry for Agricultural Policies (MiPA)	151.325	16,4
INEA - Nat. Inst. for Ag. Econ. (1)	22.159	2,4
ISMEA - Inst. for Study Ag. Markets	4.728	0,5
INN - Nat. Inst. for Nutrition	9.550	1,0
Exp. tal Inst. "Lazzaro Spallanzani"	1.904	0,2
ENSE - Nat. Inst. for Selected Seeds	12.670	1,4
INFS - Nat. Inst. for Wild Animals	5.074	0,5
ENEA - Inst. for New Tech., Energy, Environ.	31.839	3,4
MICA - Exp.tal Inst. for Industry	17.657	1,9
ISS - Inst. for Health	15.141	1,6
Exp.tal Livestock Inst.s	12.187	1,3
ICRAM - Central Inst. for Marine Res.	11.919	1,3
CeSRAM - Centre for Research in Ag. Econ. South Italy	583	0,1
National Bee-Keeping Inst.	274	0,0
IDIAC - Inst for International Agricultural Law	240	0,0
Regions & Regional Insts.	104.744	11,3
Contributions to International Orgns. Min. Foreign Affairs	11.100	1,2
Agr. Inst. for Foreign Ag., Min. Foreign Affairs.	12.130	1,3
TOTAL	925.370	100,0

Data for agricultural research are classified using the NABS system (see previous volume L of the Annuario).

(1) Only about 700 million lire are from the regular budget.

Tab. 12.4 - Allocation of funds from EEC Regulation 2078/92

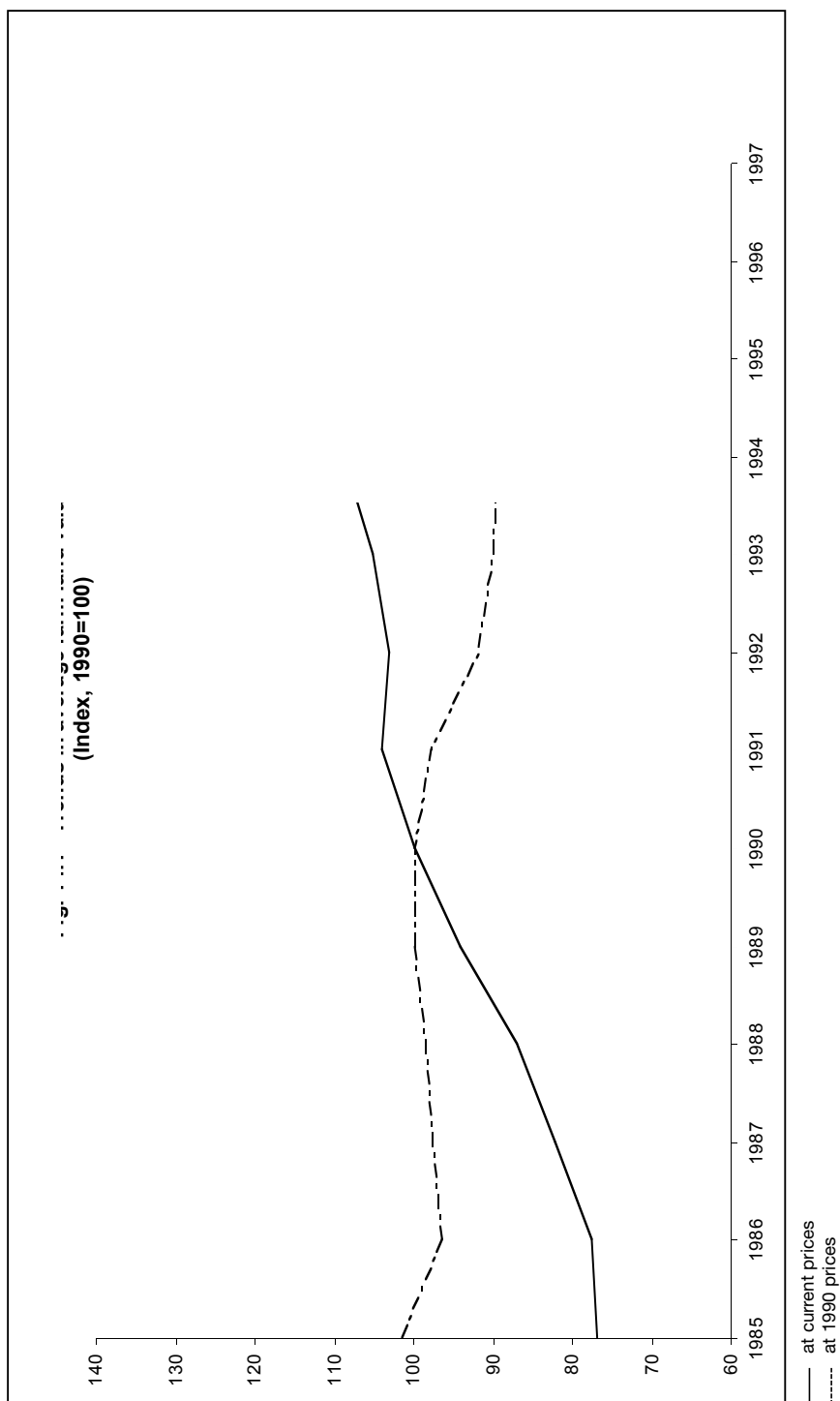
Measures	Italy		Percentages		
	million lire	%	North	Centre	South and islands
A1+A2 - Reduction of chemical inputs	406.174	51,8	63,0	77,7	24,9
A3+A4 - Organic agriculture	202.381	25,8	9,7	13,1	48,8
B - Other types of extensivisation	49.494	6,3	5,2	1,4	10,5
C - Reduction in livestock density	1.233	0,2	0,3	0,2	0,1
D1 - Other eco- compatible methods	66.550	8,5	16,3	1,2	6,0
D2 - Endangered species	8.037	1,0	2,3	0,6	0,1
E - Abandoned land	19.717	2,5	1,4	2,2	3,8
F - Twenty year set- aside	27.220	3,5	1,7	2,3	5,9
G - Public access	1.900	0,2	0,0	1,0	0,0
H - Training and public awareness	744	0,1	0,1	0,3	0,0
Total	783.448	100,0	100,0	100,0	100,0

Source: INEA calculations on data from Regional and Provincial Administrations.

Tab. 13.7 - Profitability of capital (ROI) invested in agriculture (%)

	Class of ESU					
	2-4	4-8	8-16	16-40	40-100	> 100
	(2)	(3)	(4)	(5)	(6)	(7)
1990	-16,5	-11,7	-5,4	-0,1	4,7	7,8
1991	-15,0	-10,4	-5,0	-0,2	3,6	6,8
1992	-16,7	-12,0	-6,5	-2,0	2,5	6,4
1993	-15,4	-10,8	-5,6	-0,9	3,3	7,8
1994	-13,8	-9,8	-4,3	0,5	4,3	7,8
1995	-15,1	-9,2	-3,6	1,7	6,7	9,8

Source: INEA.



Tab. 15.3 - Applications to the Intervention Board (AIMA) for arable crops, 1997

(area in ha., sum in million lire)

Legumes	Maize		Hard wheat		Other cereals		Oilseeds		Protein plants		Rice
	Set-aside		Total								
	Area	Sum	Area	Sum	Area	Sum	Area	Sum	Area	Sum	Area
Sum	Area	Sum	Area	Sum	Farms	Area	Sum				
Abruzzo	7.796	3.492	34.725						2.464	922	10
4	926	341	2.603	1.248	26.192	120.416	78.542				
Basilicata	2.522	860	202.259	157.921	54.590	47.968	3.620	3.099	8.605	1.815	-
-	1.101	401	3.742	880	31.171	276.440	212.544				
Calabria	11.003	3.168	90.286	68.447	53.461	28.698	1.348	1.516	16.336	3.564	387
65	4.806	1.767	1.506	404	32.614	179.134	107.628				
Campania	38.957	18.190	75.804	58.542	119.413	75.394	2.108	1.603	14.570	7.068	5
2	464	169	1.331	675	51.989	252.652	161.641				
Emilia-Romagna	105.817	91.952	1.827	402	255.540	150.180	71.780	109.928	2.632	1.812	8.324
4.087	252	92	15.710	12.912	57.480	461.882	371.365				
Friuli-Venezia Giulia	87.362	70.101	6	-	10.932	6.859	54.548	85.905	5	4	-
-	-	-	7.649	7.414	26.653	160.503	170.284				
Lazio	39.215	26.457	84.553	61.012	56.837	52.831	45.570	50.701	3.136	1.497	-
-	1.380	507	9.914	5.156	29.497	240.605	198.161				
Liguria	437	133	46	-	593	232	15	-	1	-	-
-	-	-	14	2	849	1.105	367				
Lombardia	344.375	327.428	6.244	36	60.309	44.886	80.618	138.249	374	258	88.791
34.793	477	175	24.674	25.700	43.689	605.865	571.526				
Marche	16.152	11.001	117.396	86.995	88.152	88.697	48.374	53.786	942	465	5
2	189	69	9.596	5.413	40.638	280.806	246.428				
Molise	3.789	1.593	66.071	48.921	27.217	28.435	18.660	19.629	1.494	501	-
-	185	68	3.249	1.282	17.508	120.664	100.430				
Piemonte	180.250	134.993	505		110.166	59.030	55.831	80.043	414	236	107.629
41.740	370	140	13.855	10.875	45.945	469.019	327.057				
Puglia	872	478	386.778	276.852	55.864	101.420	53.512	61.452	4.273	1.169	1
-	1.215	451	13.470	3.882	55.912	515.984	445.703				
Sardegna	11.144	6.831	79.496	58.707	106.044	30.412	19.373	27.026	1.167	182	3.930
1.462	234	86	4.061	880	23.255	225.423	125.586				
Sicilia	1.548	844	369.148	271.102	34.553	64.423	7.604	6.015	10.497	1.782	1
-	11.922	4.382	4.589	911	67.562	439.863	349.460				
Toscana	32.584	26.877	114.067	84.243	91.259	73.568	101.003	105.149	8.169	3.961	479
176	270	99	21.082	11.035	28.392	368.912	305.109				
Trentino-Alto Adige	2.301	944	9	-	96	26	1	36	-	-	-
-	-	-	-	2	1.181	2.407	1.008				
Umbria	14.512	11.874	6.230	3.587	86.507	38.392	51.150	53.893	1.531	764	-
-	851	315	9.175	5.143	20.523	169.957	113.969				
Valle D'Aosta	-	8	-	-	12	9	-	-	-	-	-
-	-	-	-	-	14	12	17				
Veneto	299.981	272.687	451	92	54.077	41.263	123.433	6.177	31	27	4.942
1.629	2	-	16.347	17.925	103.442	499.263	339.799				
Total	1.200.617	478	386.778	276.852	55.864	101.420	53.512	61.452	76.641	26.027	214.504
83.960	24.644	9.062	162.567	11.739	704.506	5.390.912	4.227.024				

Source: AIMA.

Tab. 15.6 - Area cultivated and output of soft and durum wheat

	Area (000 ha)			Output (000 q)				Avg. yield (q/ha)	
	1996	1997	% change 1997/96	total (1)		harvest (2)		1996	1997
				1996	1997	1996	1997		
				Soft Wheat					
North-west	172	141	-18,0	9.218	5.776	9.172	5.732	53,6	41,0
North-east	284	248	-12,7	15.367	13.395	15.325	13.350	54,1	54,0
Centre	223	190	-14,8	9.704	7.454	9.611	7.306	43,5	39,2
South and islands	114	117	2,6	3.360	3.288	3.330	3.246	29,5	28,1
Italy	793	696	-12,2	37.649	29.913	37.438	29.634	47,5	43,0
				Durum Wheat					
North-west	4	2	-50,0	192	78	191	77	48,0	39,0
North-east	28	17	-39,3	1.544	892	1.536	878	55,1	52,5
Centre	322	339	5,3	11.915	11.142	11.648	10.790	37,0	32,9
South and islands	1.263	1.308	3,6	30.291	26.707	29.013	25.792	24,0	20,4
Italy	1.617	1.666	3,0	43.942	38.819	42.388	37.537	27,2	23,3

1 Data on output are rounded and may not coincide with the product of area and yield.

2 Total output, net of crop not harvested or lost in harvesting.

Source: INEA calculations on ISTAT data.

Tab. 15.7 - Area cultivated and output of maize

	Area (000 ha)			Output (000 q)					Avg. yield (q/ha)	
	1996	1997	% change 1997/96	total (1)		harvest (2)				
				1996	1997	1996	1997	% change 1997/96		
North-west	429	448	4,4	41.861	46.624	41.625	46.475	11,7	97,6	104,1
North-east	455	458	0,7	43.822	45.208	43.400	44.210	1,9	96,3	98,7
Central	83	95	14,5	7.118	7.979	6.870	7.708	12,2	85,8	84,0
South and islands	56	57	1,8	3.599	3.774	3.581	3.737	4,4	64,3	66,2
Italy	1.023	1.058	3,4	96.400	103.585	95.476	102.130	7,0	94,2	97,9

Source: INEA calculations on ISTAT data.

Tab. 15.13 - Area cultivated and output of soya beans, colza and sunflower seed

	Area (000 ha)			Output (000 q)			Avg. yield (q/ha)	
	% change			% change				
	1996	1997	1997/96	1996	1997	1997/96	1996	1997
	Soya beans							
North-west	59,1	100,1	69,4	2.168,4	3.631,9	67,5	36,7	36,3
North-east	162,0	204,1	26,0	6.223,5	8.054,7	29,4	38,4	39,5
Central	2,0	1,5	-25,0	56,1	46,7	-16,8	28,1	31,1
South and islands	0,2	0,2	-	3,7	4,3	16,2	18,5	21,5
Italy	223,3	305,9	37,0	8.451,7	11.737,6	38,9	37,8	38,4
	Colza							
North-west	8,4	9,6	14,3	182,2	185,9	2,0	21,7	19,4
North-east	4,2	3,5	-16,7	100,3	84,2	-16,1	23,9	24,1
Central	23,3	26,8	15,0	301,0	251,2	-16,5	12,9	9,4
South and islands	29,1	29,2	0,3	367,6	151,5	-58,8	12,6	5,2
Italy	65,0	69,1	6,3	951,1	672,8	-29,3	14,6	9,7
	Sunflower seeds							
North-west	26,1	22,0	-15,7	753,3	584,6	-22,4	28,9	26,6
North-east	28,2	13,3	-52,8	798,3	370,2	-53,6	28,3	27,8
Central	159,7	155,0	-2,9	3.159,1	3.406,7	7,8	19,8	22,0
South and islands	39,3	39,6	0,8	716,3	673,9	-5,9	18,2	17,0
Italy	253,3	229,9	-9,2	5.427,0	5.035,4	-7,2	21,4	21,9

Source: INEA calculations on ISTAT data.

Tab. 15.20 - Area cultivated and output of sugar-beet

	Area (000 ha)			Output (000 q)				Avg. yield (q/ha)	
	1996	1997	% change 1997/96	total (1)		harvest (2)			
				1996	1997	1996	1997		% change 1997/96
North-west	34	44	29,4	20,728	23,182	20,715	22,960	609,6	526,9
North-east	121	135	11,6	58,781	72,288	58,387	72,235	485,8	535,5
Central	61	69	13,7	23,541	23,812	22,505	22,813	385,9	345,1
South and islands	33	47	42,4	14,902	19,110	14,555	18,589	451,6	406,6
Italy	249	295	18,5	117,952	138,392	116,162	136,597	473,7	469,1

Source: INEA calculations on ISTAT data.

Tab. 15.23 - Area cultivated and output of tobacco by variety

	Variety groups	Area (ha)		% change		Output (q)		% change 1997/1996
		1996	1997	1997/1996	1997	1996	1997	
Bright	(G.V.01)	18.239	19.159	5,0	478.413	475.569	475.569	-0,6
Burley		12.105	11.724	-3,1	450.659	451.615	451.615	0,2
Maryland		805	782	-2,9	17.307	17.378	17.378	0,4
Badischer Burley	(G.V.02)	-	-	-	-	-	-	-
		12.910	12.506	-3,1	467.966	468.993	468.993	0,2
Paraguay		586	580	-1,0	11.181	11.430	11.430	2,2
Forcheimer-F. Havanna		971	863	-11,1	21.350	19.125	19.125	-10,4
Ibridi Badischer-Geudertheimer		6.913	7.072	2,3	150.339	150.693	150.693	0,2
Beneventano	(G.V.03)	39	34	-12,8	404	413	413	2,2
		8.509	8.549	0,5	183.274	181.661	181.661	-0,9
Kentucky	(G.V.04)	2.849	2.969	4,2	63.542	68.199	68.199	7,3
Perustitza		2.367	1.874	-20,8	48.080	36.802	36.802	-23,5
Erzegovina		2.445	2.859	16,9	55.765	69.533	69.533	24,7
Xanty Yaka'	(G.V.05)	557	278	-50,1	8.861	4.371	4.371	-50,7
		5.369	5.011	-6,7	112.706	110.706	110.706	-1,8
Total		47.876	48.194	0,7	1.305.901	1.305.128	1.305.128	-0,1

Source: APTI and ISMEA.

Tab. 16.5 - Area and output of fresh vegetables

	Area (ha)			Output (000 q)				Avg. yield (q/ha)	
	1996	1997	% change 1997/96	1996		1997		1996	1997
				total	harvest	total	harvest		
								% change 1997/96	
Potatoes	99,910	95,568	-35,0	22,869	20,929	21,452	20,354	-1,8	228,9
new	35,802	25,105	-29,9	5,921	4,872	5,324	4,586	-5,9	165,4
normal	64,108	64,963	1,3	16,948	15,815	16,128	15,526	-1,8	264,3
Broad beans	14,209	13,535	-4,7	945	867	905	829	-4,4	66,5
Beans	22,898	22,567	-1,4	2,026	1,979	1,950	1,915	-3,2	86,4
Green beans	162	131	-19,1	12	10	12	10	-	74,1
Garlic	398	35	-	35	-	33	-	-	87,9
Beet-root	236	-	-	54	-	54	-	-	228,8
Carrots	9,650	9,840	2,0	3,527	4,125	3,462	4,076	-1,2	365,5
Onions	15,792	15,430	-2,3	4,571	4,567	4,450	4,481	-1,9	289,5
Turnips	568	-	-	97	35	-	-	-	170,8
Asparagus	742	868	17,0	61	58	59	57	-1,7	82,2
Leaf beet	1,431	-	-	306	-	306	-	-	213,8
Broccoli	10,213	10,467	2,5	1,679	1,753	1,505	1,675	-4,4	164,4
Artichokes	42,295	47,429	12,1	4,816	5,455	4,616	5,212	-4,5	113,9
Cardi	8	-	-	1	-	1	-	-	125,0
Cabbage	23,722	22,691	-4,3	5,916	5,674	5,650	5,561	-2,0	249,4
Cauliflower	25,359	24,921	-1,7	5,046	4,995	4,757	4,896	-2,0	199,0
Fennel	21,362	21,852	2,3	4,565	4,868	4,329	4,740	-2,6	213,7
Endive	12,709	12,787	0,6	2,518	2,579	2,356	2,546	-1,3	198,1
Lettuce	19,500	19,920	2,2	3,914	4,196	3,686	4,146	-1,2	200,7
Chicory	15,833	15,450	-2,4	2,507	2,438	2,258	2,394	-1,8	158,3
Spinach	2,084	-	-	291	-	291	-	-	139,6
Cucumber	880	-	-	216	-	216	-	-	245,5
Gherkins	195	-	-	33	-	33	-	-	169,2
Water melon	6,374	-	-	2,351	-	2,350	-	-	368,8
Strawberries	3,839	3,619	-5,7	782	710	747	684	-3,7	203,7
Egg-plant	9,336	9,542	2,2	2,454	2,605	2,379	2,526	-3,0	262,9
Peppers	11,014	11,126	1,0	2,535	2,644	2,458	2,560	-3,2	230,2
Tomatoes	116,245	106,845	-8,1	63,559	51,934	61,119	49,915	-3,9	546,8
Melons	19,017	20,348	7,0	4,332	4,128	4,128	4,174	-5,0	227,8
Courgettes	12,145	12,452	2,5	3,185	3,405	2,960	3,195	-6,2	262,2
Mushrooms	-	-	-	655	-	645	-	-	-

Source: INEA calculations on ISTAT data.

Tab. 16.6 - Area and output of greenhouse vegetables

	Area (are)		% change 1997/96	Output (q)				% change 1997/96
	1996	1997		1996		1997		
				total	harvest	total	harvest	
Asparagus	74.210	86.820	17,0	60.810	59.009	58.420	57.035	-3,3
Cucumber	65.410	64.480	-1,4	298.935	297.385	352.011	348.476	17,2
Green beans	52.480	67.300	28,2	115.472	113.919	145.942	142.532	25,1
Strawberries	354.230	262.550	-25,9	976.091	959.595	705.545	693.799	-27,7
Lettuce	179.280	184.460	2,9	538.582	499.682	525.985	502.276	0,5
Egg-plant	152.740	164.020	7,4	735.901	720.769	1.102.639	1.091.360	51,4
Peppers	271.790	231.200	-14,9	1.040.921	1.004.547	1.005.807	993.046	-1,1
Tomatoes	734.860	755.640	2,8	4.274.130	4.158.174	5.528.080	5.375.834	29,3
Melons	280.340	305.160	8,9	840.764	786.780	1.079.243	1.037.492	31,9
Courgettes	263.560	351.700	33,4	1.229.856	1.177.937	1.626.228	1.455.598	23,6
Other	65.810	118.650	80,3	238.940	217.122	486.477	465.728	114,5

Source: INEA calculations on ISTAT data.

Tab. 16.7 - Area and output of the principal types of fresh fruit and nuts

	Area (000 ha)				Output (000 q) (1)			
	1996		1997		1996		1997	
	total	harvest	total	harvest	% change 1997/96	total	harvest	total
Apples	72	66	71	65	-0,8	21.253	20.713	20.182
Pears	52	46	50	45	-1,4	10.242	9.664	6.295
Peaches	73	67	71	66	-2,3	12.388	11.949	8.447
Nectarines	34	29	34	30	1,6	5.714	5.592	3.481
Dessert grapes	74	73	73	71	-2,8	15.930	15.299	13.482
Cherries	29	27	30	27	0,4	1.529	1.454	1.285
Apricots	16	14	17	15	2,6	1.382	1.363	1.029
Plums	14	12	14	12	0,3	1.904	1.811	1.172
Kiwi	18	18	18	18	-1,6	3.623	3.440	2.734
Lotus	4	4	-	-	-	754	726	-
Almonds	93	93	92	91	-1,8	3.623	3.440	1.086
Hazel nuts	73	67	70	70	3,8	12.388	11.949	920

(1) Total output excluding that not harvested or lost during harvesting.

Source: INEA calculations on ISTAT data.

Tab. 16.12 - Area cultivated and output of citrus

	Area (000 ha)				Production (000 q) (1)			
	1996		1997		1996		1997	
	total	in production	total	in production	% change 1997/96	total	in production	% change 1997/96
Oranges	110	107	111	109	1,4	19.433	17.711	19.958
Lemons	38	37	37	37	-1,1	6.703	6.080	6.135
Mandarines	11	11	11	11	-1,1	1.733	1.667	1.792
Clementines	22	20	22	21	4,2	3.212	3.016	3.837
Bergamot	1	1	1	1	-	141	141	-

(1) Total output net of quantity non harvested or lost in harvesting.

Source: INEA calculations on ISTAT data.

Tab. 16.15 - Area and output of the main flowers cultivated

	Outdoor (1)		% change	Greenhouse		% change	Total	
	1996	1997	1997/96	1996	1997	1997/96	1996	1997
Area (ha)								
Cut flowers	2.979	2.824	-5,2	4.407	4.269	-3,1	7.386	7.093
Roses	224	212	-5,4	965	927	-3,9	1.189	1.139
Carnations	220	220	0,0	1.042	1.053	1,1	1.262	1.273
of which: Americam	73	69	-5,5	107	102	-4,7	180	171
Mediterranean	102	94	-7,8	769	771	0,3	871	865
other	45	57	26,7	166	180	8,4	211	237
Chrysanthemum	578	618	6,9	617	643	4,2	1.195	1.261
of which: uniflora	357	381	6,7	236	250	5,9	593	631
multiflora	221	237	7,2	381	393	3,1	602	630
Gladioli	463	469	1,3	441	461	4,5	904	930
Gerbers	54	59	9,3	355	368	3,7	409	427
Lilium	137	153	11,7	242	272	12,4	379	425
Output (million stems)								
Cut flowers	1.295	958	-26,0	3.543	3.461	-2,3	4.838	4.419
Roses	54	50	-7,4	541	518	-4,3	595	568
Carnations	297	295	-0,7	1.513	1.527	0,9	1.810	1.822
of which: American	111	106	-4,5	152	143	-5,9	263	249
Mediterranean	128	117	-8,6	1.120	1.123	0,3	1.248	1.240
other	58	72	24,1	241	261	8,3	299	333
Chrysanthemum	186	198	6,5	279	281	0,7	465	479
of which: uniflora	78	82	5,1	62	65	4,8	140	147
multiflora	108	116	7,4	217	216	-0,5	325	332
Gladioli	81	82	1,2	136	142	4,4	217	224
Gerbers	43	46	7,0	448	355	-20,8	491	401
Lilium	22	25	13,6	78	88	12,8	100	113
Leaf plants(2)	2.831	2.655	-6,2	46.026	51.004	10,8	48.857	53.659
Kentia	62	59	-4,8	3.584	3.008	-16,1	3.646	3.067
Other palms	1.742	1.827	4,9	2.967	3.129	5,5	4.709	4.956
Pothos	5	4	-20,0	3.393	3.067	-9,6	3.398	3.071
Dieffenbachia	7	8	14,3	3.061	3.125	2,1	3.068	3.133
Ficus	37	32	-13,5	2.302	2.158	-6,3	2.339	2.190
Flowering plants (2)	13.186	12.541	-4,9	159.110	126.732	-20,3	172.296	139.273
Geranium	563	654	16,2	25.995	22.667	-12,8	26.558	23.321
Primula	366	412	12,6	18.259	20.147	10,3	18.625	20.559
Begonia	106	189	78,3	11.302	14.893	31,8	11.408	15.082
Cactus and similar (2)	250	354	41,6	12.125	14.798	22,0	12.375	15.152

1 Including plants temporarily covered (plastic tunnels etc.)

2 Thousand plants

Source: INEA calculations on ISTAT data.

Tab. 17.3 - Area cultivated and production of grapes, by broad geographical area (1)

	1996			1997			1996			1997		
	Area (ha)		Area (ha)	Production (000 q)		% change	Production (000 q)		% change	Production (000 q)		% change
	total	in production		total	in production		total	in production		total	in production	
	Vineyards for wine production											
North-west	93.087	90.186	92.974	89.910	-0,3	6.911	6.883	7.473	7.458	8,4		
North-east	172.704	165.235	172.154	163.665	-1,0	23.266	22.990	18.042	17.978	-21,8		
Central	156.603	155.440	153.855	152.574	-1,8	12.988	12.213	11.172	10.417	-14,7		
South and islands	420.907	406.462	416.388	400.782	-1,4	38.220	36.853	32.441	31.701	-14,0		
Italy	843.301	817.323	835.371	806.931	-1,3	81.385	78.939	69.128	67.554	-14,4		
	Vineyards for dessert grapes											
North-west	263	260	313	201	-22,7	22	22	17	17	-22,7		
North-east	128	120	125	117	-2,5	12	12	11	11	-8,3		
Central	1.670	1.648	1549	1525	-7,5	269	237	260	237	0,0		
South and islands	72.119	71.205	70950	69321	-2,6	15.626	15.027	13.193	12.757	-15,1		
Italy	74.180	73.233	72.937	71.164	-2,8	15.930	15.299	13.482	13.022	-14,9		
	Total											
North-west	93.350	90.446	93.287	90.111	-0,4	6.933	6.905	7.490	7.475	8,3		
North-east	172.832	165.355	172.279	163.782	-1,0	23.278	23.002	18.053	17.989	-21,8		
Central	158.273	157.088	155.404	154.099	-1,9	13.257	12.450	11.432	10.654	-14,4		
South and islands	493.026	477.667	487.338	470.103	-1,6	53.846	51.880	45.634	44.458	-14,3		
Italy	917.481	890.556	908.308	878.095	-1,4	97.314	94.237	82.609	80.576	-14,5		

(1) Excluding areas for reproduction of vines

Source: INEA calculations on ISTAT data.

Tab. 17.5 - Wines of certified origin, DOCG, DOC and IGP, by Region (1)

	DOCG	DOC (2)	IGT (3)
Valle d'Aosta	-	1	-
Piemonte	6	49	-
Liguria	-	7	2
Lombardia	1	17	12
Trentino - Alto Adige	-	7	5
Veneto	-	21	10
Friuli - Venezia Giulia	-	9	3
Emilia - Romagna	1	20	10
Toscana	6	36	6
Marche	-	11	1
Umbria	2	10	7
Lazio	-	24	5
Abruzzo	-	3	9
Molise	-	2	3
Campania	1	20	8
Basilicata	-	1	1
Puglia	-	25	6
Calabria	-	12	13
Sicilia	-	18	9
Sardegna	1	20	15
Italia	18	306	120

1 At 1st February, 1998

2 Of which 7 are inter-Regional

3 Of which 5 are inter-Regional

Source: Comitato nazionale di tutela delle denominazioni di origine.

Tab. 17.9 - Area under olive groves and output of olives and olive oil

(area in hectares, output in thousand tons)

	Area (1)	Olives produced		Olives used for		Oil produced
	as main crop	total	harvested	direct cons.	oil	
1996	1.103.225	2.300,5	2.195,1	55,3	2.139,7	389,6
1997	1.107.839	3.681,1	3.500,1	74,6	3.223,9	601,2
% change 1997/96	0,4	60,0	59,5	34,9	50,7	54,3

(1) Area "pro-rata".

Source: INEA calculations on ISTAT data.

Tab. 18.3 - Meat production (1)

			(liveweight)
	1996	1997 (2)	% change
	(000 q)	(000 q)	1997/96
Beef and buffalo meat	17.436	16.925	-2,9
Pork	16.721	16.813	0,6
Sheep and goat meat	925	924	-0,1
Other	256	257	0,4
Poultry	13.990	14.240	1,8
Rabbit and game	3.830	3.870	1,0

(1) Saleable output. Data is calculated by ISTAT as the sum of total slaughterings (registered or otherwise) and the ascertained increase in liveweight, net of imported animals.

(2) 1997 data are provisional.

Source: INEA calculations on ISTAT data.

Tab. 18.8 - Availability and utilisation of dairy products

	Production		Imports		Exports		Apparent consumption		Apparent cons. per head	
	1996	1997	1996	1997	1996	1997	1996	1997	1996	1997
Milk for fresh consumption	30.806.921	30.945.090	2.386.813	3.143.334	88.621	20.250	33.105.113	34.068.174	57,60	59,19
Cheese	8.875.406	8.852.872	2.964.330	3.074.094	1.360.150	1.342.399	10.479.586	10.584.567	18,23	18,39
Butter	811.280	928.397	483.950	521.569	191.372	225.337	1.143.858	1.224.629	1,99	2,13
Yoghurt (1)	1.850.000	1.875.000	448.580	655.312	22.484	38.362	2.276.096	2.491.950	3,96	4,33

1 Including other fermented milk products

Source: estimates from Assolatte

Tab. 19.4 - Output from aquaculture

				(tons)
	Extensive	Intensive	Sea farming	Total
Trout	-	51.000	-	51.000
Catfish	-	800	-	800
Eel	400	2.700	-	3.100
Sturgeon	-	500	-	500
Mullet	2.900	-	-	2.900
Sea bass	600	3.600	400	4.600
Seabream	800	2.500	600	3.900
Diplodus	-	200	20	220
Carp	-	700	-	700
Other	1.000	1.000	-	2.000
Mussels	-	-	103.000	103.000
Clams	-	-	40.000	40.000
Gracilaria	-	-	5.000	5.000
Total	5.700	63.000	149.020	217.720

Source: API, ICRAM, INEA.

Tab. 19.7 - Foreign trade in trout, eels, sea-bass and shell-fish in 1997

	Quantity (tons)			Value (million lire)		
	export	import	balance	export	import	balance
Live trout	3.215	-16	3.199	11.295	-96	11.199
Trout, fresh or refrigerated	707	-96	611	4.293	-677	3.616
Frozen trout	588	-23	565	3.254	-135	3.119
Smoked trout	7	-32	-25	8	-625	-617
Trout fillets	47	-59	-12	470	-705	-235
Frozen trout fillets	4	-38	-34	50	-325	-275
Live eels	1.432	-1.180	252	24.666	-20.756	3.910
Eels, fresh or refrigerated	96	-35	61	1.645	-410	1.235
Frozen eels	1	-49	-48	1	-473	-472
Smoked eels	1	-2	-1	1	-100	-99
Frozen sea-bass	30	-882	-852	206	-10.135	-9.929
Shell-fish, live, fresh or refrigerated	4.370	-31.967	-27.597	6.333	-28.877	-22.544
Oysters	101	-343	-242	273	-1.350	-1.077

Source: INEA calculations on ISTAT data.

Tab. 20.8 - Turnover from fishing by Region and by types of fish, 1997

(billion lire)

Regions	Anchovies	Sardines	Other fish	Clams	Molluscs	Crustaceans	Total
Liguria	11,7	0,7	46,0	-	9,1	9,6	77,1
Toscana	11,6	3,2	81,0	-	14,4	12,1	122,2
Lazio	4,8	0,2	69,6	-	18,0	9,9	102,5
Campania	10,5	1,3	60,7	-	16,0	8,2	96,6
Sardegna	-	-	104,7	-	20,9	21,4	147,1
Calabria	3,3	0,5	57,0	-	10,4	16,8	87,9
Sicilia	49,4	8,2	498,4	-	84,8	315,6	956,4
Puglia	25,9	3,8	260,0	7,8	83,9	68,1	449,5
Abruzzo	26,5	1,4	72,3	2,4	27,2	44,4	174,2
Marche	23,2	0,4	104,8	36,8	59,3	38,3	262,9
Emilia - Romagna	22,1	11,5	56,5	10,5	52,7	49,0	202,3
Triveneto	10,3	5,6	68,9	19,8	138,9	18,8	262,3
Italy	199	37	1.480	77	535	612	2.941

Source: IREPA.

Tab. 21.3 - Implementation of EEC Regulation 2080/92 at 31st December, 1997)

Regions	Afforestation			Improvements			Planned expenditure (million lire)	Payments (million lire)
	deciduous (ha)	coniferous (ha)	fast growing (ha)	woods (ha)	roads (km)	fire breaks (ha)		
Piemonte	3.190	117	2.141	962	24	-	69.072	11.709
Valle D'Aosta	1	1	-	-	-	-	2.888	3
Lombardia	5.578	18	10.473	6.040	351	-	57.306	44.357
Veneto	533	-	414	43	3	-	77.454	3.250
Friuli-Venezia Giulia	835	-	1.136	927	14	-	33.484	13.385
Liguria	57	-	6	37	4	-	25.842	378
Alto Adige	-	-	-	4	97	500	28.260	3.299
Emilia-Romagna	2.475	66	760	267	24	-	32.358	26.142
Toscana	3.123	142	164	2.626	446	7.700	104.478	40.479
Umbria	3.246	14	28	782	35	6	48.398	36.891
Lazio	795	1	11	56	19	-	13.834	4.850
Marche	2.125	-	-	13	1	-	33.818	8.378
Abruzzo	2.123	-	-	132	-	-	34.116	6.249
Molise	100	-	-	-	-	-	13.293	279
Puglia	2.343	1.041	1	1.154	46	390	52.639	6.305
Campania	675	-	54	370	15	198	42.763	593
Basilicata	2.261	4	16	754	29	508	37.823	2.268
Calabria	1.734	20	41	1.509	167	93	48.346	4.320
Sicilia	2.526	182	-	1.526	31	803	74.357	24.511
Sardegna	3.184	409	24	891	2	2	95.885	28.234
Total	36.904	2.015	15.269	18.093	1.308	10.200	926.414	265.880

Source: Inea, Le politiche strutturali e di sviluppo rurale in Italia, 1998.

Tab. 21.5 - Utilisation of timber in Italy

	(cubic metres)		
	1996	1997	% change 1997/96
CONIFERS			
Trunks for sawing	680.671	642.314	-5,6
Timber for planks and plywood	4.564	10.539	130,9
Hewn wood	44.243	57.378	29,7
Wood for paste	94.355	89.026	-5,6
Poles for mines	5.707	2.068	-63,8
Large poles	76.356	64.984	-14,9
Small poles	15.817	17.478	10,5
Other	197.120	168.601	-14,5
Total wood for processing	1.118.833	1.052.388	-5,9
Firewood	273.582	302.552	10,6
Total conifers	1.392.415	1.354.940	-2,7
DECIDUOUS			
Trunks for sawing	473.533	475.029	0,3
Timber for planks and plywood	692.581	658.894	-4,9
Hewn wood	19.331	7.530	-61,0
Railway sleepers	14.380	8.728	-39,3
Wood for paste	379.756	386.948	1,9
Poles for mines	3.854	4.244	10,1
Large poles	126.133	118.913	-5,7
Small poles	216.870	200.831	-7,4
Other	395.260	358.703	-9,2
Total wood for processing	2.321.698	2.219.820	-4,4
Firewood	4.255.060	4.456.343	4,7
Total deciduous	6.576.758	6.676.163	1,5
WOOD FOR PROCESSING	3.440.531	3.272.208	-4,9
FIREWOOD	4.528.642	4.758.895	5,1
Total	7.969.173	8.031.103	0,8

Source: ISTAT, 1998.

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Printed by
Litografia Principe - Roma
March 1999

