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# **ITALIAN AGRICULTURE 2008**

*An abridged version of the  
“Annuario dell’Agricoltura Italiana”*



**Edizioni Scientifiche Italiane**







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# ITALIAN AGRICULTURE 2008

**An abridged version of the  
«Annuario dell'agricoltura italiana» vol. LXII**



**Edizioni Scientifiche Italiane**

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## Foreword

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

The first edition of the *Annuario* was published in 1948. During more than half a century of life, the publication has benefited from the collaboration of experts drawn from professional, administrative and academic backgrounds, as well as that from numerous important public and private bodies operating in the food sector. It is recognised as a unique and authoritative source of information on all aspects of rural life in Italy.

Successive editions of the *Annuario* trace the history of the remarkable social and economic changes that have taken place in Italy since the middle of the twentieth century: the relative decline of the agricultural sector from its prime position as a source of employment and household income, but, at the same time, the development of a flourishing agro-food sector, noted for the high quality of its final products as well as that of its technical equipment. In this transition, the rural sector has taken on specific new tasks: in particular, it has assumed a key role in protection of the environment, at the same time extending hospitality and information to a wider public, both Italian and foreign, who are now able to appreciate the cultural aspects of the rural environment and benefit from its salutary effects.

The form and content of the *Annuario* have been adapted over the years to take into account changing circumstances, with the intention of producing a “user friendly” volume.

This abbreviated English edition has now reached its twenty-third year. It replaces the summaries in English which followed each chapter in the Italian edition prior to 1987, and includes translations of key statistical tables.

The idea which inspired this publication was that of making available to a wider group of readers information on some of the key factors affecting the Italian rural, agricultural and agro-food sectors – an objective which seems all

the more relevant considering the size and importance of the EU agro-food sector and the increased attention to agricultural and environmental policies and trade in the international dialogue.

\* \* \*

The present volume is structured into five chapters, each of which summarises the principal contents of each of the five sections (28 chapters) in the Italian version. The statistical tables presented for each chapter have been selected from the more than 250 tables in the original version, giving priority to those documenting newly available information and events of particular interest in the year in question.

This English version of the Yearbook thus reflects the structure of the Italian version, which offers a broad and well-documented collection of data and facts dealing with production, employment, credit in agriculture and with public support for the sector. In particular, the results are also presented of the two annual surveys, on the land market, and on the employment of both EU and non-EU immigrant workers in agriculture. These are surveys which INEA traditionally carries out in the whole of Italy, through its regional branches. Themes regarding the agro-food system including, amongst others, food safety and quality agro-food products are also dealt with.

Further information included in the Italian version and omitted here for reasons of space, are a statistical appendix, with tables giving Regional data, and a CD-Rom containing a database for the period 1990-2007 and the tables from the current edition. The Italian version is available through bookshops and is published by Edizioni Scientifiche Italiane

\* \* \*

INEA, the Italian Institute of Agricultural Economics, was established in 1928 and is a public body, an organ of the State, with autonomous administrative and legal status. The statutory task of the Institute is to undertake surveys and studies on the economic aspects of the rural environment, agriculture and forestry, with special reference to requirements for 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. Twenty Regional Offices are maintained and coordinated by the Headquarters, which are located in Rome. The Library of the INEA is also situated in Rome, open to the public and also available for consultation on-line. It houses a collection of more than 20,000 volumes and 400 scientific journals, representing publications from most parts of the world.

## Chapter 1

# The Italian Agro-food System

### 1.1. *Current trends in Italian agriculture*

*Agriculture in the national economic system* - Italy was the only one of the larger economies in the Euro zone to have registered a contraction in real terms in GDP in 2008: it amounted to one per cent over the year and was the result of a negative trend which accelerated in the second half of the year as tensions on international financial markets became more acute. The decline in GDP can be attributed in particular to industry in the narrow sense, which experienced a fall in value added at factor cost of 3.2%, interrupting the positive trend present since the second half of 2005 (see table 1.1). Activity in the food industry also slowed, with a decline of one per cent in value added; the service sector, on the other hand, maintained an almost stationary level (-0.3%). An opposite trend was present in agriculture where value added at factor cost increased by 2.4% in real terms. As a result of these developments, agriculture maintained its share in the composition of GDP at the same level as in 2007, 2.3%, whilst that of the food industry increased slightly (to 1.9% in 2008 as compared with 1.8% in the previous year).

As regards value added per unit of labour in agriculture, despite the good performance (+3.5%) in 2008, this reached the level of € 24,316 which continues to represent only about 44% of the corresponding average value for the economy as a whole.

Considering price trends, in 2008, for the second consecutive year, agriculture did not make its traditional contribution to restraining the rate of inflation, since the increases in the price indices for food products were considerably higher than those both in the index of consumer prices (+5.4% as compared with +3.3%) and in that for producer prices (+9.4% as compared with 5.8% for all goods).

Due to considerable increases in the prices of agricultural products, the positive trend in agricultural production, beginning in 2007, continued: production at basic prices for agriculture, forestry and fishing amounted to € 51,641 at current prices, an increase of 4.5% over the previous year. In real terms, the in-

crease was somewhat less (+1.1%) and was entirely due to agriculture where the production of goods and services increased by 1.7% over the previous year, and, if secondary activities are also considered, by 1.9% (tab. 1.2).

As regards strictly agricultural production, due to mainly favourable weather, with widespread rainfall in the north, there were positive trends in production for the majority of crops, as shown by the increases in real terms for field crops (+2.3%) and even more so for tree crops (+4%) whereas in comparison, live-stock products showed only a slight increase (+0.4%). Decline in production occurred for forage crops (-3%), industrial crops (-10.7%) potatoes and vegetables (-1.7%) and citrus fruit (-1.9%). Amongst livestock products, there was a notable decline, of 40%, in honey production.

Agricultural production yielded positive results in all four main geographical divisions of the country, with increases above 2% for the North-east, the Centre and the South of Italy, as compared with a slower rate of growth in the North-west (0.8%).

Services from activities connected with agriculture reached a value of € 5,298 million at current prices in 2008, with an increase of 4.65% as compared with the previous year but this, in real terms represented a more moderate increase of 0.5%. The upward trend in this element, strictly linked with agricultural activity, continues and has reached a share of 10.8% of the value of output in agriculture. The different activities which make up the sector of services connected with agriculture, as shown in table 1.3, are: agricultural contracting, and hiring of agricultural machines and equipment which, totalling € 2,322 million represent 43.8%; harvesting, first processing and preserving of agricultural products (excluding processing to the final stage) amounted to € 1,282 million with a share of 26.1%; maintenance of parks and gardens, with € 1,469 million (28.2%) is the third most important activity in the sub-sector; lastly, services related to livestock raising amount only to 1.8% for a value of € 95.7 million.

As regards the category of secondary activities, value produced in 2008 amounted to € 1,506 million at current prices, with a considerable rise (+8.3%) as compared with the previous year. On account of this growth, the share of secondary activities in the value produced by the agricultural sector rose to 3.1%. Agro-tourism, with a share of 53.3%, is the main component, with a turnover of € 803.5 million, an 8.3% increase as compared with 2007 and, at the same time, it is the most dynamic, having doubled its value as compared with the year 2000. It is followed by activities for on-farm processing of meat, milk and fruit. The particularly dynamic character of these activities and their growing importance from an economic point of view are evidence of a trend towards diversification of activities on the farm and thus of the related sources of income.

*Intermediate inputs* - Going on to examine expenditure for inputs in agriculture, in 2008, this amounted to € 22,355 million at current prices, showing a considerable speeding up in its rate of growth (11%). As in 2007, the increase in 2008 was entirely due to the considerable rise in prices for technical inputs (+11.4%). To this increase, the highest for the last twenty years, the increase in the price of fertilisers (+49.6%) made an important contribution, together with that of energy (+19.1%), of seeds (+13.3%) and feedstuffs (+11.9%). In real terms, expenditure for technical inputs in fact showed a slight fall (-0.4%) as compared with the previous year, continuing a trend which has already been evident for several years.

The increase in the prices of goods purchased by farmers (+11.4%) was higher than the increase in prices of goods sold (+3.6%, which becomes +3.8% if expressed as producer prices) resulting in a further erosion of terms of trade for Italian agriculture in 2008.

The higher rate of growth in 2008 shown by inputs as compared with production caused a slight increase in value added in the branch of activity Agriculture, forestry and fishing, and this reached € 28,443 million at current prices (+0.4% as compared with 2007). In real terms, the increase in value added was higher (+2.4%). For agriculture alone, the rate of growth in real terms in 2008 reached 3.6%. This marks a recovery for the sector after three consecutive years of decline, and brings back the level to that of 2005. Amongst the main geographical divisions of the country, the better results, above the national average, were found in the North-east (+4.7%) and in the Centre (+3%). Rates of growth were lower in the North-west (+1.3%) and the South (+1.2%).

*Value added in agriculture* - Analysis of value added per labour unit in agriculture, at basic prices, shows an increase of 2.6% as compared with 2007, bringing the national average value to € 22,000<sup>1</sup> at current prices (tab. 1.4). This is a result both of the increase in value added and of the decrease in the number of people employed in agriculture. From a regional point of view, the Centre and Islands showed more rapid increases than the national average, at 4.6% and 3.5% respectively; lower, but still positive, were the growth rates in the North-west (+0.8%) and the North-east (0.5%).

Amongst the different broad geographical areas, the North-east and the Centre achieved an average value added per labour unit above the national average (€ 24,900 and € 26,100 respectively) and within each of them there were Regional averages also above the national average. As regards the North-west, value added per labour unit was only slightly above the national average (€ 22,400)

<sup>1</sup> This figure differs from that shown in table 1.1 where value added at factor cost is shown, which includes all subsidies and is net of all taxes.

a result of variable trends in the different Regions. The South and Islands continue below the national average, with € 19,300 per labour unit, and even though the rate of growth was higher than that for the nation as a whole, it was not sufficient to close the gap which exists.

## 1.2. *International trade in the agro-food sector*

*Trade balance and foreign trade in agro-food products* - The Italian trade balance, which has been negative since 2004, deteriorated slightly as compared with 2007, reaching - € 11,478 million (tab. 1.5). The agro-food sector appeared in net contrast with the rest of the trade balance with a deficit which fell from € 8.38 to € 7.34 billion. These good results were due to a more than satisfactory increase in exports (+7.3%) accompanied by a slight increase in imports (+2.2%), as shown in table 1.6. The increase in exports was due entirely to an increase in prices (8.7%) provoked by a rise in international prices of raw materials; as regards imports, the increase (+2.2%) was caused by an increase in prices whereas volumes decreased. The satisfactory performance of the agro-food sector was due above all to the improvement in the terms of trade.

*Trade by sector* - Looking at the sub-sectors the increase was higher for food (+7.9%) than for agricultural products (+4.4%). Amongst the agricultural sub-sectors which showed the highest increases in exports are citrus (+28%), cereals (+87.7%), fresh fruit (+7.2%) and legumes and fresh vegetables (+2.2%); in contrast, there were reductions in exports of uncured tobacco and dried fruit, fish products and flowers and plants. Amongst industrial food products some sub sectors showed considerable increases in exports: cereal derivatives (+22.9%), processed vegetables (+16.3%), processed fruit (+8.7%). There were slight increases in sales of drinks (+2%). Instead, in 2008 there was a slow-down in exports of sweet confectionery (-0.7%) and dairy products, for which even the lack of price increases was not sufficient to counteract the reduction in demand.

As regards imports, amongst agricultural products, the increase in those of oilseeds was exceptional (+44.7%) and also those of cereals (+12.5%), due to price increases. Imports of cocoa, coffee, tea and spices (+16.7%), citrus (+8%) and other fresh fruit (+8.7%) also showed significant increases. Other traditional sectors of agricultural imports showed a reduction in purchases: there were reductions for the second consecutive year in purchases of live animals (-15.5%) and of fish products (-7.5%). Products for which imports increased were fats and oils (+18.9%), oilseed cake and feed (+12.8%): price increases more than compensated the halt in the quantities purchased. There was also a slight increase in

imports of cereal derivatives (+4.8%). Purchases of fresh and frozen meat fell (-2%) as did those of processed and preserved fish (-2%), sugar and sweet confectionery (-6.5%), drinks (-3.8%) and dairy products (- 2.2%).

It is clear that the major share of exports (about 78%) is of food products for final consumption. On the import side, a considerable share (20.5%) is made up of intermediate inputs for the food industry, to be processed in Italy into goods for final consumption, whereas raw materials for the food industry amount to 13% of Italian agro food imports. Food products for direct final consumption still represent a notable share (36%) of imports. During recent years the share of total exports of goods from the primary sector has fallen, though it is still sizeable (20%).

*Geographical distribution of trade* - As regards the geographical distribution of trade, Italy appears as a net importer of agro-food products from the EU27 (with a normalised balance of -11.7%) and a strong exporter to other European countries (normalised balance +29.5%). Despite the reduced flow of trade, in 2008 Italy improved its trading position with the EU due to an improvement in the terms of trade. The normalised balance with Mediterranean countries also improved, on account of a consistent increase in exports, whilst the normalised balance with Asian countries deteriorated for the second consecutive year. The balance with North America also deteriorated due to stagnant exports, a result of the economic crisis, and increased imports on account of the exceptional price rises (+66%). There was a clear deterioration in terms of trade with South American countries from which Italy imports large amounts of oilseeds and cereals: import prices increased strongly (+24%) whilst those of exports actually fell (-1.4%).

### 1.3. *Farm enterprises*

*Farms, firms and legal form of enterprise* - According to the latest survey of farm structures and output (SPA) carried out in 2007, there are at present 1,679,000 farms in Italy - in the EU universe - with a utilised agricultural area (UAA) of altogether 12.7 million hectares and employment amounting to 1.3 million labour units (ALU). As compared with the survey carried out in 2005, there has been a reduction of about 3% in farm numbers, more marked in the central region and the islands. At the same time, it is estimated that there has been a slight increase in total UAA of the farms belonging to the EU universe (+0.3%). There has thus been a slight increase in the average size of farm, which is more marked if seen in economic terms (+15% of Standard Gross Margin per farm), notwithstanding the reduction in labour employed (-2.5% of labour units per farm). There are, therefore, some signs of dynamism, indicating a gradual, though slow, process of strengthening of farm structures. These changes, however, have not been uni-



form either as regards their distribution over the country as a whole, or as regards farm types, often leaving unchanged, and sometimes accentuating differences existing in the overall state of Italian agriculture (table 1.8).

Average farm size is estimated as 7.6 hectares in 2007, increasing since the last Census, and coinciding with an economic size of 15 Esu<sup>2</sup>. Differences between geographical areas persist, however.

The type of farming practised and the territorial location are elements which determine the structural diversification of the farm. In summary, the structural trend which emerges confirms the consolidation of the economic role assumed by medium and large farms in the latest surveys. In particular, farms above the size of 16 Esu are only 17% of the total but account for 66% of the UAA, employ 43% of ALU and produce 78% of income of the EU universe.

The number of farms indicated by the SPA survey is much higher, almost the double, that of the approximately 900,000 firms in the agricultural, game keeping and forestry sector registered with the Chambers of Commerce. This fact clearly shows the ambiguity existing as regards the definitions of farm and agricultural enterprise, sometimes giving a distorted picture of Italian agriculture. Nevertheless, the latter register also confirms the gradual contraction in the number of productive units shown by the ISTAT survey, which is to be attributed exclusively to the closing of sole proprietorships, the predominant form of enterprise (90.8% of the firms registered). In contrast, the number of companies continues to rise – both share companies and private companies – which, despite their lower share (7.4%) have a decidedly greater economic importance.

Looking at farms from the point of view of utilisation of agricultural area, the predominance of field and tree crops, which involve two third of farms, is evident. Permanent meadows and grazing are much less widespread (21% of farms) and linked above all to livestock raising. Field crops are particularly associated with the size of farm, and, in contrast, tree crops tend to be more frequent on farms of a smaller size.

It is estimated that there are about 390,000 farms involved in livestock raising, about 18% of the total number of farms, almost one third of which are in the South. Nevertheless, this type of farm is more widespread in the central areas and particularly in the North east. The North-west is less involved (less than 20% of farms) and even less again are the South and the Islands.

Confirming what was revealed in previous surveys, in 2007 it is apparent that whilst livestock farms are more frequent in the South, the number of head of animals is more concentrated in the north, especially as regards cattle (more than two thirds of the total) and even more so for poultry and pigs (81% and 85% respectively). This is because of a size of farm much larger than in other

<sup>2</sup> 1 Esu (European Size Unit) is equal to € 1,200 of Standard Gross Margin.

areas of the country, often organised along industrial lines. In contrast, about 50% of animals in the sheep and goat sector are to be found on the islands and the remainder are equally divided between Centre and South.

*Labour and the farm family* - As regards labour in agriculture, family labour accounts for more than three quarters of the total, involving more than 4 million people. Only a small fraction of the remaining 24% (less than 8%) are permanently employed workers, concentrated mainly in the North and the Centre, whilst the overwhelming majority of non-family labour (almost 900,000) is temporarily employed, mostly in the South of the country.

The SPA survey estimates there has been an overall reduction of workers in agriculture. It has affected family labour less (-2.3%), where it is linked with the fall in the number of farms, but it has been much more marked amongst salaried workers with a reduction of 26%, felt particularly in the North-west, and also amongst temporarily employed, where the fall was of 6%, mostly in the South and the Islands.

*Output and agricultural income* - Going on to examine output and agricultural income, estimates from the FADN for 2007 show a farm average for gross saleable output of more than € 54,000 and net income of about € 21,000, just under 40% of turnover, as return to factors of production belonging to the farmer and his family. The increases in prices in 2007, particularly for cereals, brought a significant increase in the value of output, showing a reversal in the negative trend prevalent in previous years (tab. 1.9).

The best results continue to occur in the North. In particular, farms in the North-west achieved farm averages both of turnover and of net income far higher or even double the national average. The grain sector, which involves industrial type farms, is that where turnover and income levels were much higher than the national average. Less spectacular results, though still above the national average, were to be found in the grazing and the fruit and vegetable sectors.

Variable costs constitute the greater share of expenditure for farms, about 70% of total costs. Fixed costs tend to take up a lower share of the total as the size of the farm increases, due mainly to the economies of scale permitted by the larger size of operations.

The effect of subsidies on economic performance is particularly important in farms specialised in arable crops (about two thirds of net income) since market support measures are concentrated on these activities. Farms with grazing livestock also receive an important share of income from aid, even though their net income is lower (28%). In contrast, fruit and vegetables farms and those with grain fed animals depend very little on public subsidies, with a share of income equivalent to less than 6%.

*Factor productivity* - As regards factor productivity, the productivity of land per hectare of cultivated area amounts on average to about € 3,500, with higher values on the basis of size and location attributable to large farms and those in the North. The results for horticultural farms and those cultivating flowers, with more than € 43,000 per hectare, are far above the national average and take the lead as far as land productivity is concerned. The economic efficiency of labour varies greatly, depending both on locality and on farm type. In this case too, farms in the North-west achieve income levels almost double those of other areas, where income per family worker is around € 18,000.

#### 1.4. *Food industry*

*Economic and productive trends* - Turnover in the Italian food industry in 2008 grew by 5.7% at current prices, reaching € 120 billion, according to statistics from Federalimentare. Price increases for some categories of product contributed to this result, following the steep increases in agricultural commodity prices during 2007 and the early months of 2008. After the upward phase, however, there was a steady reduction in food prices.

Exports continued to play an important role in the growth in turnover, continuing the trend of recent years. They amounted to € 19.6 billion in 2008, showing an increase at current prices of 9.7%. The ISTAT index of receipts from foreign trade confirms this trend, showing an increase clearly higher than that for the national turnover (fig 1.1) even though the ratio between exports and domestic sales amounts to 16.3%.

The ISTAT index of industrial production, on the other hand, shows a slight contraction in the sector in 2008 of 0.6%, as a result of the economic crisis which was also felt in the agro-food sector, although to a lesser extent than in other sectors on account of the well known phenomenon of its anti-cyclical behaviour (tab. 1.10).

In line with the trend in turnover, value added at basic prices in the food industry grew by 8.5% in nominal terms in 2008 and reached € 26.5 billion. In real terms, however, there was a fall of 1% reflecting the trend in the index of production.

Turning to employment, according to ISTAT, the number of employed in the Italian food industry amounted to 493,000 in 2008, with a slight reduction, of 0.9% as compared with 2007. The fall in employment did not affect only the food industry: in industry as a whole there was a reduction of 1.2% whilst in agriculture it reached 2.2%.

Data on employment point to the relevance of the food industry in the different Regions of the country: the highest shares of the national total go to Emilia-Romagna (15.3%), Lombardia (14.9%), Veneto (9.8%), Piedmont ((8.3%)

and Campania (8.2%). There are a further four with significant shares, Sicily (6.5%), Puglia (5.8%), Lazio (5.3%) and Tuscany (5%).

There was a further increase in the number of firms in the Italian food industry in 2008, which is in line with the rising trend experienced since 2000. Data from Infocamere indicate the number of units registered as 116,737, an increase of 1.1% over the previous year, whilst active firms amount to 106,440, an increase of 2.8%. The share of food firms on the total of industrial firms remained more or less unchanged at 16.6%. Of the different legal categories of firm, that which showed the highest rate of growth in 2008 was the share company even though its share of the total number is very small (11.7%). In terms of growth, this form is followed by that of partnerships; sole proprietorships remain the most common (56.6%). Craft enterprises are important in the sector, amounting to 76.6% of the total, and, following the overall trend in the sector, these too increased in 2008 (+1.8%) for active firms, reaching a total of 81,675.

*The principal firms* - Turning to the larger firms operating in the sector, *Unilever Italia* is in the lead, with a turnover of € 2,771 million although this figure does not refer exclusively to food products (tab. 1.11). *Barilla* (€ 2,416 million) and *Ferrero* (€ 2,263 million) follow, and find place amongst the top 20 food groups in Europe. In fourth position comes *Veronesi*, with a turnover of € 2,224 million and in fifth, *Cremonini*. *Nestlé Italiana* occupies the sixth place, and, after the *Gesco-Amadori* Group, *Big* is to be found, which belongs to the French dairy group *Lactalis*, owner, in Italy, of the brands *Locatelli*, *Invernizzi*, *Cademartori*, *Galbani* and others.

The sector where important changes have taken place in recent years is that of edible oils, where recent sales and acquisitions demonstrate the implementation of new strategies and re-positioning. This has favoured the emergence of two main groups, one foreign and the other domestic: the Spanish group *Sos* (with *Carapelli*, *Bertolli* and *Sasso* brands) and the *Mataluni* group (with *Dante*, *Minerva*, *Lupi*, *Oio*, *Topazio*) brands and important production for private labels.

### 1.5. *Economic organisation of producers*

*Cooperatives* - The Report for 2006-2007 drawn up by the National Observatory on Agricultural Cooperation<sup>3</sup> confirms some of the specific characteristics

<sup>3</sup> The National Observatory on Agricultural Cooperation has been established at the Ministry for Agricultural, Food and Forestry Policies by the Law n. 231 of 2005 and is supported by the 5 organisations representing agro-food: FEDAGRI-Confcooperative, Legacoop Agroalimentare, ASCAT-UNCI, AGCI-Agrital, and UNICOOP.

of agro-food cooperation in Italy: the structural dualism between North and South, with concentration of larger firms, better organised and able to generate 78% of the national turnover from cooperatives; a share of deliveries from members which exceeds 80% of the total dealt with by cooperatives; domestic origin of almost all raw materials processed; a very small share of sales going to foreign countries. In this respect, reference must be made to the legislative decree n. 171/08 on “Urgent measures for a competitive re-launching of the agro-food sector” which, as an incentive for greater openness towards foreign markets on the part of the agro-food sector, provides for tax credits on spending for promotion abroad for quality agricultural or food products, with an annual ceiling for state expenditure in 2008 of € 40 million.

Another important innovation comes from law n. 99 of 2009 and concerns the agricultural consortia, which are considered as cooperatives prevalently with mutualistic principles, independently of criteria for the definition of “prevalence” which usually refers to a situation where the produce supplied by members is more than 50% either of the total value or of the total quantity.

Analysis of data concerning the Italian agro-food cooperative system (tab. 1.12) show information about the four central representative organisations (FEDAGRI-Confcooperative, Legacoop Agroalimentare, ASCAT-UNCI, ANCI-Agrital)<sup>4</sup>. For the year under consideration, there has been a reduction in the number of cooperatives (-3.4% as compared with the previous year) and in the number of members (-1.8%), together with an increase in the average size of cooperative, now at 150 members. Confirming what has been happening in recent years, turnover increased again in 2008, and following an increase of 2.1%, it reached € 36.2 billion. This led to a significant increase in the average turnover per cooperative (+5.7%) and of turnover per member (+3.9%) which thus reached € 38,800. Altogether, therefore, a decrease in the number of cooperatives has taken place accompanied by an increase in their size, both in terms of members and in terms of turnover, indicating a process of re-structuring and reorganisation under way in the Italian cooperative sector in recent years.

*Producers’ organisation* - As regards Producers’ Organisations (Pos), in 2008 the MIPAAF drew up guidelines integrating previous dispositions concerning the following items: the working and management of the national register of Producers’ Organisations; checking the prerequisites for recognition as Producers’ Organisation (also as regards Organisations with members in several Regions); calculation of minimum requirements for Pos in the agro-energy sector.

<sup>4</sup> The analysis does not include the Italian Union of Cooperatives (UNICOOP), recognised with the Ministerial decree n. 775/2004, for which, at the time of writing data are not available.

At 31<sup>st</sup> December 2008 the number of Pos recognised in Italy amounted to 135. During 2008 the growing trend towards participation in this type of organisation, which had already been evident in 2007, continued; recognition was given to 29 new Pos, with only one being revoked, in Emilia Romagna. Olive oil was the sub-sector with the highest number of Organisations recognised – in total, 38. The recent developments in this sector are partly linked with the reform of the Common Organisation of the Market for olive oil (Reg. (Ec) 864/2004 and Reg. (Ec) 865/2004), which came into effect in the 2005-2006 season and gave rise to a process of reorganisation in the sector.

As regards the fruit and vegetable sector, in 2008 provisions for implementing the COM reform in Italy were adopted as regards requisites for recognition of Pos. To be granted recognition by the Region or the Autonomous Province, the number of producers participating in the Organisation should be at least five, and the minimum value of output marketed varies according to the type of product and must be between € 0.1 and € 1.5 million.

During 2008, 17 new Pos for fruit and vegetables were recognised, as well as a new Association of Producers' Organisations. At 31<sup>st</sup> December 2008 altogether 290 organisations were recognised in the fruit and vegetable sector in Italy in accordance with Reg. (Ec) 2200/96 and Reg. (Ec) 1234/2007. Of these, 274 are Producers' Organisations, 8 are Associations of Producers' Organisations and the remaining 8 had been recognised as Producers' Groups before 2008, according to article 18 of Reg. (Ec) 2200/96.

*Contracts* - Passing on to examine contracts, in 2008 negotiations continued in some sub-sectors, consolidating agreements set under way in previous years and starting up new agreements.

The cereals sector was heavily involved in contractual negotiations in 2008, which affected the entire filière. Of particular importance were the filière contract "Quality wheat", the filière contract for SIGRAD durum wheat, the contract for cultivation Grand' Italia, the pilot Project "Durum wheat of high quality in Emilia Romagna". These contracts have in common a basic price and a mechanism of price formation referred to a system of progressive premia linked to the protein content of the grain delivered to industry.

As regards the fruit and vegetable sector, in 2008 the traditional understandings in the sub-sectors of industrial tomatoes and of potatoes were renewed, relating to the two components, industrial processing and fresh consumption.

For tomatoes for industrial processing, negotiations began at the beginning of the year with an inter-professional agreement where, in the three year period 2008-2010, it is proposed to smooth the way to complete decoupling; for 2008 a volume of output of 4,600,000 tons of tomatoes was established, which cor-

responds with a cultivated area of about 60,000 to 65,000 hectares. Negotiations continued for the sub-sector with the signing of a contract by representatives of the agricultural and the industrial sectors of the framework contract for the North of Italy which fixed the reference price at € 79.5 per ton. For the Centre and South, instead, no agreement was reached for 2008.

For the sub sector of potatoes for industrial transformation, the planning activity continued with the signing of the first year of the multi-year programme 2008-2011, confirming the objective of processing 160,000 tons of potatoes in 2008. The Regional framework programme for Emilia Romagna for delivery of potatoes for fresh consumption, signed in 2007 and valid for three years, is, instead, at its second year of implementation. The contract concerns 100,000 tons of potatoes, equivalent to about 40% of the Regional output.

As regards the wine sector, in 2008 two interprofessional agreements were stipulated, valid on a strictly local basis; one was the last year of application of the traditional multi-year agreement (2005-2008) for Moscato d'Asti and the other, the first four year Regional agreement for Brachetto d'Acqui.

In other sectors, two filière contracts which had been drawn up in 2007 were signed in 2008 by the CIPE (Interministerial Committee for Economic Planning) and concern the Project UNAPROL - *Consorzio olivicolo italiano scarl* and the Project *Consorzio per lo sviluppo delle agro-energie* – CO.AGR.ENERGY. Finally, mention must be made, in relation to the framework contract for the production of bio-diesel signed in 2007, of the confirmation of the quantity of 70,000 tons of subsidised bio-diesel (a reduction of 80% in excise duty) for cultivation contracts made in the context of that agreement.

## 1.6. *Distribution and consumption*

*The evolution of the system of retail distribution* - The results of the annual survey carried out by Nielsen show that in the last five years, modern retailing in Italy has enjoyed significant rates of growth. The indicator “area per thousand inhabitants” shows a rising trend for 2008 for forms of modern retailing (supermarkets and hypermarkets) in the North-east (+4.1%) and North-west (+1.8%) districts. In contrast, in the rest of the country there was a slowing down in the growth rates of the two main types of modern retailing, to the advantage of discount stores, which expanded over the whole country, but particularly so in the South (+19%).

Again in 2008, Coop Italia is the leading group as far as sales area is concerned (about 1.8 million square metres), which is distributed over 1,677 outlets (tab. 1.13). The importance of the Coop is even more significant when it is con-

sidered that the group is part of the purchasing centre<sup>5</sup> Centrale Italiana which represents the most important groups of retailers in Italy, both for market share (22%) and for sales area (3.3 million square metres). The second purchasing centre for sales area and market share is Sicon, led by Conad, with a strong concentration of presence in southern regions. Its core business is in self service outlets and supermarkets.

From the point of view of strategies practised by modern retailing, it has become evident that the economic crisis in 2008 has compelled the most important retailers at world level to seek new forms, which, especially in Europe, coincide with a general development of small to medium scale outlets. These new formats, defined as mini-retail, are usually less than 50 square metres in size, with a simplified lay-out to allow rapid purchasing, and with an assortment particularly of ready-to serve foods, fresh, even very fresh, local products, and long hours of opening (often 24 hours a day for seven days a week).

The mini-retail now constitutes the greatest challenge to modern retailing in Europe. In fact, starting in the 1980s, the growth in size of retail outlets seemed to be the best strategy insofar as it offered the customer “everything in the same place”; now, instead, economic and demographic changes (for example, the ever greater number of elderly people and those living alone) have led to strategic re-thinking for the main European retailing groups.

*Food consumption* - As regards food consumption, 2008 has been a difficult year for Italian families, with increases in both food and petrol prices and a general loss of purchasing power.

On the basis of ISTAT national accounting data, total expenditure of Italian families at current prices increased by 2.2% as compared with 2007. The growth can be attributed exclusively to a general increase in consumer prices (+3.2%) since in real terms there was a decline in consumption (-1%) due mainly to the component transport (-6.8%) and to food products (-2.3%).

Looking in greater detail at the trend in food consumption (including non-alcoholic drinks) of Italian families, it can be seen that in 2008 it amounted to € 137.5 billion, an increase as compared with 2007 (tab. 1.14). This is evidently due to a general increase in food prices (+5.7% as compared with 2007), in particular, in the price of bread (+10.2%), pasta and rice (+18.4%) and dairy products (+7%).

The data from the survey on household consumption for 2007 show a reduction of 0.7% in average monthly expenditure as compared with the previous

<sup>5</sup> Purchasing centres are companies founded with the intention of improving the negotiating power of single retailing firms with respect to their suppliers. The Federdistribuzione estimates that in 2008 only 50% of supplies to modern retailing pass through purchasing centres.



year. In general the average value of food consumption per family is € 466; in the South it is higher at € 499, followed by the Centre, with a value of € 485.

Nielsen data, published in a recent study commissioned by the FEDAGRI show that the general price increase for agro-food products, together with the economic crisis have in part changed the buying habits of Italian consumers with purchases being oriented preferably towards special offers or to cheaper brands, with a tendency to change from one shop to another in search of a better price: quality relationship.

In contrast to the trend so far mentioned for food purchases, the increase continues, even though at a slower rate than previously, in the consumption of products with a high level of services incorporated: first courses ready to warm up, frozen foods, ready-prepared sauces and flavourings etc.

Despite the economic crisis, there was an increase in sales for health foods and those linked to well-being ("light" products, probiotics, highly digestible, those enriched with Omega 3 etc.) (Nielsen) as well as products with certified quality, especially DOC wines and organic products (ISMEA). These trends show how complex food consumption is, with elements of contradictory behaviour linked to economic, social and cultural factors.

### 1.7. *Food quality and safety*

*Quality and production of agro food products* - With 182 products registered as PDO and PGI, Italy accounts for 21% of the EU total. The greater part of such Italian products are vegetables (32.7%), extra virgin olive oils (21%), cheeses (18.8%) and preserved meats and sausages (16.6%).

In 2008, the number of firms with PDO-PGI certification amounted to 80,600 of which 92.8% were farms and 5.8% belonged to the processing industry. More than 44% of the firms are to be found in the dairy sector, with 24.5% dealing with olive oil and almost 20% with fruit and vegetables.

ISMEA estimates of production of these certified products (tab. 1.15) show a decline for the first time ever, (-6.9%), mainly due to the decline in the Val di Non apples, hit by bad weather. There were increases for cheeses (+4.3%) and meat-based products (+2%). There was a strong recovery in production of olive oil (+48%) which had been badly affected in 2007 by adverse weather conditions. The value of PDO-PGI production, slightly higher than the previous year (+1.5%) amounts to about € 5.1billion and that for consumption on the national market, to € 7.7billion (+6.2% as compared with 2007). Cheeses alone account for more than half of the value of output.

Estimates of foreign demand also show a decline as compared with the rather good results of the previous year: exports of PDO-PGI decreased by 1.2% in vol-

ume and increased by 1.1% in value terms amounting to more than one billion Euros. The only sector which expanded was that of cheeses (+3.2% in value). Values for preserved meat and sausages and for fruit and vegetables fell.

As regards demand for PDO-PGI products, ISMEA family panel data show a decline in household consumption of 4.3% in volume and an increase of 2% in value on account of the increase in average prices at retail level.

Statistics relating to quality wine for 2008 may be summarised as follows: there are 359 DOC wines, of which 43 are DOCG. DOC-DOCG production in the 2008 harvest amounted to 14.4 million hectolitres and accounted for 32.8% of total wine produced in Italy. The leading position for quality wines is still assumed by the North of the country: 9.2 million hectolitres, about 64% of the national DOC output. DOC wines, especially the red ones, continue to be amongst the Italian produce most requested on foreign markets, with an overall value of almost € 1.5 billion.

Many aspects of the policy for quality, under debate in the European Commission, presented real dangers for some of the traditional Italian PDO and PGI products during 2008. Weaknesses in the protection system for these denominations, even within the single market, became obvious, with the sentence of the European Court of Justice on the case of “Parmesan” on 26<sup>th</sup> February 2008 where, even though the sentence acknowledged violation of the protected denomination, it rejected the appeal of the Commission against Germany, establishing the principle that one member state is not obliged automatically to sanction violation of the PDO of another member state, but respect for PDO must be assured by the institutions for control appointed by the member state where the PDO product originates.

Regulation of the origin of raw material for processed products with protected geographical indications was one of the many questions raised by the Green Paper of the Commission. The case of Bresaola, which erupted onto the scene at the beginning of 2008, made quite clear that the famous preserved meat from the Valtellina was made with meat produced abroad and opened a *querelle* on the validity of such an operation.

Expansion in the production of the two PDO granular cheeses (Parmesan and Grana Padano) resulted in a serious market crisis in 2008. The low prices of the two cheeses induced the respective Consortia of producers to request the government to declare a state of emergency and to solicit urgent measures to ease the market, such as the withdrawal of cheeses and their destination to food aid for poor people, measures for promotion on foreign markets and most of all, permission to plan production in order to be able to watch over the price at which the cheeses were released onto the market.

The unfavourable trends in PDO ham markets had heavy repercussions on the whole pork filière, and especially at the level of pig raising, which has been

affected by low profitability for several years, causing a further fall in prices of heavy pigs for slaughter.

Events concerning the wine Brunello di Montalcino had negative effects for the reputation of Italian wines abroad, and, in concrete terms, risked shutting off customs access in USA, the most important market for Brunello. The enquiry carried out by the Public Prosecutor in Siena ascertained a commercial fraud by leading producers through the utilisation, from 2003 to 2007, of grapes from vines other than those of the San Giovese cultivar, the only one admitted in the discipline of the two wines. About 1.3 litres of Brunello, 500,000 litres of Rosso di Montalcino, 150,000 litres of Chianti were declassified to IGT Toscano Rosso and sold as such, whilst 100,000 litres of IGT Toscano Rosso were sent for distillation.

## Chapter 2

# Factors of production in agriculture

### 2.1. *The land market*

*The overall situation* - The slight increase in land prices which occurred in Italy in 2008 (+1.2%) was the result of different happenings which affected the agricultural sector over the year, and, in general, the entire national economy. The strong recovery in agricultural markets which began in the latter half of 2007 and continued also at the beginning of 2008, seemed to have awakened the interest of investors – especially of those farmers who wanted to take advantage of a good flow of liquidity to enlarge their holdings; but the drastic fall in agricultural prices and the worsening of financial turbulence in the second half of the year changed expectations. Sales gradually slowed down as access to credit became more restricted and availability fell, despite the increased interest in land which, in periods of crisis, is regarded increasingly as a refuge good.

The greatest impetus to price rises came from the North-west, where the average increase was almost 3%, whereas in other zones, changes were limited to less than 1% (tab. 2.1). Only land in the plains was responsible for the price increases (+1.9%) considering that land in the hill and mountain areas did not, on average, show significant changes except in Tuscany where there was a strong increase in the mountain areas.

Comparison with the index of consumer prices shows a reduction in the value of land expressed in real terms: for the country as a whole, the overall value of farm land fell by 2.1%, continuing the decline which has been apparent since 2005 and which has led real values back to the level of the year 2000. Nearly all Regions have been affected by this reduction, but in the space of the last ten years, the situation has been positive for northern regions and for some regions of the Centre, where in real terms, the value of land shows increases of between 12 and 16% as compared with 2000. The general economic situation and the dynamism of the regional economic systems have probably had a positive influence on farm values, despite the sharp slowdown in the economy in recent years.

Sales were altogether stagnant. Many operators indicated an equilibrium, on the whole, between supply and demand, with exchanges reduced to a minimum. There were some areas where demand continued to be higher than supply, especially in the plains of the river Po, whilst in the South, operators have indicated situations where supply has been abundant, but the prices requested were high and potential investors considered that the purchase would have been unprofitable from the point of view of income. Factors tending to increase demand are, as usual, the opportunity of enlarging the farm, the need to procure more land in order to respect the ever more stringent limits for disposing with effluent from livestock holdings, and the resources made available through the Regional Development Plans for new investment, especially for settling young farmers. During 2008, moreover, operators pointed to the growing interest from the sector of renewable energy for land suitable for production of biomass or the installation of wind farms or photovoltaic equipment. Although at present the effects are more evident in the market for land to rent, there have been cases where the demand for farms from the energy sector has led to an increase in farm values.

As regards agricultural policies for income support, the process of de-coupling does not seem to have had particularly evident effects on the market for farm land, in contrast with what has happened for rented land, where rents can vary considerably according to whether or not there are rights to payments.

The most numerous category of buyers remains that of professional farmers who, through the purchase of small and medium pieces of land, are able gradually to enlarge farm size and invest savings generated by the agricultural activity of the family. In the case of purchases on a larger scale, very rare in fact, operators from outside the agricultural sector are more common and they manage their purchases with an eye to diversifying their investment portfolios. The sellers are most frequently elderly people who have abandoned farming or by their families employed mainly in other sectors, with no intention of continuing in agriculture, which is judged as hard work and not very profitable. There are also cases of operators from outside the agricultural sector who see the sale of farm land as a way of recovering financial liquidity necessary for other types of economic activity.

*The market for rented land* - The area of rented land in Italy amounts to 3.6 million hectares of which 384,000 are conceded without payment, according to the latest ISTAT survey of 2007 (tab. 2.2). This area is equivalent to about 28% of the UAA, 5 percentage points higher than in the Census of the year 2000, although still below the European average (40%). Renting is widespread particularly in the north of the country, where in some areas of the North-west it affects more than half the land cultivated. The figures for the North-east are lower (30%), but still higher than the national average. The share of rented land drops

significantly as one moves towards the Centre (25%) and to the South, where it is less than 20%. Renting is more common on the part of larger farms, who seek to realise economies of scale with a larger farm size; it is almost inexistent amongst smaller farms.

During 2008 the market for rented land continued to show contrasting trends, with a higher level of activity in the north, where demand often exceeded supply, whereas in the Centre, and especially in the South, the situation was less dynamic and the number of new contracts is falling. The steep rise in rents, following the rise in agricultural prices at the end of 2007, weighed heavily on farm budgets during 2008. The worsening of the international economic crisis and the consequent lack of liquidity may have encouraged northern farmers to increase farm size through renting rather than by purchase. Agricultural contractors and livestock raisers were the most active in the market: the former group makes use of article 45 of the law 203/82 in order to benefit from tax subsidies for agriculture, whilst the second group take on land in order to be in line with the nitrate Directive. In contrast, in many areas of the Centre and South the economic crisis and the general fall in agricultural prices in the second half of the year put a brake on the stipulation of contracts and kept rents stable. As in former years, there are parallel markets for land with rights to subsidy and for that without: the subsidy tends to be englobed into the rent.

There has been a speeding up in the process of legalising verbal agreements, which, however, remain fairly widespread in the inland and marginal areas over the whole country. The conversion, especially in the South, is due to the need to demonstrate access to land in order to obtain Community subsidies and those from the Regional Development Plans, which also influence the length of the contract.

The rush to produce alternative sources of energy has had its effect also on the market for rented land: in the North, land is required for cultivation of biomass whereas in the Centre and South it is for installing wind farms and photovoltaic plants. Although the phenomenon at present affects only limited areas, it is likely that the high rents usually paid for this type of area may be reflected in the level of rents for strictly agricultural uses.

*Farmland policy and rent contracts for agricultural land* - The usual policy of encouraging farm consolidation continued in 2008, based essentially on the extension of tax relief for constituting and extending small scale farms. Measures for easing terms of credit are much less frequent and are carried out by ISMEA, the institution responsible for farm consolidation. Alongside these measures, Regions have activated Measure k for farm consolidation within the Regional Development programmes 2000-2006. The results, however, are not particularly encouraging: of the seven Non-Objective 1 Regions which provided for Measure k,

only the Autonomous Province of Trento has carried it out, with a very limited sum (€ 70,000); four Objective 1 Regions have put Measure k into their programmes, but only Sicily and Sardinia seem to have achieved significant results, with overall expenditure of € 39 and € 60 million respectively.

## 2.2. *Investment and credit*

*The general framework* - The year 2008 was a particularly difficult one from the financial point of view: market turbulence reached a climax with the collapse of Lehman Brothers bank, which caused a crisis in the whole system, and to this were added the consequences of the economic crisis. In addition to having to face up to an extraordinary crisis, the banks were involved in the implementation of the Basle 2 Agreement which began on 1<sup>st</sup> January 2008. In this framework, farms are vulnerable to risks characteristic of agricultural production, lack of transparency in financial accounting, difficulties in producing adequate guarantees, and an even higher incidence of overdue loans which the sector has always shown.

*Investment* - Gross fixed investment in agriculture in 2008 amounted to € 11.9 billion and, for the first time, showed a fall at current prices (- 4.3%), accentuating the negative trend which had already been apparent since 2005. This trend is in line with that of investment overall (-3.0%) which displayed negative values both in industry (-5.5%) and in services (-1.8%). The role of agriculture remains weak as compared with the share of investment in the sectoral composition of expenditure. In fact, the value of the previous year was confirmed, with 3.6% of the total, whereas over the year it fell in relation to value added, from 35.5% to 33.0%. The value of investment per employee also fell, to about € 7,500 (as compared with € 7,600 the previous year), an amount still considerably less than that for other economic sectors (tab. 2.3). As regards other indices, there was an increase in amortisation per employee, which rose from € 7,500 to € 7,700, in line with what was happening in other sectors of the economy.

*Main trends in credit* - Credit to the sector agriculture, forestry and fishing, which amounted to € 37.4 billion in 2008 for the country as a whole, followed the general trend, with an increase of 3.9% (tab. 2.4). In effect, this was the outcome of very different trends in different districts of the country: in the North-east, and the North-west there were significant increases once more, of 7.5% and 6.7% respectively. On the other hand, in the rest of the country there was a somewhat worrying stability, with 0.7% for the Centre and 0.6% for the South.

As regards conditions for loans, the share of subsidised credit continues to decrease: it amounted to € 773 million in 2008, a reduction of 16% as compared with 2007, and declined from 2.6% to 2.1% of total credit.

As regards the use of the longer term credit, there was a sharp slowdown in erogation (-17.7% as compared with the previous year) and this reflects on trends in the outstanding sum which showed an increase of 1.8% over 2007. Disaggregating the total, we find a slowdown in credit for construction of rural buildings (+0.5% of outstanding loans and -36.8% of erogations) which probably is a result of the strong increases found in previous years (+15.8% in 2007 and +28.8% in 2006). There was a 1.7% increase in investments in machinery, means of transport and equipment, a sign of a low rate of restructuring in the sector and confirmation of the obsolescence of the stock of equipment in being. There was an increase in credit for the purchase of rural buildings (+6.4% as compared with 2007) which could be the result of choice linked to the difficult economic situation and of decisions, on the part also of those outside the sector, to invest in rural buildings as refuge goods in the absence of safe alternatives.

*Unpaid loans* - The economic and financial crisis caused a strong tightening up by the banks in criteria to be met for granting loans. Despite this, the riskiness of debtors increased rapidly. The phenomenon is clear from an examination of failure to pay back debts on time which, both for economic activity as a whole and for agriculture, forestry and fishing, rapidly increased during the course of the year, almost doubling in value, and reached levels not seen since 2002-2003. For agriculture, the rate passed from 0.34 in the first quarter to 0.59 in the last quarter, whilst those for all branches of activity taken together increased from 0.31 to 0.60. It can be seen that, in the general increase of debtors in difficulty, the performance of the agricultural sector, although negative, was better than that of the whole.

### 2.3. Technical Inputs

*Fertilisers* - Trend in prices of agricultural products and fertilisers varied strongly in the period 2007-2008. The high prices reached by cereals during 2007 overshadowed the strong increase in fertilisers, which reached their maximum in summer 2008. The crisis and the increase in prices forced farmers to review their plans for fertiliser use, reducing quantities and the numbers of applications.

Data supplied by Assofertilizzanti confirm the downward trend in the use of fertilisers in agriculture which passed, over the last five years, from 1.7 million tons: in 2004 to 1.4 in 2008. The fall in 2008 affected all three elements: -2.7% for nitrogen, -4.2% for phosphorous and -9.1% for potassium.



*Plant protection products* - During 2008 the value of phyto-pharmaceuticals used in agriculture was € 758.6 million, an increase over the previous year of 2.3% (source: Agrofarma) due mainly to the increase in prices (+3.6%). On the contrary, the quantity used, amounting to 90,900 tons, showed a decrease of 1.2% as compared with 2007.

The trend in the market for pharmaceuticals used for agriculture has felt the influence of the process of revision of registered active substances due to the Directive 414/91 which will presumably end during 2009, and which precedes the entry into force of a new Regulation and a new Directive.

Employment of insecticides and acaricides showed a considerable fall, (-22.3%) which led to a 17% drop in the total value utilised, in the face of a rise in prices of 6.8%. Reductions were also found for quantities used of herbicides (-11.6%), which experienced a strong rise in prices as compared with the previous year (+22.8%), with an increase in the values of the products used of 8.6%. For the category of fungicides, which account for 40% of the value and 43% of the quantity of agro-pharmaceuticals used on the domestic market, utilisation was the highest in the last five years, at € 303.7 million (+9.7%), corresponding with 43,800 tons of product used (+11.2%). Fungicides experienced a slight fall in price, of 1.4%, as did fumigants and nematocides (-1.3%) which were used more intensively, absorbing 9,400 tons of product (+10.9%).

The North-east, and the South including the Islands are the districts with the highest distribution of plant protection products, respectively 31% and 40% of the total (ISTAT, 2007). An analysis of the area that could be treated reveals that there is a more intensive use of plant protection products in the North: in the North-east the application used is estimated as 28.1 kg. per hectare and in the North-west, about 19.2 kg. per hectare.

In the North-east and in the South with the Islands, as in the past, the greater quantities of products for plant protection in organic agriculture are used, 35% in each of the districts. Traps, on the other hand, are utilised in the Centre, and Lazio in particular, accounts for 23% of the national total.

*Seeds* - The world financial crisis and the collapse in prices of the main products in 2008 had important repercussions also for the seed sector. Farmers, in fact, reduced autumn sowings, unloading the difficulties of the moment onto seed producers. The reduction brought about a considerable fall in the area sown under cereals, which had dominated the previous agricultural season.

Amongst the various certified products, durum wheat achieved a rate of growth of 17.4%. In contrast to durum wheat, instead, all other cereals showed a reduction: soft wheat (-4.5%), rice, (-0.9%), maize (-4.0%) and barley (-5.9%). The production of "other cereals" was also much lower (-20.8%). Seeds for lucerne and sugar beet experienced increases of, respectively, 29.2% and 45.4%, whilst

there were clear falls in the production of soya (-25.1%), potatoes (-10.5%), other seeds (-48.4%) and commercial seeds (-44.1%).

The area supervised for the cultivation of seeds increased by 14.3%, reaching 231,000 hectares. The area for seeds for organic farming amounted to 12,045 hectares and the quantity of seeds produced in organic farming amounted to 15,671 tons (+56.1%).

*Feedstuffs* - the feedstuffs sector, in the same way as other sectors for the production of the technical inputs, was strongly affected by trends in prices of raw materials, but, as compared with the other sectors, it did not experience a generalised fall in consumption. Domestic production of compound feed is estimated by Assalzoo in 2008 as 14.6 million tons, an increase of 2.5% as compared with the previous year. This result was due particularly to feedstuffs for the bird sector, (39% of domestic compound feed production) which grew by 8.9%. In this sector, feedstuffs for chickens for meat are particularly important and increased by 18.7% as compared with the previous year. Feed for cattle and pigs showed a slight decline, of 3.7% and 0.6% respectively. Production of simple feedstuffs for 2007, according to Assalzoo, amounted to 23 million tons, falling by 4.1% as compared with the previous year.

*Irrigation water* - The area irrigated in Italy amounts to 2.6 million hectares, or 20.9% of the UAA. The greater part of the irrigated area is concentrated in the North (1.7 million hectares) with a higher share (36.4% of SAU) than the national average. In Central Italy, the share of irrigated land is only 8%, whilst in the South it amounts to about 14%.

Irrigation is prevalent in the area of the plains (47.5% of the UAA) whilst in the hill and mountain areas it occupies a very small part of the area cultivated. The farms which make the greatest use of irrigation are small to medium sized, signifying recourse to a greater intensity of cultivation in farms with less land.

Concerning the climate, which obviously strongly conditions the general recourse to irrigation, data calculated by ISPRA show that in 2008 temperatures were higher in all areas of the country as compared with the reference period 1961-1990, whilst as regards rainfall, the northern and central areas experienced an increase of 20% on average with respect to the reference data, whereas in the South and Islands, there was less rain than the average (-7%). It follows that during 2008 there were no situations of water shortage in the North of Italy and abundant rainfall assured a good supply of the main sources of irrigation water. If, on the one hand, the abundant rainfall of 2008 allowed replenishment of the greater part of the water deficit which has existed in recent years in particular in Northern Italy, on the other hand, it also caused damage to the agricultural sector.

In some areas of Central Italy, in particular in Umbria, despite the favourable rainfall, the hydrological situation appeared critical for almost all of 2008. For the Southern regions, in contrast with what occurred in the North, in the spring and summer period the water shortage was considerable. This was caused by the scarce rainfall which was insufficient to fill the wells which are the main source of supply for this area of the country.

When water is scarce and it is necessary to effectuate an optimal distribution as regards area and timing, the bodies responsible are often obliged to change the ways in which it is distributed during the season and, in extreme circumstances, to interrupt it or to limit it to emergency situations.

According to data obtained from SIGRIA and processed by INEA, management of irrigation by the different bodies varies a great deal. There is an enormous difference between the numbers of irrigating bodies in the South as compared with the Centre-North. This can be explained by the different problems of irrigation which have traditionally distinguished the two areas. In the South, in contrast with Northern Italy, the frequent irrigation crises and the greater diversification in crops have led to the development of different types of intervention which can guarantee greater flexibility in the management of irrigation.

## 2.4. *Employment*

*Employment in agriculture* - On the basis of the survey on the work force, in agriculture 895,000 people were employed in 2008, a reduction of 3% as compared with the previous year which affected both employed (-3.9%) and independent labour (-2.3%). The share of agricultural employment is 3.8% of the total with considerable differences between different geographical areas, and particularly in the South, the share of agriculture is almost double (6.9%) that of the national average (tab 2.7).

The reduction affected all districts, with the exception of the North-west, where there was quite a strong growth (+5.7%).

Those employed in agriculture are, on average, older than the average for the whole economy, and have a lower level of education. As regards the type of employment, independent workers are mainly self-employed and family helpers, whereas amongst employed workers there is a very high percentage of manual labourers (89.5% as compared with the average of 46.7% for the whole economy).

*Agricultural labour and immigrants from outside the European Union* - On the basis of information from the INEA survey on employment of non-EU immigrants in agriculture in Italy, during 2008 their presence amounted to slightly more than

116,000, to which must be added 58,000 workers from new member states of the Community.

As compared with the standard number of hours foreseen by the contract, non-EU workers work longer, especially in activities like livestock farming where there is greater intensity of labour; workers from new member states, instead, often seem to be under-employed.

Employment continues to be prevalently in activities linked to tree crops, horticulture and livestock, in jobs requiring little specialisation. The growth in employment of non-EU workers in agro tourism, in processing of fruit and vegetables and in dairy products has stabilised.

The period of employment is usually seasonal, except in regions where there is a great deal of livestock farming.

Legalisation of work contracts is spreading, even though there are pools of irregular workers in order to keep down production costs.

The survey confirms that employment of non-EU workers and those from new member states of the EU in Italian agriculture tend to be temporary, and even if this answers the needs of the employer for greater flexibility, it does not always correspond with the correct conditions of work and standard of living (tab. 2.8)

*Wage negotiations and social insurance in agriculture* - In 2008, after a “quasi pause” in the previous year, negotiations for work contracts in agriculture proceeded vigorously. In fact, in the year in question, many provincial work contracts were renewed. There was also a fair amount of negotiation at national level where some collective national work contracts were renewed. Important amongst these was that for employees of firms which practise agricultural contracting, signed at the end of February 2008; later the contract for overseers and agricultural workers, signed at the beginning of June 2008, about five months after the expiry of the previous contract; and finally, in November 2008, after long and difficult negotiations and almost a year from the date of expiry, the renewal of the national collective contract for employees of the land reclamation authorities was signed.

It must also be mentioned that in the same year, three renewals for a two year period were signed: for employees of firms operating in the field of public and private “green space” (gardens and public parks), for employees of co-operatives and for forestry workers.

There was nothing new of importance in 2008 as regards social insurance. There were slight increases in payments for contributions, determined by periodic adjustments foreseen by law for some social security payments. Mention must be made of the recovery, during 2008, on the basis of the Ministerial decree of 25<sup>th</sup> October 2007, of increases in contributions to INAIL to cover bio-

logical damage in the years 2004 and 2005. This meant higher expenditure for contributions of about € 60 for each worker employed (reduced to € 40 for mountain and disadvantaged areas).

The experiment carried out in 2008 of the so-called vouchers for accessory occasional work in agriculture must also be noted. Accessory occasional work and the opportunity of paying for it by voucher was originally governed by article 70 of legislative decree 276/03 and later revised by article 22 of the law no. 133/08. At first limited to students and pensioners, it was later extended to other persons and to all agricultural work on farms with an annual turnover of less than € 7,000.

*Social security payments in agriculture* - Social security payments absorb on average 14% of gross income of farms and the greater part of them, more than 50%, are paid by the employer. Contributions from independent workers and from employed workers take up a lesser share, of 37% and 11% of the total respectively. In 2008, contributions due by employers fell by 3% and the same thing happened for independent (-2.3%) and employed (-0.8%) workers. In the same year, relief on contributions for firms and for workers in the sector gave a tax saving of about € 2,319 million.

## 2.5. *Knowledge systems in agriculture*

The expression “knowledge system” referring to the set of activities concerning production, sharing and dissemination of knowledge in the agricultural sector was used for the first time in OECD in 1995. In that context, it foresees three components: research, training and dissemination or consultancy.

*Research: the institutional framework* - From 2005 to 2009 the institutional framework, the policy objectives and the general regulatory and reference environment which defines the roles, the competencies and the means of implementation of the system of research remained unchanged.

During that five-year period, the Ministry for Education, Universities and Research put into operation what had been foreseen in the national Plan for research 2005-2007, continuing to promote public research through specific initiatives and dedicated funds (FIRB and PRIN) and industrial research, through instruments specified in the legislative decree 297/99 which reorganised the entire sector (FAR) (tab. 2.9). The agricultural sector had finance of about € 5.38 million, distributed over 5 projects concerning the themes of quality and safety of food and of genomics. The agro-food sector, instead, had a sum of € 12 million relating to a total of 268 projects.

The MIPAAF continued to be a privileged point of reference for the public system of research in agriculture according to the definitions of the Ministerial decree on “criteria and procedures for managing advanced research for the agricultural sector” (n. 353 of 16/07/03). Projects financed after public calls were altogether 132, for a total cost of € 23.4 million; projects financed through application to the Ministry were 57, with a cost of € 28.5 million, and direct assignment was a way of responding to numerous specific emergencies for research, altogether 51, for € 80.7 million.

*Training and instruction* - From the point of view of courses offered, our system of training and education appears to be in a state of continuous change. At present, between various types of schools for higher education dealing with questions of agriculture there are about 1,500 institutions over the whole country, with a total of more than 30 different specialisation courses. The latest reform (Gelmini, 2008 which will come into effect in the school year 2010-2011) has in fact reduced the number of specialisation courses at the technical institutes, whilst still maintaining specialisation in agricultural subjects.

There are 23 public Faculties of Agriculture in Italy, of which 8 in the North, 5 in the Centre and more than 10 in the South. In addition to the normal degree courses, in recent years new courses have been activated such as: gastronomy, biotechnology, catering, sciences relating to the environment of local territory.

*Extension services: an analysis of the availability to farms* - services to agriculture are a complex reality and continuously changing, with renewal of technical and economic support and every form of diffusion of information and innovation which would help farms to develop their economic and social capacity to the best, minimising the negative influence and the risks deriving from a lack of knowledge.

In Italy, advisory services to farms have always had a dual character: public and private.

Within the private system, varietal innovation in crops, chemical innovation for fertilisation and plant protection, mechanical innovation and those relating to management and nutrition on livestock farms have been spread by seed firms, by genetists, by manufacturing industry (chemical, mechanical, etc.) through their specific networks of technicians. About 5000 wholesalers (of which 45 with more than 10 workers) and 15.000 retailers, of which 14% with more than 10 employees which sell technical inputs (2000 Census), also carry out an intense system of consultancy and technical assistance to their clients. Food processing firms and large retailers draw up agreements with farmers, specifying parameters for the quantity and the quality characteristics of the products in question. Through

these agreements, farmers ensure sales of their products and, in many cases, receive training, consultancy and technical advice. Professional agronomists for the most part, help farmers in drawing up projects and administrative documentation for access to public funds. Consultants registered with the Association of Agronomists and Forestry Experts, agricultural surveyors and agricultural agencies, to cite only those most directly involved in assisting farmers, are more than 53,000 in number, of whom, according to the Census, 15% work full time in the sector.

Journals dealing with agriculture in Italy which provide information to farmers and their advisers are published by private publishing houses and press agencies, as well as by Regional and local bodies, public research centres, farmers' organisations and firms which sell and/or market technical equipment, by cooperatives and by Producers' associations. There are four major groups specialised in the sector: Sole 24Ore-Edagricole, Informatore Agrario, Tecniche Nuove, Gemma editco, which altogether run about 27 publications. At least 28 publishing houses publish books for divulgation of agricultural sciences.

Within the public sector, the Region is the only institution which plans and manages public intervention for the promotion of services to farms and carries out this task in the framework of a specific law which defines areas of competence, roles, institutions involved and methods of procedure for assigning funds available. Some aspects in common between the different Regions may be distinguished. Almost all Regions regulate the service within a wider system which also includes research and training and they have adopted a decentralised system of organisation, that is, they carry out these measures through third parties. The nature of these third parties has always been the object of analysis and discussion, even at international level, which shows up the particular characteristic of the Italian system as that of preferring involvement of the public system. In recent years, however, public structures in the North and Centre have come to manage only 40% of the total cost of investment for services, whilst in the South the percentage has remained around 60%. The public institutions normally involved are service agencies which deal with activities relative to "technical services with high value added": agro-meteorological networks, laboratories for analysis, multi-media initiatives and other specialised services. Private firms usually deal with basic consultancies to the firm; those most often involved are farmers' organisations and producers' associations, but specific structures for consultancy promoted by professional organisations of Agronomists, Veterinarians and Agricultural Technicians are increasingly becoming involved.

*Advisory services to farms on cross compliance* - The objective of establishing an "organic system of extension for professional farms" has returned to the Community policy agenda with Reg. (Ec) 1782/2003 which foresees the responsibil-

ity of the member state for establishing, by 1<sup>st</sup> January 2007, appropriate systems of extension for farms. In the context of rural development planning 2007-2013, the Reg. (Ec) 1698/2005 gave the member states the opportunity of supporting the establishment of advisory services with specific financing. In contrast with what had been foreseen in the previous Regulation, this duty has been inserted into a more global Community strategy where services for agriculture take on an important role for achieving the objective of competitiveness for the primary sector (First Pillar). The establishment of the system of services is seen in the context of a series of complementary measures: information for all the professions associated with the primary sector (measure 111), but also for assisting the farmer to carry out farm activities such as the utilisation of advisory services (measure 114) and the setting up of services for substitution (measure 115) (tab. 2.10).





## Chapter 3

# Agricultural policy

### 3.1. *Community policy: First Pillar*

*Agricultural policy in the context of Community action* - Appropriations in the budget of the European Union for 2008 amounted to € 130.9 billion. Funds for Item 2, Conservation and management of natural resources, within which agricultural policies are to be found, amounted to € 56.8 billion, whilst Item 1, Sustainable growth, absorbed € 57.9 billion. In Item 2 the item dedicated to expenditure connected with the market and with direct payments (First Pillar of the CAP) had € 40.5 billion at its disposal. The Second Pillar was endowed with € 14.6 billion, an increase of 54% as compared with 2007, due to the effective launching of rural development programmes for the period 2007-2013.

*Expenditure for the First Pillar* - Expenditure for the First Pillar of the CAP, which passes through the EAGF, was € 42 billion, with substantial reductions for almost all of the EU-15 member states, which came about by the extraction of funds for measures of rural development for the planning period 2007-2013, now paid exclusively through the EFARD. The relative positions of countries have not changed, however: France remained that which received the highest amount of funds under Pillar 1 (21.3%); Italy maintained the fourth position (11.1%). Analysing payments in 2008 by item, in the EU expenditure for direct aid amounted to 89.3% whilst that for intervention on agricultural markets fell to less than 10%, with a share for Italy of less than 10%. Within Italy there were similar trends: expenditure for direct payments has increased, reaching more than 80% and made up 10.1% of the EU total. The share of Italy in community expenditure for market intervention also rose, despite its fall in value terms. Finally, an important item is that for the Fund for re-structuring the sugar sector which reached € 526 million, 41% of the total spent in the whole of the EU, evidence of the intense activity for restructuring the sector since the reform of the relative common organisation of the market.

*Regional distribution of resources* - Looking at the regional distribution of resources for the First Pillar in Italy, the Single Payment Regime (SPR) emerges as the most important instrument for distributing aid, even though there are considerable differences at local level with variations that range from 80% of support to less than 30% (tab. 3.1). Direct aid deriving from article 69 is that most widespread over the country but never takes on a significant role (tab. 3.2). Finally, looking at the local effects of modulation, in 2008 of € 198 million which was cut, about € 92 million (42%) were returned to producers in that it was englobed into the basic payment. Altogether four Regions (Lombardia (19%), Puglia (12%), Veneto and Piedmont (11% each) supplied more than half the resources for strengthening the Second Pillar by transfer of funds from the First.

### 3.2. Community policy: the Second Pillar

*Implementation of measures* - As regards implementation of measures of the Second Pillar, in 2008 implementation of Rural Development Plans at European level came into full force. Analysis of the distribution of total public expenditure (community funds and national co-financing) as regards the main priorities of the RDPS gives a useful indication about the strategies followed in the different member states. Data on the state of advancement gives an indication of the degree of efficiency and of procedural preparation.

As regards strategies, that concerning the environment is the strongest component of the RDPS of the northern European states, whilst in the Mediterranean area and in the new member states objectives linked to sectoral competitiveness take on considerable importance. As regards financial implementation, procedures appear to have gone ahead well and there was an adequate degree of efficiency in spending, even though a preference is evident for measures which guarantee speed in payments.

In 2008 payments were equivalent to 16% of funds allocated. Half way through 2009 funds engaged for expenditure, however, had already reached the level of 41% of total resources, including the retrospective multi-year funds already earmarked and which have been transferred to the new programmes; payments were in the range of 21% of those programmed, and 53% of those earmarked. The first two axes have been best accomplished and within these, the measures which provide for payments of premia. The low rate of progress in axes III and IV, instead, are due to the complexity and innovation of funding measures in this context.

*National Strategic Plan* - At national level, the changes introduced with the *Health Check* must be implemented in Rural Development Plans which will have to be

revised and presented again for approval before the end of 2009, in line with what has been agreed in the National Strategic Plan (NSP) notified to the European Commission in July 2009. The revised version of the Italian NSP leaves unchanged the priorities for each axis, which have been better defined for incorporating the new challenges. This approach derives mainly from the fear which has emerged both at national and at regional level that radical changes could have had a negative influence on the efficiency of its implementation. The additions to and changes in the NSP involved both the analysis of the initial situation and the strategy of the plan and of the individual axes and, finally, the action necessary for coherence and complementarity with other policies (First Pillar, cohesion policy, national policy etc.)

At Regional level, during 2008 implementation of measures foreseen by the RDPS took off, also because by the end of 2009 the mechanism must be applied of automatic recuperation of resources not accounted for within two years from the date at which they were attributed (the  $n+2$  principle).

Resources available for Rural Development in Italy amount altogether to more than € 16.7 billion of public expenditure, of which about half come from the EAFRD (tab. 3.3). In the first two years of its application, 2007-2008, funds were paid out for more than € 1.1 billion showing an expenditure capacity relating only to the community quota of 8%.

The speed of payments is extremely variable between Regions, with some, belonging to North-east where as much as 20% has been spent (the Autonomous Provinces of Bolzano and of Trento e Friuli and Venezia Giulia); and also between axes, with a clear prevalence of resources dedicated to axis II (more than 80%) which also include payments referring to past planning. Some Regions have however, paid out notable amounts of funds for measures under axis I (Friuli-Venezia Giulia, 68%; Molise, 51%; Liguria, 49%). Axes III and IV show less satisfactory performance; nevertheless, axis III which makes up a small part of resources will not weigh too heavily on fulfilment of the objectives. A longer period of time will be needed, instead, for measures carried out through the Leader approach (axis IV) where it is necessary to select local partnerships to manage the resources and the initiatives

### *3.3. Policy for the agricultural sector in Italy*

*National agricultural policy* - With the change in government majority, which was anticipated to May 2008, Luca Zaia took over the guidance of the Ministry for Agricultural, Food and Forestry Policies (MIPAAF). With the new Minister, there was a different approach to Community matters and greater attention to direct contact with farmers.

In June 2008 the new government launched an impressive manoeuvre to limit public expenditure, which also strongly cut funds available to MIPAAF; the cut was more acute on account of the fact that the previous government had failed to allocate resources from the Fund for national solidarity for 2009, as well as to the failure to prolong the relief for social security contributions in the disadvantaged areas.

During 2008 the principal measures as far as legal provisions were concerned were: confirmation of the competency of the MIPAAF for agro-food matters; re-programming of funds not utilised for planning contracts and territorial agricultural pacts; measures to deal with the crisis in the fishing sector; provision for a “contribution for admission” to consortia for safeguarding protected denominations for producers who entered for the first time; extension to the entire country of the provisions regarding young farm entrepreneurs, abolishing the restriction of the sub-entry of a family member.

At the end of 2008, law 171/08 introduced several other agricultural norms, amongst which: tax credits for internationalisation of agro-food firms; further financing for the Fund for national solidarity, which was increased by € 66 million; extension of relief for social security contributions both for mountain areas and for disadvantaged agricultural areas; assignment of a quota of bio-diesel production without taxes; urgent provisions for irrigation; adaptation to community rules of accounting procedures regarding measures co-financed by the EU in the fishing and aquaculture sector (SFOP); the simplification of procedures for large farms for the transport of special agricultural waste; the extension to the fishing sector of filière and district level contracts; compensation for damage caused by peronospora; the extension to the land reclamation consortia of the possibility of setting up conventions with farmers for carrying out services as regards the environment; rules for combating forest fires; exclusion of forest management plans at local level from strategic environmental evaluation; financing a campaign for promoting consumption of extra virgin olive oil; legal measure for safeguarding Mozzarella di Bufala Campana PDO; reduction in the number of members in the Management Committees of bodies under the supervision of MIPAAF. Finally, with the law 184/08, € 25 million were assigned to the UNIRE (the National Union for Improving Breeds of Horses, which also has authority over the racing industry) and € 150 million in 2009.

The Financial Law of 2009, the most restrictive in the last twenty years, brought with it the implementation, after 12 years of annual postponement, of the quota of IRAP (local tax on productive activities), subsidised at 1.9% for farms; it also prolonged the traditional tax relief for the sector. Altogether, the Financial Law for 2009 reduced funds available to the agricultural sector by about one third as compared with 2008 (tab. 3.4).

In February 2009, on the proposal of the Minister Zaia the government approved a decree for strengthening the competitiveness of the agro-food sector which also contained new provisions for labelling food products intended to overcome the objections of the community to the preceding law 204/04.

A very important development was the resolution of the question of milk quotas. Following the increase in quotas that Italy had obtained during the Health Check, in the legislative decree d.lg. 5/09 criteria for organising payment of fines by instalments were defined with interest on the fines accumulated by farmers without quotas, and also providing for economic support for farms that had become indebted for the purchase of quotas with a specific fund (€ 45 million). In May 2009 the assignment of quotas from the increase on the part of the Community allowed many producers finally to settle their situation.

Insurance is the main guarantee in Italy for agriculture. In 2008, the law 82/08 concerning adaptation to Community norms for state aid in the agricultural and forestry sectors (2007-2013) defined new objectives for the National Solidarity Fund (NSF) introducing innovations to the existing aid regime.

The state contribution to the payment of the premium on insurance policies can reach 80% when the damage reaches 30% (or 20% in disadvantaged areas) and up to 50% when the damage caused does not reach the limits of 30% (or 20% in disadvantaged areas) or of losses caused by livestock or plant epidemics.

Subsidised insurance covers agricultural risks according to rules established in the national insurance plan, which is the instrument through which, each year, the size of the public contribution to insurance premia is decided. The annual plan specifies, Region by Region, the crops, the farm structures, the adverse events, and the epidemics which are subject to subsidised insurance and the other elements necessary to guarantee an effective and efficient use of public funds.

The MIPAAF decree of 28<sup>th</sup> December 2007 approved the insurance plan for risks in 2008 with some changes and additions as compared with that of the previous year; with the law of 27<sup>th</sup> February 2008 was approved the list of maximum unit prices for agricultural products, for farm structures and for livestock products, to be applied to determine the values that could be insured on the subsidised market. Later, with the law of 7<sup>th</sup> May 2008, prices of products not included in the previous decree were added, the prices of soft and durum wheat were corrected and the cost of disposing of carcasses of dead animals were changed. Finally, the law of 5<sup>th</sup> December 2008 established the maximum unit prices for calculating the values for subsidised insurance for lack of income for periods when livestock farms affected by epidemics could not work and for replanting of fruit orchards or vineyards hit by adverse climatic events.

Data from ISMEA on subsidised insurance for agriculture during 2008 show the particular vitality of the demand (tab. 3.5). The insured value reached € 5.4 billion (+24%) and the number of certificates amounted to 267,694 (+12%). The

quantity of produce insured also rose, to 20.4 million tons (+25%) and the area insured, to 1.4 million hectares (+38%). The national average tariff, expressed as the ratio between the value of the premium paid and the value insured, fell again (-7.2%). Volumes insured by subsidised policies for livestock production reached € 422 million (+36%).

As regards expenditure by the central administration, in 2008 the MIPAAF received an allocation from Parliament of € 1,930.7 million, a decline of about 6.5% as compared with 2007. Payments made amounted to € 1,474.5 million (-€ 207 million).

The reduction in allocations was concentrated on promotion and protection of products (-€100 million), on research and experimentation (-€ 67 million), on help for management of farms (-€ 66 million) and on the current expenditure of the Ministry itself (-€ 76 million). There were significant increases, instead, for irrigation and forestry infrastructure (+€ 143 million) and for farm investment (+€ 61 million).

Expenditure for administration (31.5%) weighed less heavily than in the past, due to the savings made in re-structuring the Ministry (d.p.r. 18/08). About € 74.5 million were transferred to the Regions (-€ 18 million) of which € 57.3 million for implementing federal administration. Altogether, Ministerial allocation not utilised directly by measures of agricultural policy amounted to 42.6%.

As regards policies, in 2008 the tendency to concentrate expenditure on a limited number of measures of national importance continued. Allocations for agricultural policy amounted to € 1,011.9 million, distributed as follows: € 413.8 million for infrastructure, mostly irrigation works; € 225.4 million for aid for farm management (contributions for insurance policies); € 145.7 for farm investment; € 140.8 million for research and experimentation in agriculture (CRA); € 55.8 million for services in agriculture amongst which the National Informatics Service for Agriculture (SIAN); € 12.1 million for promotion and safeguarding products. To the fishing sector, € 95.5 million were allocated (+€ 6.4 million), mostly for financing tax relief.

### 3.4. *Regional policies for agriculture in Italy*

*Regional laws* - During the two years 2007-2008 there was a steady reduction in disputes between State and Regions in terms of appeals to the Constitutional Court; sentences of the Court have by now clarified and consolidated the reference framework, years after the reform of title V of the Constitution (which instituted the Regional authorities). The state contributed to the stabilisation of the institutional framework through appropriate laws and the Regions themselves, which since 2004 have approved 11 ordinary statutes and have increased the ex-

ercise of residual or exclusive legislative power foreseen in article 117 of the Constitution in the face of a substantial decrease in the rival power.

The new legislative capacity of the Regions has also been developed through the diversification of the type of measures adapted; in fact, alongside primary legislation, increasing use has been made of more flexible instruments of a regulatory or administrative nature.

The Regional laws approved in 2008 are prevalently of the type that interests specific sectors. In fact, Regional legislation is no longer overwhelmingly that for executing or integrating national or community norms: it has taken on the character of regulation or organisation of important fields of activity of a more general nature, whereas the details of the regulation are passed on to the Junta and the Council.

If, on the one hand, there has been a simplification and re-ordering in legislation in recent years, on the other, a significant increase is apparent in the number of laws classified as “multisectoral” and/or “envelope laws” which respond to problems of an inter-sectoral nature. A significant proportion of legislation which involves agriculture is to be found in inter-sectoral provision of a general nature (for example, the Regional financial laws):

During 2008, Regions in Italy passed altogether 96 laws which affect the agricultural sector. After approval of the RDPS 2007-2013, drawing up and approval of calls for measures to be activated in the Programmes has assumed particular importance. Measures for re-ordering and integrating existing laws have also had a significant weight.

As regards contents, the distribution of laws between areas of intervention shows a prevalence of those related to the agro-food sector and to management of territory.

Many Regions took measures intended to promote and support agriculture through the commercialisation and consumption of agro-food products from firms in the Region or by encouraging and promoting local crop varieties and livestock breeds belonging to the natural heritage of local agriculture and animal husbandry. In order to promote the specificity of agro-food production, in some Regions markets reserved for local producers and operators have been established. In this way, there has been an attempt to give incentives for producers to organise themselves and the filière, in synergy with the promotion of markets for direct sales, through the development of the short chain and through a new method of organising distribution and selling. A further instrument for economic development and promotion of territorial resources is that of productive districts (agro-food or rural) a matter on which some Regions have already produced their own norms in past years.

Following the problems which have hit financial markets, Regions felt the need to produce laws to introduce or renew measures intended to guarantee ac-



cess to credit in agriculture. The main objective has been that of bringing the world of credit closer to the needs of farms and to offer more effective services.

In conformity with national and EU policy, the Regional norms were oriented, even if in different ways, to promoting policies for development of forms of agro-energy. Various Regional norms concern the management and enhancement of the value of forests and also regulation of fishing and aquaculture. In recent years, moreover, the number of laws aimed at guaranteeing and promoting the conservation and improvement of the natural environment and the countryside have increased.

Like national policies for agriculture, those of the Regions are subject to regulations which impose criteria and procedures of notification to the European Commission as regards public aid. This type of aid is subject to approval by the Commission, or, for aid of a small entity, to a communication for information purposes. A further obligation for member states is that of presenting an annual report on all types of aid currently practised.

From an analysis of reports presented in the four years 2002-2006, it emerges that altogether € 2,700 million were paid out in Italy as state aid to agriculture, distributed over various measures that can be classified within the following macro-objectives: competitiveness, extension services, environment, natural disasters, risk management, research, innovation and development, forestry, human capital and energy saving. Within these measures, the most significant was that of € 1,500 million, 54% of the total, designed to improve the competitiveness of farms, followed by € 460 million, about 21%, paid out for support for damage caused by natural disasters, exceptional events and epidemics affecting both crops and livestock.

Data for the period 2002-2006 do not contain information about supplementary finance provided for in the RDPS because the possibility of accumulating data from this source has only recently been foreseen. The only information currently available is that relative to planning for the next period (2007-2013), from which it clearly emerges that regional policy for state aid is concentrated mainly on the definition of aid to be used in the context of implementing the RDPS, compatibly with the needs for intervention emerging after the preliminary analysis and in line with the strategies and priority objectives defined there. The total sum allocated by the Regions is about € 900 million.

Agricultural expenditure by the Regions amounts to a very small part of the Regional administrations' total expenditure; in 2007, in fact, it was 2% of the total, similar to that for the industry, commerce and craft sectors (1.7%) and that for tourism (0.5%). Regional expenditure for agriculture has, moreover, suffered a reduction of 6% in 2007 as compared with the previous year, amounting only to € 3,663 million in comparison with an allocation of € 4,939 million and a sum earmarked of € 3,555 million. Payments allocated in previous budgets

amounted to € 1,982 million, showing how the regional authorities have been engaged in the payment of residuals from previous financial years.

Expenditure has fallen in the majority of Regions, with the exception of Valle d'Aosta, Lombardy, Trento, Tuscany, Marche and Basilicata. Expenditure as a proportion of regional value added shows a similar trend, with negative changes in the main geographical areas and at average national level, the only exceptions being found in the Islands (tab. 3.6).

In comparison with 2006, the Regional authorities showed a general improvement in the capacity to spend, both in those with ordinary statutes and in those with special statutes. Details at district level show an increase in efficiency in the North-west (+6.1%) whilst lesser improvements occurred in the North-east (+4.1%) and the Islands (+3.2%) and in the South (+1.4%), falling to 1 percentage point in the Regions of the Centre.

### 3.5. Fiscal policy

*The size and structure of taxes and payments levied by the public administration in agriculture* - During the period 2004-2008 the overall amount of taxation in agriculture increased significantly, with rates of change of 5% in the first three years, remaining stable with only slight variations afterwards (tab. 3.7). In 2008, fiscal pressure in the agricultural sector amounted to 20.4%, whilst tax pressure rose to 8.6%; these values are much lower than in other economic sectors. Between 2004 and 2008 farms have, on average, contributed about 16.7% of their income to the state, about half of that of firms in other sectors. Differences in taxation within the agricultural sector concern the distribution of taxes between farms on the basis of their legal status: in terms of gross profits, sole proprietorships pay 2.7% whilst for companies the percentage rises to 8.6%.

The privileged system of taxation which the agricultural sector enjoys derives from savings both in virtual taxes and from effective reductions in taxes the total of which has increased by 23% between 2004 and 2008 (tab. 3.8) in comparison with a change in total taxation of 12%. This increase is due mainly to the changes in IRPEF and social security contributions of independent workers which show a progressive increase in tax savings on account of elements of a forfeitary nature in taxes. The composition of the relief shows a net prevalence of relief over taxes (about 55% on average) linked to the use of a specific factor of production, (salaried or autonomous labour as the case may be) or to the use of a particular input (mineral oils).

From a territorial point of view, the structure of taxes in agriculture is particularly elaborate in that it is made up of a mixture of social security payments and national and local taxes. In all Regions, social security contributions make

up the greater part of fiscal revenues; nevertheless, in some areas social security contributions make up on average 80% (Calabria, Sicily and Liguria). Analysis by territory of fiscal revenue shows that the Regions which contribute most are Puglia, Emilia-Romagna and Sicily (with 11.6%, 10.1% and 10.3% respectively). The Regional distribution of taxes must be seen in relation to the territorial distribution of the tax base which does not necessarily follow the dynamics of the economic variables to which it refers, and also to the changes made to tax rates on the part of local authorities in the context of their, albeit limited, tax autonomy. Distinguishing, within the regional composition of taxes, the local from the state component, it can be seen that on average, between 2004 and 2007 taxes and contributions of state origin represent about 80% of total regional taxes, with particularly high values in Valle d'Aosta (96%), Calabria (92%) and Umbria (91%). Finally, excluding contributions, and comparing data for local tax revenues, the part of taxes which flow directly into the accounts of local authorities is significant, being about 60% of the total; in some Regions, the share of taxes that can be manoeuvred locally is very high (Calabria and Basilicata).

### *3.6. The framework of responsibilities and consolidation of public support*

The question of the costs of bureaucracy in agriculture is one of the themes raised several times in the course of the year by farmers' organisations, with numerous surveys and enquiries. Even the EU is facing up to the question, having issued, in 2007, a programme for administrative simplification as regards 13 sectors, including agriculture, the success of which is conditioned by the efforts made at national level for reducing the so-called "gold-plating" that is, the introduction of further costs for receiving Community norms in the national and Regional legislation.

In this framework, Italy has prepared its own programme for the reduction of charges, fixing the objective of reducing them by 25% by 2012. This process is not made any easier by the significant number of public institutions (more than one thousand) which deal with agriculture over the country. One answer to the question of simplification and lessening of the bureaucratic burden could come from the centres of assistance to agriculture (CAA) which already deal with farm dossiers for those farms which derive financing from the CAP and could act as a single counter for the public administration in agriculture. There is still a long way to go in this respect, however, because although the CAA are a sure reference point for farmers, they have displayed certain weaknesses which cannot be overlooked.

An analysis of the budget of AGEA (Agenzia per le Erogazioni in Agricoltura-Agency for payment of funds to agriculture) and of the Regional Pay-

ment Agencies (OPR) permits a view of CAP expenditure disaggregated at Regional level. Implementation of the CAP in Italy in 2008 gave rise to payments amounting to € 5,401 million, divided for 90% to market intervention and direct aid and only 10% for rural development. Expenditure was concentrated in particular in the North-east (28.1%) and in the Southern Regions (27.5%); in particular, Emilia Romagna, Puglia, Lombardy and Veneto enjoyed the highest shares.

Payments for the first pillar were made up for three quarters by direct aid and in particular by the Single Payments. The highest share of direct aid is taken up by the Southern regions (34.1%), followed by the North-west (19.3%); the sectors which obtained the highest amount of finance were sugar (44, 3%), wine (22.3%) and fruit and vegetables (17.9%). Payments for the Second Pillar were about € 516 million, concentrated in Central and Southern Italy. The highest expenditure was for the second axis on account of agro-environmental measures and for compensation in the disadvantaged areas.

The CAP thus takes on different forms in different areas of the country: in the South measures for the First Pillar are dominant (direct aid) whilst in the northern Regions, and particularly in the North-east, aid by product is the most important; as regards rural development, agro-environmental measures appear to have taken off well, particularly in the Centre-South whereas the others (axes I and III) are still somewhat behind.

Overall public expenditure for agriculture of 2008 amounted to € 16.1 billion (tab. 3.9) of which 64.5% due to transfers and the remaining 35.5% through subsidies (-0.7% as compared with 2007). Regional expenditure is the most important item (24.6%), followed by payments from AGEA (23.1%) and by the Regional Payment Organisations (11.6%) whilst amongst subsidies, those for social security contributions play the leading role (14.4%).

Expenditure linked to Community measures (AGEA, OPR, SAISA and the National Rice Body) is the leading item of the consolidated expenditure (35%); about one half of transfers in agriculture, moreover, come from the Community budget. The Community component is greater than the national one if reference is made to where decisions are taken about destination of funds; in this case, the EU reaches a quota of 54.1% whilst the rest is decided at national and Regional levels.

In the context of the different policies (tab. 3.10) national policy is in first place (40.3%) followed by Community policy (35.1%) and, finally, Regional policy (24.6%); in national policy, however, the presence of subsidies has a determining weight. Looking at the individual types of support, the largest item is that of tax relief (21.1%) followed by the Single Payment deriving from the CAP (19.2%) by relief on social security payment (14.4%), sectoral aid to products (12.6%) and infrastructure (10.3%).

Regional disaggregation of consolidated expenditure, referring to 2007, shows the varying shares of different items in different parts of the country. In particular, in the North-east and North-west, the share of transfers is above the national average; in the central and southern areas subsidies take on a larger share. In Northern Regions there is a higher quota of Community payment (AGEA and OPRS). In contrast, the weight of the Regional transfers is decidedly higher in the South and particularly in the Islands; this is most probably due to the strong Regional (and national) participation in co-financing rural development.

As regards subsidies, the share of relief for contributions is lower in the Northern Regions; in the South and the Islands the incidence of tax relief is lower.

## Chapter 4

# Agriculture, environment and multifunctionality

### 4.1. *Conservation of nature and the countryside*

*Protected areas and agriculture* - Conservation and protection of the environment have by now become an integral part of the Community agricultural policies, especially since the multifunctional character of agriculture has been recognised, together with the capacity of conserving environmental and countryside values. Over time, this capacity has become a management objective in protected areas and also in the planning of peri-urban districts where there are forms, more or less widespread, of rural living. The multifunctional role of agriculture, in fact, is played out at different levels and that of areas of contact between urban and rural space has brought about new forms of territorial governance (agricultural parks) which join the usual natural parks and the network Nature 2000 (Bird and Habitat Directives).

Natural parks and national and Regional reserves in the official list of the Ministry for the Environment number 774 and occupy almost 10% of the national territory. There are 310 Nature 2000 sites in Italy, over an area of 6 million hectares (about 20% of national territory) and these partially overlap with the system of parks and reserves. Within these, there are 130 protected habitats, as well as 87 protected species of flora and 99 of fauna and also, with reference to the Bird Directive, 380 species of birds (tab. 4.1).

In order to understand the importance of agriculture within the protected areas it is enough to note that, from a European Research Centre for documentation on planning of natural parks, it emerged that 58% of Italian protected areas is made up of eco-mosaics predominantly of forestry and natural land, 34% by agro-forestry eco-mosaics and 8% of areas is highly influenced by human settlement. In this latter type of area agricultural parks have been initiated where the environmental dimension of the protected areas is integrated with the economic dimension linked to the presence of important agro-food products. In agricultural parks the spreading of urban areas towards rural territory is apparent and it is possible to satisfy new needs of the population of the surrounding settle-

ments, in particular as regards the demand for services. An experience of this type is supplied by the Milanese Agricultural Park of the South and several others are in the course of planning and implementation.

*The state of forests* - The total national forested area is estimated at 10,467,533 hectares, of which about 84% is woodland (tab. 4.2). In the category "woodland" timber plantations cover 122 thousand hectares whilst "other wooded areas", that is forest areas which, on account of scarce density of forest and/or low height of trees cannot be classified as woodland, cover a total area of about 1.7 million hectares. Statistics show that at least one million hectares are occupied by "pioneer" vegetation (bushland, low and thin scrub) deriving from land that was formerly cultivated in marginal areas and destined to a gradual conversion to more developed forests.

Information on gradients and altimetry of forests show that "other wooded areas" are to be found on lower land than woodlands, with more favourable conditions for cultivation. This bears out the fact that they are forest areas on land formerly cultivated but abandoned fairly recently in plains, hills and lower mountain areas.

True forest areas are mostly in private hands (66%) whilst the remaining public areas usually belong to local town authorities, or to the Provinces. The two forms of property show important differences in the degree of fragmentation, in management and in productivity. These differences are clear from the degree of utilisation of the forests: the greater number of authorisations to fell timber, though with smaller fellings, are on private property, larger sizes on public property, especially that belonging to local authorities.

Turning to the state of health of forests in Italy, the degree of defoliation in 2007 had deteriorated as compared with the previous year. The percentage of dead trees, or with moderate to severe defoliation, had increased from 31% in 2006 to 36% in 2007. Deciduous trees appear to have suffered more, with 40% of trees showing signs of defoliation. The reasons for the deterioration derive from climatic trends during the year, which was particularly hot with maximum temperatures frequently above the average.

The number of forest fires fell by 50% as compared with the previous year, with 6,486 outbreaks affecting an area of 66,329 hectares. Amongst these, 30,273 hectares were wooded and 36,273 hectares not wooded. The greater number of fires was concentrated in the period July and August, especially in the Centre-South. In recent years, however, there has been a change in trends with fires also in winter in the southern areas. In terms of the number of fires, Calabria was the worst affected Region, followed by Campania, Sicily, Sardinia and Puglia.

A total of 463 persons were accused by the National Forest Guard of deliberately provoking forest fires; 13 were arrested and more than 400 were ac-

cused but not found. In some Regions, fires deliberately started account for more than 90% of the number of fires registered.

#### 4.2. *Management of natural resources*

*Farm management and the use of natural resources* - According to the national statistical service, ISTAT, in 2007 the total area utilised for agriculture (UAA) was about 12.7 million hectares, of which 55% taken up by arable crops, 27% by permanent meadows and pasture and 18% by permanent crops (tab. 4.3). As compared with the year 2000, there had been a slight reduction in the area utilised (-2.4%), a decrease in the area under arable crops (-4.5%) and a slight increase in permanent meadows and pasture (+1%).

As regards the ways in which arable land was managed, 41.2% was under rotation, 42.2% with free cropping sequence and 16.6% in monoculture. On 4.5% of farms with UAA, deep ploughing was used (more than 40 cm.) whilst only on 1.9% was deeper ploughing practised. From 2003 onwards, there had been a substantial reduction in the employment of this technique which could have had negative consequences for the environment. Plant protection products used in Italy were toxic or very toxic for 5.3%, a further 18.2% were harmful and 76.5% could not be classified. In the North of Italy the use of active substances per hectare is higher than the national average, whereas substances in the first of the classes mentioned (toxic) are utilised most in the South.

During 2008, in the areas of the North where maize is widely cultivated there was an alarming rate of mortality amongst bees, presumably on account of the diffusion of active substances (neonicotine derivatives used in the seed at the time of sowing maize. A decree was therefore issued for a preventive suspension of the use of plant protection products containing neonicotine derivatives, which also began a phase of monitoring of the phenomenon of de-population of hives, and tests for the effective responsibility of the active substances present in the treated seed. A widespread appearance of diabrotica (an insect, parasite of maize) in the plains of the River Po during 2009 inflamed the debate on the suspension of neonicotine: many producers considered the suspension of treated seeds as one of the main causes of the attacks. On the other hand, some experts maintain that the population of diabrotica would have increased in any case, because of the absence of other factors which combat them, in particular, the use of crop rotation.

*Water resources and agriculture* - The results of monitoring water quality, published in the Annual Report on Environmental Data by ISPRA, shows an improvement in the index of the ecological condition of water courses as compared



with 2006. As regards underground water, the chemical state is shown to be of good or adequate quality in 49% of points monitored. The index referring to the ecological state of lakes also shows a better situation than in 2006. The use of plant protection products in agriculture is one of the main causes of pollution of surface and underground water. In Northern Italy, pesticide residues were found in 57% of points of surface water monitored whereas for ground water 31% of points were polluted, mostly from triazic herbicides.

As regards application of the Nitrates Directive, areas vulnerable to nitrates from agriculture amounted to 4 million hectares, about 14% of national territory, concentrated in Padano-Friuli basin; in Central Italy the highest incidence was found in the Region of Marche (12%). Southern Regions showed a lower incidence of Zones Vulnerable to Nitrates with the exception of Basilicata (tab. 4.4).

In order to implement the framework Directive for water, law no. 13/2009 has launched a process which, by the end of 2009 should lead to the adoption of management plans for hydrographical districts, assigning the task to River Basin Authorities, or, where these do not exist, to the Regional Authorities. The Directive 2008/105 concerning environmental quality in the sector of policies for water was also issued.

Measures to safeguard water resources can also be found in the context of policies for rural development. The National Strategic Plan, in fact, includes some measures amongst which one concerning infrastructure connected with the development and adaptation of agriculture and forestry, inserted in axis 1 (measure 125). Many Regions have provided for measures to be carried out compatibly with the framework Directive for water and to be concentrated in areas where the exploitation of ground water resources has caused problems of scarcity and salination.

*Biomass energy* - Data supplied by the Ministry for Economic Development and processed by ENEA (National Agency for Alternative Energy) show a reduction in the consumption of energy during 2008 (-1.1%), due essentially to the economic crisis which negatively affected industrial production in the last quarter of the year. There was a reduction in energy use also in agriculture (-1.5%) but its weight in the total was so small that the effect on the total was almost negligible. The quota of energy derived from renewable sources appears slowly to be rising and has reached 9% of consumption of primary energy.

The share of agriculture in total energy consumption is similar to that which it contributes to value added (2.3% of total consumption), with a value which rises passing from northern (2%) to southern areas (3.5%) due not to the higher degree of energy consumption in the south but rather to the lower demand from other productive sectors and by domestic use. In fact, the indices of energy intensity show higher values in northern regions, probably because of the impor-

tance of livestock farms and the greater need for energy in greenhouse production. According to the most recent data, for 2005, energy intensity in the North amounts to 117 tep<sup>1</sup> per million euro of value added, compared with 100 in the South. In relation to the cultivated areas, the corresponding values are 0.43 and 0.25 per hectare.

As regards the production of energy from renewable sources, the importance of biomass, together with urban waste, is increasing continuously, reaching almost 40% of renewable sources. Good performance is registered for timber and derivatives and for biogas, whilst bio-fuels are developing with difficulty, despite the high level of interest which surrounds them, also in Italy.

As regards policies for renewable sources, the approval of the Directive 2009/28/EC on the promotion of the use of energy from renewable sources sets a target for Italy, to be reached by 2020, of 17% of total energy use, almost 12 percentage points higher than in 2005 (5.2%).

A strong impulse to renewable sources of energy has come from the Financial Law for 2008 but the concrete application of the law has not been possible in the absence of necessary decrees for its implementation. The new rules for access to the incentives with general criteria valid for all renewable sources producing electricity arrived only at the end of 2008, with a decree from the Ministry for Economic Development. In order to recognise specific incentives for biomass of agro-forestry origin, an appropriate decree from the MIPAAF is however, necessary which defines the technical characteristics of the biomass from a chain of supply capable of guaranteeing improved sustainability of the productive system for energy.

Considering bio-fuels, the obligatory share for 2008 (2%) has been achieved exclusively using bio-diesel: 687,000 tons coming for 68% from national output and for 32% from imports. It must be recognised that plants for the production of bio-diesel in Italy use a great deal of foreign raw material, obtained at lower cost than domestic produce. Despite the high expectations in the agricultural and industrial sectors, in 2008 the quota of untaxed bio diesel (250,000 tons) came from Community filière only to the extent of 70,000 tons, of which 23,000 from Italy. Often, the lack of adequate remuneration for the product, in the presence of strict quality standards and complicated bureaucratic procedures discourage farmers.

*Climatic change, greenhouse gas emissions and the agro-forestry system* - The most recent data on the Inventory of emissions, coordinated by the European Environment Agency, show that in Italy there is a trend towards increase in the emission of greenhouse gases, which has only partially attenuated in the last two

<sup>1</sup> Tons of petrol equivalent.

years. In fact, after years of continuous increase, emissions in 2007 fell further (-3.6% as compared with 2005, the peak year for emissions) but remain clearly above the level of 1990 (+6.9%) (tab. 4.5).

Considering that on the basis of the Kyoto Protocol, Italy should reduce emissions by 6.5% within the period 2010-2012 as compared with those recorded in 1990, the 552.8 million tons of carbon dioxide equivalent (MtCO<sub>2</sub>eq) recorded in 2007 are almost 70 million more than the level to be reached.

The share of agriculture in Italy makes up 6.7% of total emissions against 9.2% in agriculture in Europe as a whole. In 2007 the level of emissions from agriculture grew by 1.6% after years when a downward trend was in contrast with what was happening in other productive sectors. Most probably an increase in numbers of animals in the livestock sector increased emissions of methane which represent 42% of agricultural emissions. The remainder is made up of nitrogen protoxide whilst emissions of carbon dioxide are negligible. The overall reduction between 1990 and 2007 (-8.3%) remains unchanged and is to be attributed, above all, to the reduction in the number of farm animals, to the reduction in area cultivated and to the improved management of land which diminished the use of nitrogen fertilisers, the main source of nitrogen protoxide.

The primary sector also has a positive impact on the level of emissions, through the absorption of carbon generated by the change in land use and forests (Land use, land use change and forestry, LULUCF). Forestry measures and processes of return to nature in abandoned agricultural areas in Italy during 2007 brought the absorption of carbon dioxide by agricultural and forestry "tanks" to 70 million tons of carbon dioxide equivalent, a significant level (13% of total emissions) but lower in comparison with values registered in previous years. Italy is the leader for absorption of CO<sub>2</sub> considering that it accounts for 27% of total European absorption capacity.

#### 4.3. *Sustainable agriculture and related services*

*Organic agriculture* - In 2008, there was a contraction in the number of operators in the organic sector as compared with the previous year (-1.2%, amounting to 49,654 units), together with a much stronger reduction in area (-12.9%) which fell to 1,002,414 hectares (tab. 4.6). The reduction continues to involve exclusively farmers, whilst other types of operators continue to increase (+7%) the sign of a potential development as regards the processing of organic products which has not yet been fully reached.

The exit from the organic system mainly involved crops in extensive systems of cultivation which have not found direct appreciation on markets and whose economic justification often lies only with Community support. To guarantee a long

lasting participation in the system, it is ever more important to give concrete value to the motivations of entrepreneurs and create well-structured agro-food chains.

In the Centre-North the processing phase is becoming stronger, with increases in the number of various types of processors. This trend is also expanding in the Southern regions where there is an increased interest on the part of producers for the processing phases. These developments have not, however, caused great changes in the geographical location of the different components of organic operators with 60% of producers concentrated in the South and the phases of processing and importing in the Central and Northern areas of the country.

The reduction in area has affected systems of extensive cultivation most widely present in organic agriculture in Italy, that is cereals (-4%) and forage (-4.3%), as a result, there has been a significant increase in the share of tree crops which have come to represent 22% of the area under organic farming. The growth of products from livestock farming continues to grow, following a trend which became more notable from 2005 onwards.

Despite the occurrence of some stagnation in production, ISMEA/Nielsen surveys show a continuous expansion of the market, estimated as between € 2.8 and € 3 billion: household purchases of packaged organic food increased in monetary terms by 5.4%, despite the recession and the stagnation of consumption at national level, taking up about 3% of total food expenditure. In 2008, imports of organic produce also increased, by 30% as compared with the previous year, especially for cereals.

As regards policies for development of the sector, there is an attempt to harmonise policy for organic farming with strategies within the policy for rural development at national and Regional level. This has the objective of better utilising resources available, harnessing them in order to meet the continuous increase in demand for organic products and to strengthen the organisation of the organic food chain.

*Agro-tourism, territory and environment* - in 2007, farms authorised to practise agro-tourism were 17,720 in number, with an increase of 955 (+5.7%) as compared with 2006. In recent years there has been a considerable increase in the number of farms withdrawing from the sector; although attracted by interesting perspectives for development, they did not possess the necessary entrepreneurial ability for managing services so different from the normal agricultural activities.

According to data from the SPA survey carried out by ISTAT in 2007, agro-tourist farms have an average size of 25 hectares, four times bigger than the national average (tab. 4.7). In farms with economic size over 16 ESU agro-tourism is an important related activity whilst in smaller farms, activity related to tourism takes on a more marginal role, probably on account of a management task out of proportion to the capacity of these productive units. Agro-tourism is relatively more com-

mon on farms with mixed crops or specialised in permanent crops. The many agricultural products linked with this type of farming (wine, oil, jam, milk and dairy products) are particularly suitable for use in catering activities and in direct sales.

The main activity continues to be that of accommodation, which is practised on almost 84% of agro-tourist enterprises. Catering is offered by 48% of them but its contribution to turnover is greater than that from accommodation. Other types of activity are offered by 55% of enterprises.

According to the framework law n. 96/2006, the agro-tourist farm may, in addition to its own, offer products from other farms and craft enterprises in the same territory. Agro-tourist operators are therefore stimulated to give greater attention to the choice of meals and traditional recipes and, no less important, to integrate their own supplies with those of the area within which they operate.

Amongst the main problems the sector has had to face up to is the lack of professional preparation of the managers of agro-tourist enterprises and the limited capacity in terms of communication skills. Finally, in the present state of supply of agro tourism, there are forms of unfair competition on the part of structures not conforming to legal requirements. Especially in time of falling demand, irregular activity presents a serious problem for firms which operate according to the law and with the necessary authorisations.

*The experience of teaching farms* - Amongst diversified activities launched by many farms in Italy there is that of the role of educator for children of school age, which emphasises the role a farm may play in educating the new generation about technical, environmental and quality aspects of food products.

Teaching farms are real farms which receive school groups and show them the agricultural activities carried out and the products of these activities. There has not been a census of teaching farms, even though in recent years much information about them has been collected. According to Agriturist, in 2008 there were 2,909 of them, with a considerable increase in recent years. From an economic point of view, teaching activity does not seem to make a great contribution to farm income. Agriturist estimates, in fact, that annual turnover in the sector amounts to € 12 million, part of which is used for carrying out the activity and for expenditure in terms of personnel, with a margin of profit per farm of about € 1,000. The activity, however, permits the farm to utilise the personnel employed in a different manner and to allow families to get to know their products, with a potential for increasing direct sales.

The teaching activity practised on the farm has as reference article 3 of the law n. 228/2001. Apart from this, however, there is no specific norm in Italy on teaching farms. Regions have, in the majority of cases, taken steps to "recognise" the activity in norms referring to agro-tourism. In this way they have intervened to regulate the activity in their territory and to guarantee an adequate service to the public through accreditation and underwriting a "Quality card".

## Chapter 5

# Agricultural, fishing and forestry production

### 5.1. *Cereals, industrial and forage crops*

*Cereals* - In 2008 the rise in international prices of cereals caused an increase in the area sown and led to an increase in world cereal production of about 5%, in particular, in wheat. Cereal production in Europe was also much higher as compared with 2007, growing by as much as 22% due, in particular to good harvests of maize and durum wheat. In order to relieve the situation on the internal market caused by high world prices, the European Commission suspended levies on the import of the main cereals in January 2008. When, however, there was a clear fall in prices in the second half of the year, the levies were reinstated.

In Italy too, the area under cereals increased to more than 4 million hectares under the influence of the price increases, with farmers oriented to sowing durum and soft wheat both on land no longer subject to set-aside and on that taken over from maize, rice and minor cereals. This increase, together with particularly favourable climatic conditions, caused an increase in output of about 6%. With these results, there was an increase in exports of cereals, in particular of durum wheat, and this also corresponded with an increase in imports, creating a further worsening in the traditional deficit on the national trade balance. The increase in cereal prices was felt in the first three months of 2008 and was followed by a pronounced decline in later months. The market for rice was not involved where, on account of a decline in output, price rises were experienced throughout the year.

A decline of about 2% (estimate from Italmopa) as compared with 2007 was recorded for products of the milling industry, to be ascribed both to milling of soft wheat and to that of durum wheat. In the first case, the fall was due to a sharp reduction in exports of flour, whilst in the second, it was due to a fall in the production of pasta. In both sub-sectors the decline was compensated by a slight increase in domestic consumption.

*Oilseeds and seed oils* - In 2008, both at world and at Community level there was an increase in oilseed crops. At the same time, a considerable increase in demand determined record levels for prices in the early months of the year.

In contrast with what was happening at international level, but in line with the national trend, 2008 saw a decline in area dedicated to oilseeds in Italy of almost 10%, caused particularly by a decline in soya and sunflower. There was therefore a general reduction in harvests of about 7.5%. For oilseed rape, in contrast, a substantial increase in production was recorded. Alongside these trends there was an increase in the imports of oilseeds, particularly of soya, with a general increase in the deficit on the national balance of trade.

The area sown to oilseeds for use for energy production fell by about 70% as compared with 2007, probably on account of the use of land for the more profitable production of cereals. Total national output of seed oils fell by 13% as compared with 2007.

*Sugar beet* - World production of unrefined sugar in the 2008-2009 season is estimated as 157 million tons (-5.6% as compared with the previous season). The drop seems to have been caused by deterioration in production prospects in India (-45% as compared with the previous season), Argentina, EU, Ukraine and the United States.

Consumption should reach 161 million tons (+1.5%). In the face of these changes, stocks are forecast to fall (-5.6%) to a level around 73.5 million tons, equivalent to 46% of annual consumption. Under pressure from reduction in stocks, the international price rose during the last eight months of the 2008-2009 season.

At Community level, the quotas ceded to the Restructuring Fund reached the level of 5.8 million tons, slightly less than that fixed by the Commission. For the 2008-2009 season the production of sugar amounted to 13.6 million tons as compared with consumption of 16.5 million tons. In 2008, according to ISTAT, production fell as compared with the previous season (by almost 10%) with particularly sharp falls in those countries which, in 2008-2009, had participated strongly in the cession of quotas.

The sugar quota assigned to Italy, after giving up a further 245,000 tons, fell to 508,379 tons. Sugar production fell significantly (-10%) and amounted to almost 500,000 tons as a result both of a substantial fall in the area dedicated to sugar beet cultivation (-29% approximately) and in the production harvested (-24%).

The area of sugar beet sown under contract with different sugar companies was 61,000 hectares and for more than 70% was located in the North-east of the country.

As regards the industrial sector, sugar production reached 87% of the national quota, with an increase in the yields of sugar per hectare as compared with the previous year. Finally, mention must be made of the under-utilisation

of the quotas by all sugar producing firms which permitted further absorption of the large surpluses of 2005.

*Tobacco* - After the contraction in the previous season, 2008 witnessed an increase in world production of uncured tobacco (+11%) which was more than 6.8 million tons (FAO estimate). Within the Community area, the increase was estimated as being more modest (+5%).

During the year there was an increase in exports from all the main world operators (+8%). Despite a reduction, Brazil remains the largest world exporter. As regards imports, Community member countries continue to play a significant role amongst importers of uncured tobacco, with only a marginal change as compared with 2007.

Production of tobacco in Italy registered a change, in contrast with the trend over the last two years (+2%) when there had been a sharp reduction following the implementation of the transitory phase of the reform (-17% in 2006, -6% in 2007). According to data from AGEA, production which flowed into the collection centres in 2008 was about 92,000 tons, giving rise to coupled aid amounting to about € 170 million, 90% of the ceiling assigned to Italy.

Italian tobacco production is distinguished, as is well known, by the strong specialisation both in locality of production and in varieties. These characteristics continue to be consolidated, as observed in the past: specialisation in light varieties, which amount to almost 86% of output is strengthened, whilst production is concentrated for almost 96% in four Regions (Campania, Veneto, Umbria and Tuscany) each of which has its own particular productive specialisation.

Italy continues to be a net exporter of uncured tobacco and an importer of refined tobacco. In 2008 overall imports of tobacco did not show significant change. There was, instead, a net contraction in exports (-11%) caused by a fall in exports of raw tobacco.

*Forage crops* - Between 2000 and 2007 the area in the world under pasture fell, from 3.43 billion hectares to 3.38 billion. In Europe, instead, there has, for some years, been a trend towards an increase in areas under permanent pasture (+9% between 2007 and 2008), at the expense of arable and permanent crops.

The area dedicated to forage in Italy in 2008 reached more than 5.3 million hectares of which 3.4 million in pasture and permanent meadows; as compared with the previous year, there was a clear reduction (about 1 million hectares) which involved pasture in particular. The unfavourable weather affected the output of forage crops which altogether amounted to 72.4 million tons, a reduction of 8.7% as compared with 2007. Output at basic prices of forage crops was estimated at € 1,752 million (+5.4%) with a clear predominance in value of for-



age obtained from meadows in rotation and from plots where grass is cultivated over that obtained from permanent meadows and pasture.

In 2008, prices for hay from meadows and lucerne were significantly higher (on average +30%) than in the previous year as a result of a lower level of supply to the market.

Community support to the sector concerns only de-hydrated and forage dried in the sun and it is at present distributed in almost equal shares between farmers and the processing industry. The Health Check of the CAP has now approved the total de-coupling (starting from 2012) of aid for dried forage, enjoyed by farmers who deliver to the de-hydrating industry under contract. The de-coupled payments will flow into the Single Farm Payment, producing an increase in the value of the entitlements which the farmer receives.

## 5.2. *Fruit, flowers and vegetables*

*Vegetables and potatoes* - At world level, FAO recoded an output of vegetables amounting to 908.8 million tons, grown on an area of 52.7 million hectares. China accounts for 49.7% of world production. The tomato crop is one of the most important amongst horticultural products, with an output of 129 million tons.

As regards potatoes, world output amounts to 309 million tons. The main producers are China, Russia and India, with shares of 18%, 12% and 7% respectively.

In the European Community, the main vegetables produced are tomatoes (about 14 million tons), carrots (5.3 million tons) and onions (5.5 million tons).

In 2008 ISTAT estimated an area of 425 thousand hectares under vegetables in Italy (-6.3% as compared with the previous year) and an output of 11.6 million tons (-5.8%). Of the total output (including potatoes) 37.3% is made up of tomatoes for industrial use, which are mainly from Puglia and Emilia Romagna (32.8% and 27.6% respectively). Potato production amounted to 1.6 million tons (-10% as compared with 2007) on an area of 70,649 hectares. Looking, instead, at greenhouse production, a sharp reduction in area is evident (-4.6%). Improved technology for some plants (mainly courgettes, melons and cucumber) has, nevertheless, facilitated an increase in yields (+17.2%) which led to a growth in output of 6.4%. The total of fresh vegetables and legumes, an item usually positive on the agro-food trade balance, showed a surplus in 2008 amounting to € 263.3 million, due to the increase in exports (+2.3%) and the reduction in imports (-6.6%). The main items exported were lettuce, chicory, and other salads; the main imports were potatoes and seeds of legumes and vegetables.

*Fruit* - World production of fruit in 2008 was estimated by FAO as about 555 million tons. The main crops are bananas (86 million tons), grapes (67 million tons) and apples (66 million tons).

In 2008, the area dedicated to fruit production in Italy (including grapes and excluding citrus fruit and nuts) was 415,600 hectares, with an output of 5.9 million tons, both figures lower than in 2007, with differences of -4.9% and -3.3% respectively.

Fruit production reached a value of € 3.4 billion, rising by more than ten percentage points over the figure for 2007 due to a generalised increase in prices (+8.6%) with quantity more or less stable (+1.5%).

Fresh fruit is one of the leading sectors for Italian agro-food exports. In 2008, foreign sales amounted to € 2,299 million, lower by almost 7% than in the previous year. Grapes and apples are the main export products and together they accounted for € 1,120 million. Turning to imports, bananas are the largest item, with purchases amounting to € 383 million, an increase of 9% over the figure for 2007.

*Nuts* - Total world production of nuts in 2007 was almost 11 million tons. In Italy, it amounted to almost 227,000 tons, 6.5 % less than in the previous year. The fall was due to a significant drop in yields per hectare (-3%) as well as a decline in area under cultivation (-4.3%). The main producer Region is Sicily, with 45% of the total, followed by Campania and Lazio.

*Citrus and derivatives* - The international scene as regards citrus production, which is dominated as far as producers are concerned, by China and Brazil, was animated particularly by trade between Spain, South Africa and USA, as the main exporters, and by the EU and Russia as the main importers.

In Italy, contrasting trends were present during the year, but overall they were positive. The significant fall in output (-15%), which for clementines was as much as 30%, went alongside a standard of excellent quality.

Fresh produce recorded a deficit on trade balance of € 53 million whilst the market penetration capacity of derivatives was notable, producing an active balance of € 101 million.

For 2008 it has not been possible to find data relating to processed citrus fruit in that the implementation of the reform of the common organisation of the market has disactivated the premium for quantities effectively transferred to industry, annulling, as a consequence, the ability of Assitrap to check deliveries. As regards the COM reform for the citrus sector, 2008 has been the year for assigning entitlements to producers. The reform, which came into effect on 1<sup>st</sup> January 2008, has assigned a platform of € 122 million to Italy. The Italian government, opting for total decoupling of aid, has decided to use two thirds of the

budget for the basic premium to be assigned to all citrus farmers and the remainder for an additional premium to be assigned only to citrus farmers who in the past have benefited from aid for processing.

*Flowers and nursery production* - World production in the sector of flower and nursery production reached the value of € 37 billion in 2008 and occupied 1.3 million hectares, 60% of which are located in Asia.

The global financial crisis and increases in the cost of raw materials have also hit this sector, especially in Central and South American countries and in Africa where production of cut flowers is concentrated.

In Italy there are 20,500 firms producing flowers and plants, with an area of about 36,000 hectares, which amounts to less than one per cent of the overall area taken up by agriculture. Almost 13,000 firms are involved in nursery production, including potted plants, with an area of almost 30,000 hectares; about 6,400 firms deal only with flowers and only 7% of firms are active in both these sectors. As regards territorial location, Liguria, Lazio, Campania and Tuscany are the main producing Regions involved in flower production, whilst for nursery production they are Tuscany, Lombardy, Veneto and Piedmont.

The sector produced slightly more than 6% of the overall value of agricultural output in 2008 (€ 1.65 billion); three quarter of this comes from the areas of the North-east and the South. In 2008 flower production remained stable as compared with the previous year, whilst nursery production increased (+6.3%) and there was a reduction in the production of canes and wicker (-9.2%). Producer prices of some of the main flowers and plants showed price increases similar to or less than those of the same periods in 2007; prices during festive periods made a satisfactory recovery due to lower volumes of product available.

Finally, as regards the trade balance, 2008 closed with a surplus, due above all to plants for outside areas.

### 5.3. *Wine and olives*

*Vineyards and wine* - World production of wine in the 2008 season is estimated as having been the lowest for a number of years (about 270 million hectolitres) on account of the trend in production in the EU-27, which repeated the modest results of the previous year; in contrast, Australia and the Southern Hemisphere enjoyed a slight recovery. At Community level total production amounted to slightly less than 165 million hectolitres, of which 41.2% VQPRD wines, which indicates a sharp halt as compared with 2007 (-5.3%).

World exports were in a stationary phase, after years of continuous growth, at slightly more than 89 million hectolitres. Trade flows in volume terms are

dominated by a small group of countries: in the EU, Italy, which maintains its position as leader (19%), Spain and France; whereas the group of countries from the Southern Hemisphere plus USA gain further shares.

As regards Community policy, the year 2008 saw the entry into force of the new Common Organisation of the Market for wine, where the system of support is based on the adoption of national support programmes valid for the period 2009-2013.

In Italy, in 2008 the overall area in production (vines both for wine and for dessert grapes) remained more or less stable (about +1%), in line with what happened in the previous year. Trends in the output harvested have enjoyed a clear recovery as compared with 2007, but very variable, with a final increase of +5.7%, coming from both sectors – grapes for wine and dessert grapes – and by the trend in southern areas.

The increase in the harvest led to an increase in its utilisation in the production both of wine and must with significant increases in total production (8.7%).

Analysis by product type shows that the increase in production was due to a large extent to the wine categories IGT (Typical Geographical Indication) (+9.1%) and table wine (+11.7%). There were strong differences between productive results in the different districts of the country, the South alone accounting for the increase at national level with an increase in all types of wine. The three categories of product have by now almost equal weight in total production with shares of 33% for DOC and DOCG wines, 30% for IGT and 37% for table wines.

Prices for table wines, both white and red, enjoyed a phase of quite rapid increase during the first half of the year, which slowed down subsequently until, in the third quarter, they fell to below those of the same period in 2007. The weighted index of producer prices for red and white DOC and DOCG wines showed a similar trend but with lesser changes.

Wine remains one of the most important items within the national agro food trade balance (13.5% of agro-food exports). Despite the problems caused by the world economic crisis, the value of foreign sales grew (+1.8%) at the same time as purchases from abroad fell (-9.5%) causing an improvement in the normalised trade balance which reached the value of 83.4%. Total exports continue mainly to be directed to the EU market and North America.

As regards domestic legislation, great activity was undertaken for the definition of national rules for implementing the new Common Organisation of the Market. An important step was the delegation of power by Parliament to the government for the modification of law no. 164/92 about the denomination of origin for wines, in discussion for many years and now made even more necessary with the reform of the COM.

*Olive oil* - World production of olive oil in the 2007-2008 season was slightly more than 2.6 million tons, almost 5% less than in the previous season; world consumption, instead, grew by 1%, despite the fall recorded in the Community area. During the season, prices of extra-virgin olive oil progressively fell on all the main European markets on account of the abundant supply from Spain, to the extent that the European Commission decided to open private stocking of virgin and extra-virgin olive oil.

Excluding intra-Community trade, both imports and exports fell as compared with the previous season (by -10% and -14% respectively). Italy remains the main world exporter to non-Eu countries.

Estimates for the 2008-2009 season consider that world production will show a decisive increase.

As regards Community norms for the sector, the approval of Regulation (EC) 182/2009 was important: it provides for compulsory indication on the label of the origin of virgin and extra virgin olive oil, from 1<sup>st</sup> July 2009, substituting the optional indication so far foreseen.

In 2008 the area under olive groves in Italy grew by 1.9% as compared with the previous year due to an increase in plantings which affected the whole of the country. In the same year, interrupting the downward trend which had lasted since 2005, production of oil increased by 4.4% arriving at almost 600.000 tons. The growth was highest in the Centre and North-east and more modest in the South of the country.

In 2008 producer prices for olive oils continued along the downward path which had started in 2006. For extra virgin oils the strongest reduction was recorded in the last four months of the year when the new production weighed down the market already saturated by unsold stocks from the previous season. Similar trends were found for virgin and lampante oils. Altogether, between January and December 2008 prices fell by 23% for extra virgin oils, by 22% for virgin oils and by 21% for lampante oils. These trends caused the differentials to be maintained between virgin and extra virgin oils and a reduction in the difference between these prices and those for lampante oils.

On account of the contraction in prices, family expenditure on extra virgin oil fell, despite the increase in the quantities consumed.

As regards trade, there was an increase in foreign sales of the aggregate of olive oils and a reduction in purchases from Italy as compared with 2007. The trade deficit arrived at € 115.5 million, falling by 40%. As compared with 2007 there was a reduction in the trade surplus (-3%) in virgin and extra virgin olive oil, due to a decrease in imports and an increase in exports. Imports and exports of "other olive oil", made up of refined and sansa oil from olives are also important and shows a surplus, improving as compared with 2007.

#### 5.4. Animal husbandry

*Beef* - The reduction in global production of beef, estimated at 2%, was the result of trends in the EU, China, Australia and South America.

In the EU production fell by 1.6%, arriving at 8.09 million tons. The reduction affected the greater part of the major producers, with the exceptions of Germany and Poland.

The reduction in supplies on the Community market was accentuated by the contraction in imports and more than compensated the contemporary decline in consumption. Restrictions on imports of meat from Brazil adopted by the EU at the beginning of 2008 caused a drastic reduction in supplies from that country. These developments kept up prices of beef cattle and they rose on all European markets.

In 2008 Italian production of beef fell by 5.5%, amounting in total to almost 1.06 million tons. The fall, the highest experienced in recent years, was concentrated mainly on slaughterings of heavy cattle of foreign origin on account of the difficulties in obtaining cattle for fattening from France which had been badly hit by the outbreak of Blue Tongue. At the same time there was a decline in consumption on account of a re-distribution of household expenditure in favour of other types of meat.

In 2008 import of beef into Italy fell in volume terms by about 7% arriving at little more than 419,000 tons. Restrictions on movements of cattle in France caused a contraction of cattle for fattening of more than 12%.

As regards prices of cattle for slaughter, the recovery which had begun in the autumn of 2007 continued until the first quarter of 2008. The conditions which caused this change in trend were to a large extent linked to the fall in imports of calves for fattening and the consequent drop in the availability of animals for slaughter. Prices of meat from fattened calves followed the dynamics of the market for animals for slaughter, with prices for carcasses which registered an increase of 10.5% in annual terms. The trend in prices of veal was the opposite, registering a reduction of 10% for half-carcasses and 7% for the fore-quarters.

*Pork* - Available estimates for 2008 indicate an increase of 3.9% in the global production of pork, due mainly to a recovery in the number of slaughterings in China and consolidation of the recovery in production in the United States. EU production fell by 1%, reaching a total of 22.60 million tons. The contraction was concentrated mainly on countries in Eastern Europe which altogether saw a drop of 8.6%. Alongside the drop in production in 2008 there was a considerable recovery in exports outside the Community area, sustained by the measure of restitutions introduced towards the end of 2007.

In Italy, alongside an increase of only 0.2% in the number of pigs slaughtered, there was an increase in carcase weight of the same amount.

Domestic consumption showed a decrease on account of the considerable reduction in imports. The reduction of the deficit on the trade balance temporarily pushed the rate of self-sufficiency to 62%, higher than normal for this sector.

Imports of only fresh and frozen meat decreased in quantity by 10%, arriving at 830,000 tons. The import of live pigs also diminished considerably on account of the reduced number of suckling pigs and heavier piglets as well as larger sized animals. The overall increase of 8% in exports is due mainly to the trend in fresh and frozen which reached 68,000 tons (+33%). The growth of exports of preserved and semi-processed pork meat which, with 91,000 tons is an important share of Italian exports, remained modest at 1.6%.

As regards the farm gate market for slaughter pigs, after a start reflecting the continuation of a state of profound crisis, the central phase of 2008 was marked by a temporary recovery in prices which, however, rapidly lost impetus in the latter months of the year. The new turn around which began in autumn brought prices back to their minimum values very close to those experienced in the peak of the crisis in 2007.

When the market recovered, that for heavy pigs did not make a recovery equivalent to that of fresh hams destined for processing into PDO products on account of the persistence of a high level of supply which once more pulled down prices for fat slaughtered pigs.

*Poultry* - Total world production of poultry meat increased by 4% in 2008, driven by a growth in demand in the main producing countries and in the most important export markets. China and Brazil continued to enjoy the highest rates of growth, with Brazil strengthening its position as world leader in international trade in poultry meat.

Community output increased by 1.4% reaching 11.62 million tons. The revival in demand on international markets sustained an increase of 10% in Community exports which reached a total of about 951,000 tons, destined mainly to the Middle Eastern and Russian markets.

With the increase in consumption, there was, nevertheless, an increase in imports from non-Community countries of around 1.14 million tons.

As regards Italy, slaughterings of poultry confirmed a clear consolidation of the recovery from the collapse in production which had taken place only two years earlier on account of the effects, created through the media, of the epidemic of avian 'flu which had broken out in Asia. Encouraged by a favourable trend in consumption, production of chicken increased by 5.8% arriving at a total of 713,000 tons (data from UNA). Production of turkey meat increased by 3.5% and

reached 305,000 tons whilst production of other poultry species (hens, guinea fowl and ducks), which amounted to 165,000 tons, showed a 1.3% increase.

Turning to foreign trade, in 2008 the surplus on the amply positive trade balance increased slightly on account of exports which more than compensated the growth in imports.

The increase in production in 2008 has, however, interrupted the upward trend in producer prices which had taken off during the previous year. The good results as regards consumption did, however, keep chicken prices at a relatively high level, even though the year closed with slightly lower prices.

*Sheep and goat meat* - Estimates for 2008 indicate a fall in the production of sheep and goat meat in the Community of 4.8%, leaving a total of more than one million tons. The fall reflects that in the number of sheep (-5%) which fell to slightly less than 91 million by December of that year, whilst the number of goats remained stable.

The number of sheep and goats slaughtered in Italy, 6.5 million head, fell by 5.6%. This corresponded with a fall of 2.6% in carcase weight which, gross of imported animals, was about 59,700 tons.

The fall in production was due to a reduction only in mutton. For goats, on the contrary, the increase in weight of the younger stock (kids and goats) caused an increase of 6.5% in carcase weight which interrupted, though only temporarily, a long phase of decline in production. The results for 2008 on the other hand, confirmed the tendency towards a continuous contraction in the number of head slaughtered.

Production of mutton, which makes up 95% of the total, fell by 3% in the face of a 5.7% fall in the number of slaughterings (more than 371,000 head). The decline in production was entirely at the expense of meat from imported animals on account of the fall in consumption recorded in the last two years and the consequently reduced flows of imports of lambs. The rate of self-sufficiency in the sector improved, passing from 44% to 48%.

As regards the dynamics of numbers of animals, the EUROSTAT Censuses show an interruption in the process of contraction of the national herd. The crisis in production in the goat sector is, however, obvious as shown by the continuous fall in the number of animals slaughtered.

*Eggs* - In 2008 in Italy 12.952 billion eggs were produced, about 116 million more than the previous year (UNA) In the face of an increase of 0.9% in production, the number of eggs and equivalent in products made with eggs put on the market, equivalent to 12.99 billion, was more or less stable at the same volume as in 2007. The per caput consumption thus stayed at around 224 eggs which is the highest level reached in recent years.



The stabilisation of consumption caused an improvement in volume of the trade balance, which, however, continued to be negative. The slight deficit in foreign trade which had already emerged in 2007 reflects a temporary decline in the supply capacity of the sector which is slightly below the threshold of self sufficiency.

The buoyancy of demand continued to sustain prices also in 2008. After the significant increase in the previous year, average wholesale prices of eggs for direct consumption rose further by 6%.

*Milk and dairy products* - The year 2008 witnessed the transition from a situation of scarcity to one of plenty on the world market for milk and dairy products. The surpluses, which dragged down prices to an all time low and a level not at all remunerative, have disappeared.

The favourable trend in world production of milk, and the negative trend in the economy as a whole, with a slowing down in consumption and in international trade, are at the basis of this inversion in trend. The interruption has inevitably also involved the European and the domestic markets, both at a high level of interdependence with the global context after the repeated operations of re-dimensioning the support policy agreed within the EU through the COM.

Global production of milk in 2008 amounted to 688 million tons according to provisional data published by FAO. The increase over the previous year was of 1.7% to be confronted with an increase in demand amounting only to 0.7%. Consumption and trade slowed down, especially for butter and cheese; as a result, prices for all dairy products fell significantly.

During 2008 there was a slowing down in the level of activity in the national dairy industry after years of continuous growth. Milk production fell by almost 2%; exports fell by 3.6% overall; the volume of imports of liquid milk, semi-processed and finished products fell by almost 2%. Overall domestic demand also fell, in particular as regards consumption away from home. Altogether, the dairy industry recorded a fall in production of 1.8%, but a growth of 1% in total value which amounted to € 14,500 million.

For dairy farmers, 2008 was a good year because farm gate prices of raw milk remained at a higher level for the whole of the year even though they failed to reach the record level of the beginning of the year. In this way, the value of milk production increase by 7.8% arriving at € 5,600 million despite the fall in output.

Prices of dairy products deteriorated during the year, following, with a certain lag, the trends on the international market.

Milk deliveries for processing in the 2008-2009 season decreased by 2.18% but despite the increase of 2% in the national quota granted by Brussels, sanctions for € 45.3 million were due.

In 2008, foreign trade in dairy products recorded a re-dimensioning both of imports and of exports as regards both volumes and values, showing once more the structural deficit traditional to the sector. As regards prices, 2008 proved a turbulent year, with a great deal of volatility. Prices for Grana Padana and Parmigiano Reggiano fell by 10% between December 2007 and the same month of the following year. The price of butter lost 43% on the national market and the spot price of milk (that exchanged outside inter-professional agreements and delivery contracts) fell by 30%.

Altogether, however, 2008 was favourable for the sheep milk sector, even though it showed some weak aspects and some chronic structural defects which should be followed carefully. Altogether, in 2008 Italy exported 17,520 tons of Pecorino (of which almost 80% to USA). As compared with 2007, the reduction was of 11.3%. The value of exports was € 112 million, 0.8% more than in the previous year on account of a favourable trend in prices (+12% on a yearly base). The price paid to farmers for deliveries of sheep milk to processors remained at a good level.

*Honey* - In 2008 Italian production of honey, estimated at 7,000 tons, fell by about 30% as compared with volumes in 2007, which had already felt a drastic reduction as compared with the normal domestic productive capacity. The crisis in production in the last two years is to be attributed to the loss of at least 500,000 families of bees over the total stock of about 1.2 million hives in production before 2007.

This considerable reduction in supply caused steep increases in prices in 2008. Prices of all types of honey showed increases on an annual base of between 30% and 40%. In addition to the steep rise in prices, one of the effects of the fall in production was a marked increase in imports, with a consequent fall in the rate of self-sufficiency in the sector, from 60% to 43%.

### 5.5. *Fish products*

*Fishing* - In 2007 world output of fishery products amounted to 140.4 million tons, a growth of about 2.6% as compared with 2006. Although fishing continues to constitute the greater part of fish production, aquaculture has shown strong rates of growth over the last year, reinforcing the strong upward trend in the sector.

At Community level, fish production reached about 6.5 million tons in 2007, of which 80% from captured fish and the remainder from aquaculture.

In the latter months of 2008, the European Commission proposed a radical revision of the management of systems of control on fishing in the EU, and in 2009 it began the reform of the Common Policy for Fishing (CPF) with the pub-

lication of a Green Paper. At national level, in 2008 the implementation of the plan for reducing the fishing fleet in the period 2008-2010 began.

Considering the size of the fishing fleet, in the archive of fishing licenses up-dated to December 2008 there are 13,374 vessels for a total gross tonnage of 182,909 G.T. and 1,101,967 kilowatts. The re-dimensioning of the fishing fleet continued in this last year, even though at a slower rhythm than in previous years. The most numerous segment remains that of small fishing vessels with 8,831 boats, followed by trawlers numbering 2,667 units.

Alongside a modest fall in fishing capacity there was, in 2008, a low level of activity amounting to 1,810,717 days: on average, every vessel recorded 131 days of fishing. As compared with 2007 the fall in the average number of days at sea amounted to 9.7%. The overall trend in fishing was influenced by the strong and persistent increase in the cost of fuel in the first six months of the year. In the third quarter of 2008 the reduction in activity was due to a technical halt which, in contrast with 2007, affected vessels of all nations which practise trawling and for some fishing communities, also small fishing (in Sardinia and Sicily).

The catch of the Italian fishing fleet amounted to 216,567 tons, with a turnover of €1,082 million; as compared with 2007, catches fell by 19%. The worst performance came from the Tyrrhenian Sea and the upper Adriatic, and for trawling, Sicily, the area where the largest group of large trawlers is located (boats more than 24 metres long).

After three years of growth, in 2008 the deficit on the trade balance in fish products experienced a slight reduction (-0.5%), decreasing to € 3,127 million due to a reduction in imports, for the first time after ten years of continuous increases.

*Aquaculture* – FAO data show that overall production of aquatic organisms, including aquatic plants, continues to develop, exceeding 65 million tons in 2007 with a value of \$ 94 billion, increases of 6% and 15% respectively.

With 50.3 million tons and an estimated value of \$ 87 billion, the share of farmed fish on the overall world production of fish has grown to about 36%.

In the EU, output from fish farms increased slightly in volume terms (+1.5%) whilst value increased by much more (16.5%). The main EU producers are, in order of importance, Spain, France, Italy, United Kingdom and Greece; in this group, more than three quarters of both volume and value are produced.

In 2008, according to data from API (Italian Association of Aquaculture) more than 237,520 tons were produced, with a value of € 607 million. This figure includes both shell fish production (165,000 tons, with a value of € 262 million) and fish (72,520 tons with a value of € 345 million).

Quantities produced in Italy suffered an overall contraction (-4%) which is higher in value terms (-7%), with specific differences between productive segments and types of farming.

Although there was a slight decline both in quantity and value, trout farming continues to represent the main sector of domestic fish farming. There were difficulties, sometimes structural problems, for the sectors of the main euraline species, sea bream and sea bass, and for eel farming. For other species of fish farming (sturgeon, umbrine, mullet, catfish, carp etc.) there was on the whole an increase both in quantity and in value: For shellfish, production fell both in volume and in value.

According to data from ISMEA, producer prices were generally slightly higher than in 2007, though with some exceptions.

Analysis of the trade balance shows an improvement in trade as compared with the previous year, due to a significant reduction in the value of imports.

### 5.6. Forestry products

*The forest-timber chain* - The area under forest in Italy is about 8.5 million hectares. Of these, deciduous trees (oaks, farina, beech and cerro) make up about 70%, against 13.3% for those of mainly coniferous varieties (red fir, white fir, black pine and Mediterranean pine). To these must be added forest plantations for timber, which amount to 122,252 hectares.

The volume of the trees standing in the forested areas (supply) is, on average, 146.4 cubic metres of timber. Tree varieties with the highest volume are managed as woods for initial production of smaller trunks (particularly woods of oak, beech and chestnut). The yearly growth of forest volumes varies considerably according to the different types of forest (1.3 cubic metres per hectare per year for cork woods, 7.8 to 8.3 for fir, 5.4 for beech, and 6.3 for chestnut). The quantity of timber which, hypothetically, would be effectively available for felling is more than 18 million cubic metres, even though national statistics on forest utilisation show values of less than 8 million cubic metres, leaving open the suspicion that they may be strongly under-estimated.

There are also clear discrepancies about timber used for energy, where consumption appears to be four or five times higher than production shown by the statistics. According to official statistics, however, forest utilisation in 2008 reached the same levels as in 2007, showing only a slight increase in utilisation of deciduous forest and in timber for production of energy. Use of timber from outside forest areas showed a drop of almost 20%.

Imports of raw materials (unworked timber and sawn wood) fell considerably, by about 10% for coniferous timber and as much as 44% for deciduous tropical timber. The overall picture for imports and exports in the timber-furnishing sector shows, however, an increase in imports of finished goods. This shows how timber firms, in this period of crisis, are trying to limit costs by re-

locating activities of working timber or by buying a bigger proportion of semi-worked or finished products from foreign countries. The significant fall in imports of unworked and semi-worked timber is contrasted by a more or less constant volume of raw material produced within Italy which could indicate a tendency to favour domestic raw materials over imports, contributing in this way to higher appreciation of domestic forestry resources. The trade balance for 2008 remained almost unchanged (-0.1%) due mainly to exports of semi-worked products to be attributed to re-localisation of part of the activities of firms.

The main economic and structural indicators for the timber-working industry show, nevertheless, a particularly critical situation in 2008, with a reduction in turnover at year end of 5.6% as compared with the previous year and a reduction in the number of firms in activity of 2.6%. The paper sector, too, felt the first warnings of a crisis with a decrease in industrial production of 6.4%.

*Non-timber forest products* - As regards non-timber products, the most important in value terms are hazel nuts of forest and non-agricultural origin (56,000 tons per year) which occupy 400 hectares of forest area. Chestnuts amount to 44,000 tons per year, with a total value of € 62 million.

## TABLES and FIGURES



Tab. 1.1 - Agriculture in the national economy

	2006	2007	2008
<b>Change (%) in value added at factor cost (chained prices)</b>			
Total value added at factor cost			
- agriculture <sup>1</sup>	-1,2	-0,4	2,4
- industry, narrow definition	3,1	1,7	-3,2
- food, drinks and tobacco industries	1,8	0,7	-1,0
- services	1,8	1,8	-0,3
<b>Share (%) of agriculture on total value added</b>			
- at factor cost (current prices)	2,4	2,3	2,3
<b>Value added at factor cost per unit of labour (euro)</b>			
Total value added at factor cost	51.611	53.276	54.824
- agriculture <sup>1</sup>	22.820	23.493	24.316
- industry, narrow definition	53.138	55.750	56.609
- food, drinks and tobacco industries	48.784	49.819	54.812
- services	54.826	56.345	58.060
<b>Share (%) of employment in agriculture in total employment<sup>2</sup></b>			
	5,5	5,3	5,2
<b>Change (%) in the index of consumer prices<sup>3</sup></b>			
- food products	1,8	2,8	5,4
- all products	2,1	1,8	3,3
<b>Change (%) in the index of producer prices</b>			
- food products	2,3	5,3	9,4
- all products	5,2	3,3	5,8
<b>Share (%) of international trade in agro-food products on total trade</b>			
- exports	6,9	6,9	7,2
- imports	9,0	9,0	9,0
<b>Normalised trade balance</b>			
- agro-food products	-16,3	-14,5	-12,2
- all products	-3,0	-1,3	-1,5
<b>Change (%) in terms of trade (imports:exports) of agro-food products</b>			
	-4,1	-0,5	2,6

<sup>1</sup> Agriculture, forestry and fisheries.<sup>2</sup> In terms of labour units.<sup>3</sup> National index of consumer prices, 1995=100.

Source: ISTAT and Banca d'Italia.



Tab. 1.2 - Output and value added at basic prices in Italian agriculture, by product group and geographical area - chained prices - 2000

	North-west			North-east			Centre			South and islands			Italy		
	% change		2008	% change		2008	% change		2008	% change		2008	% change		2008/07
	2008	2008/07		2008	2008/07		2008	2008/07		2008	2008/07		2008	2008/07	
CROPS	4.182	1,4	6.022	3,1	4.221	4.221	3,3	11.514	2,7	25.937	2,7	25.937	2,7	2,7	2,7
Field crops	2.802	1,4	3.218	4,8	2.130	2.130	1,2	5.349	1,7	13.519	1,7	13.519	1,7	2,3	2,3
- Cereals	1.779	5,6	1.686	12,2	762	762	6,3	1.285	20,9	5.546	11,2	5.546	11,2	2,9	2,9
- Dried legumes	13	-10,6	8	-8,0	11	11	7,2	35	10,9	67	10,9	67	10,9	2,9	2,9
- Potatoes and vegetables	421	-4,3	1.156	0,6	894	894	0,4	3.307	-2,7	5.777	-2,7	5.777	-2,7	-1,7	-1,7
- Industrial crops	54	-17,2	262	-6,7	188	188	-12,8	149	-13,7	662	-10,7	662	-10,7	-10,7	-10,7
- Flowers and potted plants	559	-1,7	144	0,1	205	205	-1,0	501	0,4	1.408	0,4	1.408	0,4	-0,7	-0,7
Forage crops	483	-1,4	460	-0,1	218	218	-2,1	351	-9,0	1.512	-9,0	1.512	-9,0	-3,0	-3,0
Tree crops	891	3,1	2.332	1,5	1.864	1.864	6,5	5.840	4,6	10.908	4,6	10.908	4,6	5,6	5,6
- Vines	426	3,1	887	3,1	514	514	0,5	1.359	10,6	3.216	10,6	3.216	10,6	10,5	10,5
- Olive groves	39	62,8	12	18,4	348	348	35,2	2.116	6,3	2.510	6,3	2.510	6,3	1,9	1,9
- Citrus	0	0,0	-	-	3	3	54,0	1.231	-1,9	1.234	-1,9	1.234	-1,9	1,5	1,5
- Fruit	252	-0,9	1.291	0,3	302	302	5,4	897	2,6	2.754	2,6	2.754	2,6	2,2	2,2
- Other tree crops	162	2,1	137	2,6	672	672	2,1	169	2,2	1.140	2,2	1.140	2,2	0,4	0,4
LIVESTOCK PRODUCE	5.210	-0,2	4.703	1,4	1.669	1.669	-0,1	2.810	0,1	14.388	0,1	14.388	0,1	0,4	0,4
Edible livestock products	5.209	-0,2	4.703	1,4	1.666	1.666	-0,1	2.803	0,1	14.377	0,1	14.377	0,1	0,4	0,4
- Meat	3.212	0,3	2.957	2,3	1.129	1.129	0,1	1.797	0,4	9.096	0,4	9.096	0,4	0,9	0,9
- Milk	1.741	-0,8	1.359	-0,8	405	405	-0,4	778	-0,2	4.278	-0,2	4.278	-0,2	-0,6	-0,6
- Eggs	248	0,3	376	3,5	128	128	1,2	226	-0,3	978	-0,3	978	-0,3	1,5	1,5
- Honey	4	-41,2	3	-37,8	3	3	-42,5	3	-36,6	13	-36,6	13	-36,6	-40,0	-40,0
Non-food livestock products	0	-6,6	0	-10,5	3	3	2,4	7	1,5	11	1,5	11	1,5	0,8	0,8
SERVICES ASSOCIATED WITH AGRICULTURE	761	1,0	1.045	0,3	720	720	0,9	1.777	0,3	4.302	0,3	4.302	0,3	0,5	0,5
Production of agricultural goods and services	10.189	0,6	11.812	2,2	6.624	6.624	2,1	16.143	1,9	44.776	1,9	44.776	1,9	1,7	1,7
(+) Secondary activities <sup>1</sup>	309	3,0	518	1,9	259	259	4,5	235	5,5	1.328	5,5	1.328	5,5	3,3	3,3
(-) Secondary activities <sup>1</sup>	220	-5,4	298	-1,5	172	172	-1,4	515	-2,7	1.204	-2,7	1.204	-2,7	-2,7	-2,7
Production from the agricultural sector	10.273	0,8	12.032	2,2	6.722	6.722	2,3	15.855	2,1	44.889	2,1	44.889	2,1	1,9	1,9
Intermediate consumption (including Sifim)	4.328	-0,4	4.963	-0,8	2.244	2.244	-0,5	5.095	0,1	16.623	0,1	16.623	0,1	-0,4	-0,4
Value added in the agricultural sector	5.947	1,9	7.071	5,0	4.481	4.481	4,1	10.745	3,2	28.254	3,2	28.254	3,2	3,6	3,6

<sup>1</sup> By secondary activity is understood both that carried out within the agricultural sector, and therefore not separable, that is, agri-tourism, processing of milk, fruit and meat, indicated by the sign (+), and that carried out by other branches of economic activity within the framework of cultivation and livestock rearing (for example, by shops) which is indicated by the sign (-).

Source: ISTAT.

Tab. 1.3 - *Associated and secondary services in agriculture - value of production at current prices*  
(million euro)

	2000	2007	2008	Distribution % 2008	% change 2008/07
<b>SERVICES ASSOCIATED WITH AGRICULTURE</b>					
Contracting and hiring of agricultural equipment and machinery	2.045,6	2.243,4	2.322,0	43,8	3,5
Harvesting, initial processing and conservation of agricultural products <sup>1</sup>	1.109,1	1.279,0	1.384,5	26,1	8,3
- seed conservation	219,7	258,3	352,7	6,7	36,5
Care of parks and gardens	989,5	1.445,9	1.495,9	28,2	3,5
- new plantings and plantations	183,3	209,1	206,1	3,9	-1,4
Services connected with livestock raising <sup>2</sup>	94,4	95,0	95,7	1,8	0,7
<b>Total</b>	<b>4.238,6</b>	<b>5.063,2</b>	<b>5.298,1</b>	<b>100,0</b>	<b>4,6</b>
<b>SECONDARY ACTIVITIES</b>					
Aquaculture	0,0	0,0	0,0	0,0	0,0
Meat processing	340,4	358,2	398,1	26,4	11,1
Fruit processing	72,8	37,8	39,8	2,6	5,4
Milk processing	234,5	252,7	264,8	17,6	4,8
Agro-tourism	387,3	741,5	803,5	53,3	8,3
<b>Total</b>	<b>1.035,0</b>	<b>1.390,2</b>	<b>1.506,1</b>	<b>100,0</b>	<b>8,3</b>

<sup>1</sup> This refers to other activities associated with agriculture performed on behalf of third parties.

<sup>2</sup> Veterinary services are excluded.

Source: ISTAT.

Tab. 1.4 - *Value added per employee in the sector Agriculture, Forestry and Fishing, at basic prices*

(thousand euro, current prices)

	Value added per Agricultural Labour Unit		% change 2008/07
	2007	2008	
Piemonte	17,7	17,9	1,3
Valle d'Aosta	15,0	16,6	10,1
Lombardia	25,0	25,2	1,0
Trentino-Alto Adige	29,5	29,4	-0,1
Veneto	23,3	22,9	-2,0
Friuli-Venezia Giulia	21,2	22,7	7,5
Liguria	27,1	26,2	-3,4
Emilia-Romagna	25,4	25,7	1,0
Toscana	29,6	32,1	8,6
Umbria	26,0	25,8	-1,0
Marche	18,7	18,4	-1,4
Lazio	23,8	24,8	4,2
Abruzzo	14,6	15,2	4,0
Molise	17,0	17,5	2,8
Campania	21,4	20,6	-3,6
Puglia	17,5	18,1	3,6
Basilicata	21,2	24,7	16,3
Calabria	15,1	15,9	4,8
Sicilia	20,9	22,2	6,2
Sardegna	18,6	19,1	2,2
North-west	22,2	22,4	0,8
North-east	24,8	24,9	0,5
Centre	25,0	26,1	4,6
South and islands	18,6	19,3	3,5
<b>Italy</b>	<b>21,5</b>	<b>22,0</b>	<b>2,6</b>

Source: ISTAT.

Tab. 1.5 - Trends in Italian international trade in agro-food products and in total trade

(million euro at current prices)

	2004	2005	2006	2007	2008
<b>Imports</b>					
Total	285.634	309.292	352.465	368.080	377.284
Agro-food	28.732	29.478	31.636	33.112	33.826
Agro-food/ Total (%)	10,1	9,5	9,0	9,0	9,0
<b>Exports</b>					
Total	284.413	299.923	332.013	358.633	365.806
Agro-food	20.007	21.157	22.789	24.732	26.482
Agro-food/ Total (%)	7,0	7,1	6,9	6,9	7,2
<b>Balance</b>					
Total	-1.221	-9.369	-20.452	-9.447	-11.478
Agro-food	-8.725	-8.321	-8.846	-8.380	-7.344
Non-food	7.504	-1.048	-11.605	-1.067	-4.134
<b>Normalised balance (%)</b>					
Total	-0,2	-1,5	-3,0	-1,3	-1,5
Agro-food	-17,9	-16,4	-16,3	-14,5	-12,2
Agro-food/ Total	1,4	-0,2	-1,8	-0,2	-0,6

Source: INEA, *Il commercio estero dei prodotti agroalimentari. Rapporto 2008*.

Tab. 1.6 - Italian foreign trade in agro-food products and total trade

(percentage change)

	Total trade		Agro-food trade		Quantity component		Price component		Terms of trade <sup>1</sup>
	imports	exports	imports	exports	imports	exports	imports	exports	
2008/2007	2,5	2,0	2,2	7,1	-3,6	-1,5	5,9	8,7	2,6
2007/2006	4,4	8,0	4,7	8,5	3,0	7,4	1,6	1,0	-0,5

<sup>1</sup> Changes in terms of trade are calculated as the ratio between the changes in the price indices for exports and for imports.Source: INEA, *Il commercio estero dei prodotti agroalimentari. Rapporto 2008*.

Tab. 1.7 - Italian foreign trade in agro-food product by sub-sector - 2008

	Million euro					Normalised
	imports	%	exports	%	balance	balance
Cereals	2.288,9	6,8	225,1	0,8	-2.063,8	-82,1
- seed	77,0	0,2	24,9	0,1	-52,1	-51,2
Fresh vegetables and legumes	666,5	2,0	933,8	3,5	267,3	16,7
- seed	145,1	0,4	63,5	0,2	-81,6	-39,1
Dried vegetables and legumes	170,3	0,5	30,8	0,1	-139,5	-69,4
Citrus	232,9	0,7	179,8	0,7	-53,1	-12,9
Fresh fruit	1.045,9	3,1	2.298,8	8,7	1.252,9	37,5
Dried fruit	505,8	1,5	239,9	0,9	-265,9	-35,7
Coarse vegetables	111,3	0,3	7,0	0,0	-104,3	-88,1
Oilseeds	805,3	2,4	39,8	0,2	-765,5	-90,6
- seed	9,6	0,0	6,0	0,0	-3,6	-23,3
Cocoa, coffee, tea,spices	1.014,7	3,0	37,7	0,1	-977,0	-92,8
Ornamental flowers and plants	380,6	1,1	537,4	2,0	156,8	17,1
Raw tobacco	38,0	0,1	201,6	0,8	163,6	68,3
Live animals	1.171,0	3,5	59,4	0,2	-1.111,6	-90,3
- for breeding	103,9	0,3	19,9	0,1	-84,0	-67,8
- for fattening and slaughter	1.046,0	3,1	31,3	0,1	-1.014,7	-94,2
- other live animals	21,2	0,1	8,2	0,0	-13,0	-44,3
Other livestock products	403,9	1,2	45,0	0,2	-358,9	-80,0
Forestry products	781,1	2,3	74,4	0,3	-706,7	-82,6
- timber	422,1	1,2	11,5	0,0	-410,6	-94,7
Fish products	822,1	2,4	212,9	0,8	-609,2	-58,9
Game	88,2	0,3	3,7	0,0	-84,5	-92,0
Other	119,2	0,4	158,1	0,6	38,9	14,0
<b>Total primary sector</b>	<b>10.646,0</b>	<b>31,5</b>	<b>5.285,1</b>	<b>20,0</b>	<b>-5.360,9</b>	<b>-33,7</b>
Cereal derivatives	1.055,7	3,1	3.856,1	14,6	2.800,4	57,0
- pasta	59,0	0,2	2.016,5	7,6	1.957,5	94,3
Sugar and confectionery	1.192,0	3,5	1.115,0	4,2	-77,0	-3,3
Fresh and frozen meat	3.620,5	10,7	821,7	3,1	-2.798,8	-63,0
Processed meat	798,2	2,4	1.018,3	3,8	220,1	12,1
Fish, processed and preserved	2.849,5	8,4	319,9	1,2	-2.529,6	-79,8
Processed vegetables	850,7	2,5	1.772,8	6,7	922,1	35,1
Processed fruit	500,7	1,5	909,1	3,4	408,4	29,0
Dairy products	3.284,4	9,7	1.748,1	6,6	-1.536,3	-30,5
- milk	730,2	2,2	8,4	0,0	-721,8	-97,7
- cheese	1.429,8	4,2	1.405,7	5,3	-24,1	-0,9
Oils and fats	2.805,7	8,3	1.565,1	5,9	-1.240,6	-28,4
- virgin and extra-virgin olive oil	991,3	2,9	811,1	3,1	-180,2	-10,0
Oilseed cakes and flour	1.204,7	3,6	276,3	1,0	-928,4	-62,7
Drinks	1.372,6	4,1	4.818,6	18,2	3.446,0	55,7
- VQPRD white wines	9,8	0,0	429,2	1,6	419,4	95,5
- VQPRD red and rosé wines	12,4	0,0	1.069,6	4,0	1.057,2	97,7
- other wine	303,0	0,9	2.087,1	7,9	1.784,1	74,6
Other products of the food industry	2.750,3	8,1	2.379,5	9,0	-370,8	-7,2
<b>Total food industry</b>	<b>22.285,0</b>	<b>65,9</b>	<b>20.600,5</b>	<b>77,8</b>	<b>-1.684,5</b>	<b>-3,9</b>
<b>TOTAL AGRO-FOOD</b>	<b>33.826,0</b>	<b>100,0</b>	<b>26.482,4</b>	<b>100,0</b>	<b>-7.343,6</b>	<b>-12,2</b>

Source: INEA, *Il commercio con l'estero dei prodotti agroalimentari. Rapporto 2008.*

Tab. 1.8 - Number of farms, utilised agricultural area, agricultural labour units and gross margins  
by geographical area, size and technical orientation - 2007

	Farms (n.) <sup>1</sup>			Utilised Agricultural Area (ha)			Agricultural Labour Units			Gross margins (ESU) <sup>2</sup>		
	2007	%	% change 2007/05	2007	%	% change 2007/05	2007	%	% change 2007/05	2007	%	% change 2007/05
North-west	157,470	9,4	-2,6	2,152,790	16,9	1,3	188,940	14,5	-5,1	5,047,270	20,2	1,2
North-east	292,400	17,4	0,0	2,499,990	19,6	1,9	282,740	21,7	3,6	6,483,030	25,9	19,6
Centre	268,820	16,0	-4,6	2,316,260	18,2	-0,6	214,200	16,4	-2,0	3,496,100	14,0	11,4
South	657,160	39,1	-2,7	3,450,840	27,1	-1,0	441,560	33,9	-6,1	6,533,250	26,1	13,0
Islands	303,570	18,1	-4,5	2,324,320	18,2	0,5	174,750	13,4	-18,1	3,440,390	13,8	19,8
<b>Italy</b>	<b>1,679,420</b>	<b>100,0</b>	<b>-2,8</b>	<b>12,744,200</b>	<b>100,0</b>	<b>0,3</b>	<b>1,302,190</b>	<b>100,0</b>	<b>-5,2</b>	<b>25,000,040</b>	<b>100,0</b>	<b>12,6</b>
Less than 4 ESU <sup>2</sup>							Class of economic size					
4 - 8	918,780	54,7	-6,2	1,514,130	11,9	-4,1	344,040	26,4	-11,7	1,583,230	6,3	0,2
8 - 16	293,100	17,5	6,2	1,297,670	10,2	0,5	202,990	15,6	1,3	1,670,820	6,7	6,9
16 - 40	188,310	11,2	-7,5	1,544,350	12,1	-12,6	194,180	14,9	-12,8	2,125,820	8,5	-8,3
40 - 100	159,570	9,5	-5,9	2,635,210	20,7	-5,2	232,140	17,8	-11,4	4,033,100	16,1	-3,4
over 100	79,790	4,8	14,7	2,479,750	19,4	6,8	168,700	13,0	8,2	4,861,110	19,4	15,0
	39,880	2,4	33,5	3,279,100	25,7	10,3	160,130	12,3	11,4	10,725,940	42,9	28,8
Specialised farms	1,427,040	85,8	-2,8	10,531,440	82,9	1,2	1,067,340	82,2	-5,6	21,740,060	87,0	13,3
- arable	404,230	24,3	-7,3	3,673,000	28,9	-8,2	237,380	18,3	-12,3	5,028,700	20,1	14,0
- fruit and vegetables	28,830	1,7	-1,4	106,900	0,8	15,4	51,290	3,9	-14,2	1,972,760	7,9	13,7
- permanent crops	805,490	48,4	-3,5	2,630,910	20,7	6,0	534,000	41,1	-8,0	7,707,520	30,8	10,9
- herbivorous livestock	179,750	10,8	12,7	3,963,830	31,2	8,1	224,630	17,3	13,1	4,749,190	19,0	28,2
- granivorous livestock	8,740	0,5	-1,4	150,800	1,2	-0,4	20,040	1,5	-6,5	2,281,890	9,1	-4,1
Mixed farms	236,070	14,2	-1,0	2,179,830	17,1	-3,6	231,300	17,8	-3,0	3,259,970	13,0	8,1
- polyculture	159,860	9,6	0,6	1,140,710	9,0	-1,6	135,630	10,4	-6,0	1,873,680	7,5	13,2
- mixed livestock	16,670	1,0	-2,2	290,510	2,3	12,6	27,200	2,1	7,6	475,770	1,9	17,5
- crops and livestock	59,540	3,6	-4,7	748,610	5,9	-11,4	68,470	5,3	-0,7	910,520	3,6	-4,8
Total, specialised and mixed	1,663,110	100,0	-2,6	12,711,270	100,0	0,4	1,298,640	100,0	-5,2	25,000,030	100,0	12,6

<sup>1</sup> The data refer to the EU universe comprising all farms which have at least one hectare of Utilised Agricultural Area or whose output amounts to at least 2,500 euro.

<sup>2</sup> The difference, in monetary terms, between the value of gross output and the costs incurred to produce that output. 1 ESU (Economic Size Unit) = € 1,200 .

<sup>3</sup> The total of specialised and mixed is less than the total number of farms because some farms cannot be classified.

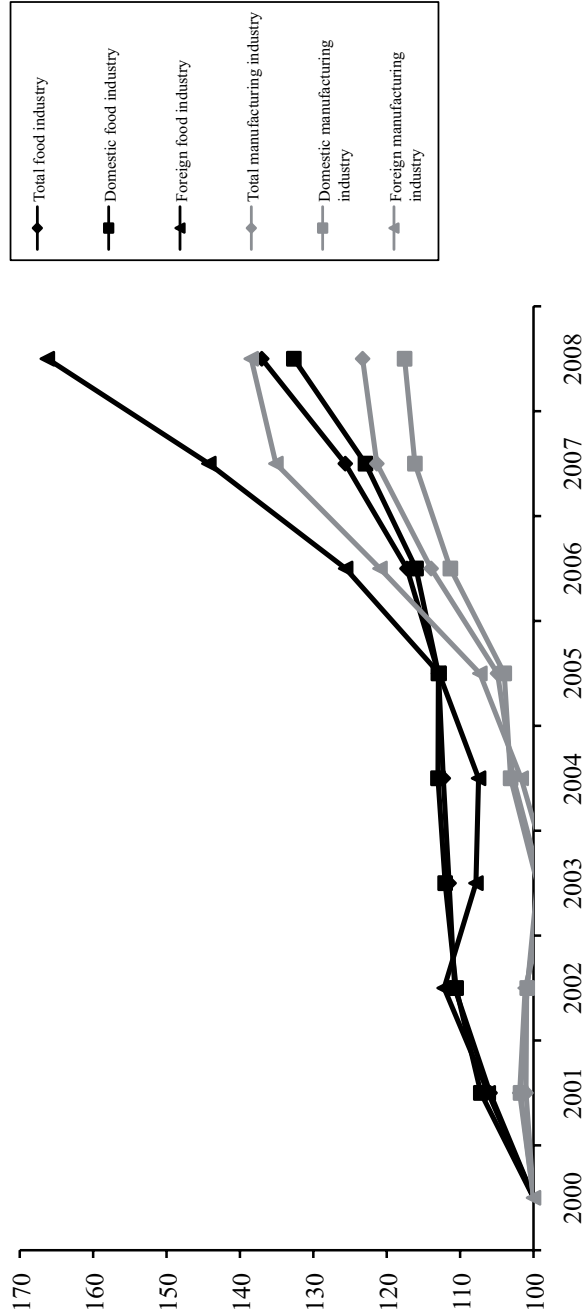
Source: EUROSTAT - *Indagine sulla Struttura e Produzioni delle Aziende Agricole - Anni 2007 and 2005*.

Tab. 1.9 - *Average output, income and capital per farm by geographical area, class of economic size and type of farming - 2007*

	Gross saleable output (PLV)	Net income (RN)	Total capital	RN/PLV	Variable cost/ Total cost	Fixed cost/ Total cost	Subsidies /R/N
	euro				%		
Geographical area							
North-west	97.545	42.525	790.372	43,6	65,7	34,3	27,6
North-east	71.739	21.904	666.039	30,5	62,1	37,9	37,4
Centre	51.369	19.995	415.195	38,9	57,6	42,4	41,1
South	34.158	15.069	215.105	44,1	67,3	32,7	43,6
Islands	37.973	16.898	219.454	44,5	68,2	31,8	39,2
Class of economic size							
4 - 8 ESU	14.179	5.227	135.210	36,9	49,8	50,2	45,9
8 - 16 ESU	24.542	8.638	238.529	35,2	53,4	46,6	49,3
16 - 40 ESU	55.776	21.566	500.700	38,7	60,7	39,3	42,2
40 - 100 ESU	137.227	56.256	1.055.918	41,0	66,6	33,4	34,6
over 100 ESU	549.077	223.844	3.284.348	40,8	72,4	27,6	28,5
Type of farming							
Arable	44.673	15.901	547.621	35,6	57,0	43,0	65,4
Fruit, vegetables and flowers	98.014	38.866	231.093	39,7	71,7	28,3	5,9
Permanent crops	34.595	14.315	228.142	41,4	55,0	45,0	27,8
Herbivorous livestock	113.303	46.364	810.170	40,9	72,4	27,6	28,4
Granivorous livestock	465.108	196.729	1.592.244	42,3	80,9	19,1	5,8
Polyculture	36.406	12.466	328.639	34,2	57,8	42,2	38,4
Mixed livestock	56.025	21.351	475.766	38,1	65,3	34,7	32,6
Crops and livestock	66.245	26.677	656.065	40,3	64,5	35,5	36,0
Italy	54.374	21.357	425.241	39,3	63,9	36,1	36,4
% change 2007/2006	8,5	17,2	2,8	-	-	-	-

Source: INEA, RICA data bank 2007.

Fig. 1.1 - Index of turnover in the food and manufacturing industries



Source: calculated on ISTAT data (CONISTAT data bank).



Tab. 1.10 - *Trends in production in the Italian food industry*

("rough" indices - 2005=100)

	Average			% changes 2008/07
	2006	2007	2008	
Processed meat and derivatives	100,3	101,4	102,1	0,7
Processed fish and derivatives	99,3	97,8	98,0	0,2
Processed fruit and vegetables	101,9	106,9	112,4	5,1
Vegetable and animal oils and fats	95,9	103,5	104,6	1,1
Dairy industry	104,5	103,1	101,3	-1,8
Processed grains and starch products	99,8	94,0	92,7	-1,3
Bakery products	102,1	103,4	104,0	0,5
- fresh bread and confectionery	103,1	105,9	105,7	-0,1
- toasted biscuits, sweet biscuits and confectionery	101,6	102,8	105,9	2,9
- pasta, couscous and similar	99,6	97,3	97,4	0,2
Other food products	97,9	97,3	93,6	-3,9
- sugar	39,8	39,6	28,2	-28,8
- cocoa, chocolate, sweets and confectionery	100,6	102,3	101,8	-0,5
- tea and coffee	107,3	110,4	110,8	0,4
- spices and flavourings	100,0	108,9	119,4	9,7
- prepared dishes	102,9	95,9	82,4	-14,1
- baby foods and dietetic preparations	104,0	104,1	101,6	-2,4
Manufactured foods for animals	99,4	101,4	103,2	1,9
Drinks industry	105,1	107,2	104,9	-2,1
- distilled alcoholic products	112,7	110,3	109,0	-1,2
- wine (from grapes not produced in the firm)	102,6	105,9	102,0	-3,7
- beer	103,1	107,7	104,4	-3,0
- mineral water and soft drinks	104,8	106,8	106,2	-0,5
<b>Food industry, drinks and tobacco</b>	<b>101,1</b>	<b>102,4</b>	<b>101,8</b>	<b>-0,6</b>
Manufacturing industry	103,3	106,5	103,1	-3,2
<b>Total industry</b>	<b>103,1</b>	<b>106,0</b>	<b>102,7</b>	<b>-3,2</b>

Source: calculated on ISTAT data (CONISTAT data bank).

Tab. 1.11 - *The main food firms in Italy - 2008*

	Turnover (million euro)		%	N.	Province	Core business
	2007	2008	change 2008/07	employees 2008		
1 Unilever Italia Srl	2.827	2.771	-2,0	3.757	MI	various
2 Barilla G. e R. Fratelli Spa	2.063	2.416	17,1	4.222	PR	pasta
3 P. Ferrero & C. Spa <sup>1</sup>	2.156	2.263	5,0	5.848	TO	confectionery
4 Veronesi Finanziaria <sup>6</sup>	1.979	2.224	12,4	6.751	VR	feedstuffs and meat
5 Cremonini <sup>6</sup>	2.445	2.177	-11,0	7.404	MO	meat and catering
6 Nestlé Italiana Spa	1.420	1.732	22,0	4.384	MI	confectionery
7 Gesco Consorzio Cooperativo (Gruppo Amadori)	1.002	1.154	15,2	509	FC	meat
8 BIG (Gruppo Lactalis Italia)	937	1.152	22,9	1.223	MI	dairy products
9 Bunge Italia	979	1.058	8,1	297	RA	oils and fats
10 Luigi Lavazza Spa	894	962	7,6	1.646	TO	coffee
11 Coca Cola Hbc Italia Srl	882	944	7,0	2.676	MI	soft drinks
12 Granarolo Spa	899	935	4,0	1.559	BO	dairy products
13 Parmalat Spa	869	896	3,1	1.794	PR	dairy products
14 Egidio Galbani Spa	773	825	6,7	1.846	MI	dairy products
15 San Pellegrino Spa	869	809	-6,9	1.776	MI	soft drinks
16 Kraft Foods Italia Spa	630	702	11,4	771	MI	dairy products
17 Conserve Italia Scrl <sup>2</sup>	603	649	7,6	2.055	BO	processed vegetables
18 Heineken Italia Spa	605	617	2,0	961	MI	beer
19 Acqua Minerale San Benedetto Spa	562	575	2,3	1.233	VE	mineral water
20 Bolton Alimentari Spa (ex Trinity)	443	524	18,3	602	MI	preserved fish
21 Birra Peroni Spa <sup>3</sup>	400	506	26,5	782	RM	beer
22 IS Holding (Unibon) <sup>6</sup>	429	499	16,3	1.285	MO	salted meats
23 Carapelli Firenze	485	487	0,4	190	FI	oils and fats
24 Danone Spa	404	478	18,3	344	MI	dairy products
25 Roquette Italia Spa	395	421	6,6	472	AL	starch and starch products
26 Plada Industriale <sup>4</sup>	422	421	-0,2	776	MI	baby and dietetic foods
27 Consorzio Latterie Virgilio Scrl	406	414	2,0	240	MN	dairy products
28 Unipeg Scrl	387	388	0,3	277	RE	meat
29 Colussi Spa	318	372	17,0	1.048	PG	confectionery
30 Campari Italia Spa	355	350	-1,4	150	MI	alcoholic drinks
31 Star Spa	338	349	3,3	558	MI	processed vegetables
32 Grandi Molini Italiani Spa	280	347	23,9	235	RO	milling
33 Consorzio Agrario Lombardo Veneto	321	340	5,9	241	VR	feedstuffs
34 Unigrà	222	330	48,6	305	RA	oils and fats
35 Eurovo Srl	253	321	26,9	183	RA	eggs
36 Fratelli De Cecco <sup>6</sup>	-	319	-	462	CH	pasta
37 Martini & Rossi Spa <sup>3</sup>	302	316	4,6	387	TO	alcoholic drinks
38 Salov Spa <sup>5</sup>	290	316	9,0	202	LU	oils and fats
39 Davide Campari Milano Spa	311	310	-0,3	533	MI	alcoholic drinks
40 Bauli Spa <sup>2</sup>	235	275	17,0	885	VR	confectionery
41 Sterilgarda Alimenti Spa	250	273	9,2	270	MN	dairy products
42 Saiwa Spa	242	272	12,4	649	GE	confectionery
43 Zanetti Spa	245	264	7,8	325	BG	dairy products
44 Pastificio Rana Spa	237	260	9,7	606	VR	pasta
45 La Doria Spa	227	259	14,1	674	SA	processed vegetables
46 Ar Industrie Alimentari Spa	237	253	6,8	702	NA	processed vegetables
47 Cesare Fiorucci Spa	274	251	-8,4	717	RM	salted meats
48 Illy Caffè Spa	229	241	5,2	572	TS	coffee
49 Mellin	222	239	7,7	230	MI	baby and dietetic foods
50 Granlatte Società Cooperativa Agricola	215	237	10,2	19	BO	dairy products

<sup>1</sup> To 31st August. <sup>2</sup> To 30th June. <sup>3</sup> To 31th March. <sup>4</sup> To 30th April. <sup>5</sup> To 30th September. <sup>6</sup> Consolidated accounts.

Source: calculated on ISTAT data (CONISTAT data bank).

Tab. 1.12 - *Trends in cooperatives belonging to the central representative organisations in Italy*

	2004	2005	2006	2007	2008	% change 2008/07
Number of cooperatives	6.555	6.481	6.419	6.431	6.213	-3,4
Number of members	923.410	929.168	914.334	949.632	932.649	-1,8
Turnover (million euro)	31.076	34.188	34.666	35.477	36.216	2,1
Average turnover per cooperative (thousand euro)	4.740,8	5.275,1	5.400,5	5.516,6	5.829,0	5,7
Average turnover per member (thousand euro)	33,7	36,8	37,9	37,4	38,8	3,9

Source: calculated on data from FEDAGRI Legacoop Agroalimentare, ASCAT-UNCI e AGCI-Agrital.

Tab. 1.13 - *The main groups in modern retailing sector in Italy - 2008<sup>1</sup>*

	North-west		North-east		Centre (incl. Sardinia)		South (incl. Sicily)		Total	
	N.	area (sq.m)	N.	area (sq.m)	N.	area (sq.m)	N.	area (sq.m)	N.	area (sq.m)
Centrale Italiana	679	678.077	1.584	1.054.149	1.521	826.898	1.251	703.342	5.035	3.262.466
- Coop Italia	411	486.001	669	620.433	469	483.437	128	196.140	1.677	1.786.011
- Despar Servizi	108	35.408	532	304.758	293	123.840	495	321.704	1.428	785.710
- Il Gigante	37	133.390	2	4.600					39	137.990
- Sigma	123	23.278	381	124.358	759	219.621	628	185.498	1.891	552.755
Sicon	847	501.728	1.045	525.644	1.773	813.061	2.374	1.055.619	6.039	2.886.052
- Conad	281	150.838	497	264.428	991	496.334	965	436.712	2.734	1.348.312
- Interdis	304	132.554	448	169.220	658	212.927	1.303	536.432	2.713	1.051.133
- Rewe	262	218.336	100	91.996	124	103.800	106	82.475	592	496.607
Intermedia 90	1.415	1.030.913	978	496.413	1.105	706.332	1.123	622.453	4.621	2.856.111
- Auchan	478	388.519	158	117.624	461	328.196	333	360.740	1.430	1.195.079
- Crai	411	91.309	551	130.353	281	68.443	421	118.781	1.664	408.886
- Pam	191	114.790	197	151.830	202	228.223	369	142.932	959	637.775
- Bennet	51	268.100	11	61.275				62	329.375	
- Lombardini	284	168.195	61	35.331	161	81.470	-	-	506	284.996
Esd Italia	729	701.926	717	566.955	330	262.866	741	412.963	2.517	1.944.700
- Selex	634	424.006	705	535.225	301	196.206	741	412.963	2.381	1.568.390
- Esselunga	95	277.920	12	31.730	29	66.660	-	-	136	376.310
Gdplus	1.274	1.044.572	89	154.032	384	327.820	433	381.148	2.180	1.907.572
- Carrefour	820	562.589	27	64.127	359	301.660	430	357.998	1.636	1.286.374
- Finiper	183	278.000	12	40.350	2	14.600	3	23.150	200	356.100
- Agora	271	203.983	50	49.555	23	11.560	-	-	344	265.098
Sisa	208	72.680	216	91.304	457	154.499	914	410.158	1.795	728.641
Coralis	55	10.855	31	5.810	21	7.570	457	107.503	564	131.738
C3	40	47.155	182	164.723	34	36.975	36	25.530	292	274.383
Lidl Italia	174	119.243	168	125.735	106	81.863	74	64.588	522	391.429
Eurospin	122	77.154	143	85.666	261	172.055	201	145.093	727	479.968
<b>Total<sup>2</sup></b>	<b>6.203</b>	<b>4.520.010</b>	<b>5.768</b>	<b>3.490.964</b>	<b>7.013</b>	<b>3.732.704</b>	<b>10.128</b>	<b>4.642.716</b>	<b>29.112</b>	<b>16.386.394</b>

<sup>1</sup> Data refer to the first half of the year following that shown in the heading.<sup>2</sup> The total refers to all groups present in Italy even if not previously indicated.

Source: Calculated on data from Nielsen.

Tab. 1.14 - *Trends in food consumption in Italy, by food category*

(billion euro, current prices)

	2000	2007	2008	% change 2008/07	Avg. annual % change 2008/00
Bread and cereals	20,7	26,0	27,8	6,6	3,7
Meat	25,1	31,7	32,5	2,4	3,3
Fish	7,4	9,1	8,9	- 1,6	2,3
Milk, cheese and eggs	15,5	17,8	18,5	4,2	2,3
Oils and fats	5,5	6,3	6,3	0,4	1,7
Fruit	7,7	9,3	9,6	2,8	2,7
Vegetables including potatoes	11,8	14,7	15,2	3,3	3,2
Sugar, jam, honey, syrups, chocolate and confectionery	7,6	9,0	9,0	- 0,1	2,2
Food products <sup>1</sup>	0,3	0,4	0,4	6,0	3,5
Coffee, tea and cocoa	1,7	1,9	1,9	3,9	1,5
Mineral water, fizzy drinks and juices	6,2	7,2	7,3	1,5	2,1
<b>Food and non-alcoholic drinks</b>	<b>109,5</b>	<b>133,4</b>	<b>137,5</b>	<b>3,1</b>	<b>2,9</b>
Alcoholic drinks	5,7	6,9	6,9	0,3	2,4

<sup>1</sup> Not elsewhere classified.

Source: calculated on ISTAT data - National accounts.

Tab. 1.15 - *Output and turnover for PDO and PGI products - 2008*

	Output		Turnover at production level		Turnover at consumption level <sup>1</sup>	
	tons	% change 2008/07	million euro	% change 2008/07	million euro	% change 2008/07
Cheese	469.353	4,3	3.129,4	3,0	3.919,4	11,2
Dried meat & sausage	195.563	2,0	1.681,9	4,3	3.253,6	8,6
Fruit & vegetables	431.274	-19,9	249,0	-23,5	398,7	-35,4
Oils	10.274	47,9	68,2	12,7	77,3	42,3
Other	-	-	35,5	9,0	123,5	10,0
<b>Total</b>	-	-	<b>5.172,6</b>	<b>1,5</b>	<b>7.774,7</b>	<b>6,2</b>

<sup>1</sup> On the domestic market.

Source: calculated on data from ISTAT.

Tab. 2.1 - Trends in average farm land prices - 2008

	Altimetric zone					All
	inland mountains	coastal mountains	inland hills	coastal hills	plains	
Per hectare values in thousand euro						
North-west	5,0	25,3	20,7	74,5	34,2	23,9
North-east	18,4	-	33,8	27,3	39,3	33,2
Centre	7,6	10,1	11,6	16,9	20,0	12,5
South	6,7	10,0	10,6	16,4	14,1	11,3
Islands	5,9	8,8	7,7	10,6	14,9	9,3
<b>Total</b>	<b>8,9</b>	<b>9,8</b>	<b>13,1</b>	<b>15,2</b>	<b>29,2</b>	<b>17,5</b>
Percentage change 2008/2007						
North-west	0,8	2,0	2,2	2,4	3,2	2,9
North-east	-0,8	-	-0,1	3,9	1,5	0,9
Centre	2,1	3,9	0,2	0,0	0,2	0,4
South	0,7	0,0	0,7	0,1	1,0	0,7
Islands	0,4	0,0	0,2	0,2	0,7	0,4
<b>Total</b>	<b>0,2</b>	<b>0,2</b>	<b>0,5</b>	<b>0,2</b>	<b>1,9</b>	<b>1,2</b>

These data are not comparable with those published in Volume LXI of this Annuario because the data bank is being up-dated.

Tab. 2.2 - Trends in land renting at Regional level - 2007

(area in hectares)

	Area rented		% change 2007/2000	2007	
		of which gratis		% of total	% AAU
North-west	1.144.028	69.721	22,9	32,0	53,1
North-east	784.897	54.926	15,0	22,0	31,4
Centre	576.316	52.555	15,4	16,1	24,9
South	552.164	101.459	7,6	15,5	16,0
Islands	512.845	105.348	20,8	14,4	22,1
<b>Italy</b>	<b>3.570.251</b>	<b>384.009</b>	<b>17,0</b>	<b>100,0</b>	<b>28,0</b>

Source: ISTAT, Censimento dell'agricoltura 2000, Universo CE e Struttura e produzioni delle aziende agricole, 2007.

Tab. 2.3 - *Gross fixed investment, amortisation, net capital stock per worker: ratios by main economic sectors*

	(thousand euro)			
	Agriculture	Industry	Services	Total
<b>Investment per worker</b>				
2008	7,5	11,2	10,7	10,7
2007	7,6	11,7	11,0	11,0
% change 2008/07	-1,3	-4,3	-2,7	-2,7
<b>Amortisation per worker</b>				
2008	7,7	10,2	7,7	8,4
2007	7,5	9,9	7,6	8,2
% change 2008/07	2,7	3	1,3	2,4
<b>Net capital stock per worker</b>				
2008	123,8	114,9	190,2	165,8
2007	121,5	112,2	188,2	163,3
% change 2008/07	1,9	2,4	1,1	1,5

<sup>1</sup> Chained values, base 2000. Services are gross of investments in dwellings.

Source: calculations on ISTAT data.

Tab. 2.4 - *Loans granted for the sector Agriculture, Forestry and Fishing*

	(million euro)						
	North-west	North-east	Centre	South and island	Italy	% change	Subsidised/ total (%)
2004	7.185	9.128	6.461	7.162	29.943	8,0	5,0
2005	7.667	9.777	6.980	7.406	31.830	6,3	4,1
2006	8.473	10.306	7.456	7.913	34.148	7,3	3,2
2007	9.176	10.987	7.745	8.095	36.002	5,4	2,6
2008	9.786	11.809	7.687	8.140	37.421	3,9	2,1

Source: calculated on data from the Bollettino statistico, Banca d'Italia.

Tab. 2.5 - *Intermediate inputs in Italian agriculture, at basic prices, by category of goods and services - current prices and percentage change*

(million euro)

	AT current prices					Chained prices	
	2004	2005	2006	2007	2008	2007/06	2008/07
Seeds	1.123	1.084	1.096	1.203	1.382	1,3	1,5
Feedstuffs and various expenditure for livestock	5.464	4.975	4.884	5.501	6.071	3,2	-1,3
Fertilisers	1.138	1.135	1.160	1.346	1.961	6,9	-2,6
Plant protection products	652	666	694	738	800	0,7	-0,6
Energy	2.012	2.284	2.515	2.532	2.925	-1,6	-3,0
- of which electricity	641	684	800	887	997	-	-
Own output	2.469	2.116	2.148	2.414	2.475	-2,9	-0,5
Other goods and services	6.198	6.074	6.182	6.406	6.742	1,6	1,7
Sifim	451	388	353	392	463	10,4	-0,3
irrigation water	335	333	334	332	328	-2,3	-2,3
farm transport	180	179	180	186	196	0,2	2,1
insurance etc.	598	519	503	531	592	2,6	4,5
<b>Total</b>	<b>19.054</b>	<b>18.334</b>	<b>18.678</b>	<b>20.140</b>	<b>22.355</b>	<b>1,3</b>	<b>-0,4</b>

Source: ISTAT.

Tab. 2.6 - *Number of farms and their irrigable and irrigated areas - 2007*

	Number of farms with irrigation	Area irrigated (ha)	Irrigable area	Irrigated/Irrigable area (%)	Irrigated area/ UAA (%)
<b>Italy</b>	<b>563.663</b>	<b>2.666.205</b>	<b>3.950.503</b>	<b>67,5</b>	<b>20,9</b>
Regions					
North	198.274	1.694.452	2.357.953	71,9	36,4
Centre	57.109	182.347	372.939	48,9	7,9
South and islands	308.279	789.406	1.219.611	64,7	13,7
Altimetric zone					
Mountains	100.669	176.973	233.500	75,8	5,7
Hills	221.398	644.605	1.037.442	62,1	11,2
Plains	241.595	1.844.628	2.679.561	68,8	47,5
Size class, UAA					
<5 hectares	375.750	392.530	581.514	67,5	19,4
5-20 hectares	132.264	721.706	1.085.257	66,5	23,2
20-50 hectares	37.389	606.695	895.635	67,7	23,3
>50 hectares	18.260	945.274	1.388.098	68,1	18,8

Source: calculated on ISTAT data, Indagine sulla struttura e sulle produzioni delle aziende agricole.





Tab. 2.8 - *Indicators of employment of non-EU and neo-EU immigrants in agriculture in Italy - 2008*

	Total			Non-EU		Neo-EU <sup>3</sup>		Non-EU agric. workers		Non-EU agric. L. units		Neo-EU agric. Workers		(thousand)	
	agricultural workers <sup>1</sup>	agricultural workers <sup>2</sup>	Labour unit equivalent <sup>2</sup>	(b)	(c)	agricultural workers <sup>2</sup>	Labour unit equivalent <sup>2</sup>	(f=b/a)	(g=b/a)	(g=c/b)	(%)	(h=d/a)	(%)	Neo-EU agric. L. units	Neo-EU agric. workers / Neo-EU agric. workers (%) (=ed)
Piemonte	67.964	4.820	5.533	2.105	2.484	7,1	114,8	3,1	118,0	33,6	10,8	33,6	118,0	118,0	118,0
Valle d'Aosta	2.352	615	852	35	105	26,1	138,6	1,5	301,3	94,1	3,5	94,1	301,3	301,3	301,3
Lombardia	79.925	15.200	19.535	3.300	3.403	19,0	128,5	4,1	103,1	91,9	12,0	91,9	103,1	103,1	103,1
Veneto	61.075	13.656	6.488	7.352	3.492	22,4	47,5	12,0	47,5	22,4	32,4	22,4	47,5	47,5	47,5
P.A. Bolzano	17.510	2.275	539	5.670	1.500	13,0	23,7	32,4	26,5	22,4	70,7	70,7	26,5	26,5	26,5
P.A. Trento	8.829	1.465	328	6.245	1.397	16,6	62,7	10,8	41,2	94,1	3,5	94,1	41,2	41,2	41,2
Friuli-Venezia Giulia	13.260	1.373	861	1.435	591	10,4	62,7	10,8	41,2	94,1	3,5	94,1	41,2	41,2	41,2
Liguria	15.545	3.554	3.345	545	183	7,7	91,9	12,0	84,6	134,0	2,8	134,0	84,6	84,6	84,6
Emilia-Romagna	79.117	6.112	5.620	9.496	8.030	22,9	181,1	3,3	166,3	181,1	7,8	181,1	166,3	166,3	166,3
Toscana	46.804	10.730	14.378	1.320	2.129	10,9	71,8	7,8	129,7	265,5	3,4	265,5	129,7	129,7	129,7
Marche	13.447	1.460	2.644	440	732	17,5	121,0	3,4	135,8	121,0	6,0	121,0	135,8	135,8	135,8
Umbria	14.059	2.460	1.766	1.100	920	12,2	89,6	6,0	89,6	144,9	1,1	144,9	89,6	89,6	89,6
Lazio	41.075	5.017	13.319	323	419	30,0	77,4	10,9	101,1	77,4	1,3	77,4	101,1	101,1	101,1
Abruzzo	22.951	6.876	8.317	774	1.051	4,2	50,2	4,9	49,5	50,2	1,0	50,2	49,5	49,5	49,5
Molise	8.970	380	340	540	482	4,2	88,5	0,8	71,7	88,5	0,8	88,5	71,7	71,7	71,7
Campania	75.447	10.270	14.879	830	839	13,6	89,6	14,2	89,6	144,9	1,1	144,9	89,6	89,6	89,6
Puglia	108.909	14.585	11.295	11.883	3.528	13,4	144,9	10,9	101,1	77,4	1,3	77,4	101,1	101,1	101,1
Basilicata	15.245	1.965	986	205	101	12,9	50,2	4,9	49,5	50,2	1,0	50,2	49,5	49,5	49,5
Calabria	54.292	6.680	8.716	2.670	3.945	12,3	130,5	1,0	165,2	130,5	0,8	130,5	147,7	147,7	147,7
Sicilia	110.504	6.620	5.858	1.150	1.900	6,0	88,5	0,8	71,7	88,5	0,8	88,5	71,7	71,7	71,7
Sardegna	38.002	320	229	296	288	0,8	71,7	0,8	71,7	88,5	0,8	88,5	71,7	71,7	71,7
North	345.577	49.070	43.967	36.183	24.083	14,2	89,6	10,5	66,6	89,6	10,5	89,6	66,6	66,6	66,6
Centre	115.385	19.667	32.108	3.183	4.199	17,0	163,3	2,8	131,9	163,3	2,8	163,3	131,9	131,9	131,9
South	285.814	40.756	44.534	16.902	9.946	14,3	109,3	5,9	58,8	109,3	5,9	109,3	58,8	58,8	58,8
Islands	148.506	6.940	6.087	1.446	2.188	4,7	87,7	1,0	151,3	87,7	1,0	87,7	151,3	151,3	151,3
<b>Italy</b>	<b>895.282</b>	<b>116.433</b>	<b>126.696</b>	<b>57.714</b>	<b>40.415</b>	<b>13,0</b>	<b>108,8</b>	<b>6,4</b>	<b>70,0</b>	<b>108,8</b>	<b>6,4</b>	<b>108,8</b>	<b>70,0</b>	<b>70,0</b>	<b>70,0</b>

<sup>1</sup> ISTAT.<sup>2</sup> INEA Survey.<sup>3</sup> Neo-EU citizen from 2004 and from 2007.

Tab. 2.9 - Finance for research in agriculture in Italy by national institutions

	(thousand euro)					
	Ministry for Research and University			Ministry for agriculture, food and forestry		
	PRIN	FIRB <sup>1</sup>	FISR	Total (a)	Dg Policies	Dg Fishing
2005	8.625	....	-	8.625	54.739	2.400
2006	5.471	7.686	-	13.157	13.478	2.031
2007	1.127	-	-	1.127	29.581	....
2008	....	-	-	-	58.206	....
<b>Total</b>	<b>15.223</b>	<b>7.686</b>	<b>-</b>	<b>22.909</b>	<b>156.004</b>	<b>4.431</b>
					<b>160.435</b>	
						<b>183.344</b>

<sup>1</sup> Financing of FIRB projects refers to the two-year period 2005-2006.

Source: Ministries of Agricultural, Food and Forestry Policies and of Universities and Research.

Tab. 2.10 - *The financial situation of measures involving the system of advisory services for farms in programmes for Rural Development 2007-2013*

	112 (a)		114 (b)		115 (c)		Share of 114 b/ (a + b + c)
	ERDF	other public funds	ERDF	other public funds	other private funds	other public funds	
Piemonte	27.190	61.795	10.900	24.773	6.193	540	32
Valle d'Aosta	2.118	4.815	-	-	-	-	0
Lombardia	8.093	18.908	6.638	15.509	3.877	-	49
P.A. Bolzano	3.969	9.020	-	-	-	141	0
P.A. Trento	1.813	5.179	-	-	-	-	0
Veneto	29.000	65.909	6.000	13.636	3.409	-	20
Friuli-Venezia Giulia	4.677	10.630	-	-	-	-	0
Liguria	5.080	14.514	480	1.371	343	240	9
Emilia-Romagna	37.000	84.091	5.138	11.677	2.926	-	14
Toscana	19.800	45.000	6.600	15.000	3.750	-	28
Umbria	8.689	19.747	4.144	9.418	2.355	3.485	1.980
Marche	8.285	18.830	3.498	7.950	3.916	-	36
Lazio	32.530	73.931	8.132	18.483	4.621	542	22
Abruzzo	18.158	41.268	2.179	4.952	1.238	-	12
Molise	2.640	6.000	880	2.000	500	-	28
Campania	14.374	24.998	18.695	32.513	8.128	5.471	49
Puglia	43.125	75.000	20.125	35.000	8.750	-	35
Basilicata	10.248	17.822	8.625	15.000	3.750	-	49
Calabria	23.575	41.000	4.600	8.000	2.000	5.175	16
Sicilia	39.466	90.000	5.050	11.520	2.880	-	13
Sardegna	30.800	70.000	6.600	15.000	7.000	-	22
<b>Italy</b>	<b>370.619</b>	<b>798.457</b>	<b>118.285</b>	<b>241.803</b>	<b>65.636</b>	<b>15.594</b>	<b>26</b>
						<b>29.900</b>	
						<b>8.860</b>	

Source: calculated from Regional Development Plans.

Tab. 3.1 - *Payments from AGEA and Regional payment organisations for the First Pillar of the CAP*

	Sugar	Intervention on agricultural markets				Direct Aid				Total expenditure for agriculture (million euro)
		Wine	Fruit and vegetables	Other	Total	Decoupled direct aid (SFR)	Art. 69	Other direct aid		
								Total		
Piemonte	20	6	6	3	35	211	17	34	262	297
Valle d'Aosta	0	0	0	0	0	3	0	0	3	3
Lombardia	20	7	11	45	83	370	25	44	439	522
Trentino-Alto Adige	0	7	27	22	57	23	0	1	24	81
Veneto	30	53	8	8	98	314	17	63	394	492
Friuli-Venezia Giulia	11	7	0	1	19	61	6	2	69	88
Liguria	0	0	0	1	1	5	0	1	6	7
Emilia-Romagna	399	76	69	25	568	142	14	16	172	740
Toscana	7	9	1	3	20	147	9	16	172	192
Umbria	6	7	0	2	15	79	3	58	140	155
Marche	20	4	1	12	37	118	10	13	140	177
Lazio	5	8	8	38	60	145	6	13	164	225
Abruzzo	3	10	2	0	15	60	2	9	71	85
Molise	0	0	1	0	1	46	2	5	53	54
Campania	0	3	9	12	24	156	3	73	232	256
Puglia	7	10	6	3	26	473	16	39	528	554
Basilicata	0	0	3	0	3	90	5	6	101	104
Calabria	1	1	27	4	33	260	1	11	272	305
Sicilia	0	55	35	1	91	246	12	25	283	373
Sardegna	3	3	1	6	12	145	8	7	160	172
North-west	40	13	17	49	119	589	43	79	710	829
North-east	440	143	104	56	742	540	37	82	659	1.401
Centre	38	28	10	55	132	489	27	100	616	749
South and islands	14	82	84	26	205	1.476	50	174	1.700	1.903
Italy	531	267	214	186	1.198	3.094	156	437	3.687	4.885

Source: calculations on the data bank on Regional Public Expenditure, INEA.

Tab. 3.2 - *Implementation in Italy of art. 69 of Regulation (EU) 1782/2003*

	Budget provisions (000 euro)	Withheld	Maximum supplementary payment <sup>1</sup>	Area and number of animals allowed for supplementary payment <sup>2</sup>	Supplementary payment erogated <sup>1</sup>	Difference between payment made and maximum payment (%)
Arable	141.712	8,0	180	3.044.444	46,5	-74,1
Beef	28.674	7,0	180	998.451	28,7	-84,0
Sheep and goat meat	8.665	5,0	15	5.733.783	1,5	-89,9
Sugar	9.932	8,0	180	50.566	196,4	+9,1

<sup>1</sup> For crops, euro/ha; for livestock euro/capo.

<sup>2</sup> Area in hectares, animals by number.

Source: calculations on data from AGEA.

Tab. 3.3 - *Public funds for Rural Development Programmes by Region 2007-2013*  
- state of EAFRD funds - 2007-2008<sup>1</sup>

	Planned public expenditure	Planned EFRD	Public funds erogated	EAFRD funds erogated	Utilisation of EAFRD funds (%)
(million euro)					
Piemonte	896,6	394,5	88,8	39,1	9,9
Valle d'Aosta	118,7	52,2	14,2	6,2	11,9
Lombardia	899,8	395,9	128,0	56,1	14,2
Alto-Adige	312,7	137,6	65,1	28,7	20,8
Trentino	256,2	100,7	46,2	18,7	18,6
Veneto	914,7	402,5	38,5	16,9	4,2
Friuli-Venezia Giulia	247,2	108,8	48,7	21,4	19,7
Liguria	276,6	106,0	39,3	15,5	14,7
Emilia-Romagna	934,7	411,3	85,8	37,8	9,2
Toscana	839,1	369,2	67,6	29,8	8,1
Umbria	760,1	334,4	87,7	38,6	11,5
Marche	459,8	202,3	98,5	43,4	21,4
Lazio	655,4	288,4	40,0	17,6	6,1
Abruzzo	383,9	168,9	21,9	9,6	5,7
Molise	195,0	85,8	21,8	9,6	11,2
Campania	1.882,3	1.082,3	63,2	36,4	3,4
Puglia	1.480,6	851,3	68,4	39,3	4,6
Basilicata	648,1	372,7	36,1	20,8	5,6
Calabria	1.084,1	623,3	64,3	37,0	5,9
Sicilia	2.106,3	1.211,2	126,1	90,2	7,4
Sardegna	1.252,8	551,3	109,5	48,2	8,7
National Rural Network	82,9	41,5	-	-	-
<b>Italy</b>	<b>16.687,4</b>	<b>8.292,0</b>	<b>1.359,7</b>	<b>660,7</b>	<b>8,1</b>

<sup>1</sup> At 31st March 2009.

Source: calculated on data from Ministry of Agricultural, Food and Forestry Policies.

Tab. 3.4 - *The 2009 Financial Law: allocations to the agricultural sector and comparison with 2008*

	2008	2009	(million euro) Change 2009/08 (in absolute terms)
Special fund, current expenditure (A)	0,4	0,0	-0,4
Special fund, capital expenditure (B)	0,2	0,0	-0,2
Appropriations authorised by law (C) (AGEA, plan for fishing, CRA, various bodies)	365,9	286,9	-79,0
Refinancing of norms to support the economy (D) (national solidarity fund, sugar and sugar beet fund)	70,0	0,0	-70,0
Pluri-annual expenditure (F) (including refinancing of point D national solidarity fund and Ministry investment fund)	340,0	105,0	-235,0
Other allocations (F) (irrigation plan. Internationalisation, tax credits, forestry plan etc.)	280,0	240,0	-40,0
<b>Total<sup>1</sup></b>	<b>986,5</b>	<b>631,9</b>	<b>-354,6</b>

<sup>1</sup> Net of the sums duplicated in Table F.

Tab. 3.5 - *The subsidised agricultural insurance market in Italy*

	2004	2005	2006	2007	2008	% change 2008/07
Certificates (n.)	212.780	213.292	212.583	238.501	267.694	12,2
- crops	212.231	212.445	211.444	236.922	264.968	11,8
- buildings	549	847	1.139	1.579	2.726	72,6
Area insured (000 hectares)	982	1.074	1.125	1.051	1.450	38,0
Value insured (000 euro)	3.710.212	3.810.222	3.789.132	4.379.809	5.436.140	24,1
- crops	3.582.603	3.639.121	3.521.101	4.006.897	4.930.761	23,1
- buildings	127.609	171.101	268.031	372.912	505.379	35,5
Total premium (000 euro)	268.444	269.124	264.134	291.433	335.813	15,2
Contribution from public funds (000 euro)	152.544	177.097	175.798	206.660	236.618	14,5
Average tariff (%)	7,2	7,1	7,0	6,7	6,2	-7,2

Source: ISMEA.

Tab. 3.6 - *Payments to the agricultural sector and percentage share of Regional value added*

(million euro)

	2003	%	2004	%	2005	%	2006	%	2007	%
Piemonte	171,5	8,5	233,5	11,2	222,8	14,0	233,0	13,6	139,6	8,3
Valle d'Aosta	71,8	143,2	80,0	175,6	84,5	190,8	82,9	187,9	105,9	227,0
Lombardia	303,8	8,6	240,3	6,8	253,1	8,4	247,1	7,9	304,4	9,8
P.A. Bolzano	174,2	28,7	166,6	25,1	157,8	27,3	169,0	29,4	160,3	24,9
P.A. Trento	144,4	37,9	132,2	32,6	136,9	36,2	70,9	19,7	77,7	17,9
Veneto	206,8	7,9	200,6	7,3	211,7	8,7	177,0	7,8	153,3	6,2
Friuli-Venezia Giulia	82,3	14,5	93,1	16,7	115,8	24,5	141,8	29,2	102,8	18,5
Liguria	63,6	9,8	34,1	5,6	19,2	3,0	23,8	3,9	22,3	3,7
Emilia-Romagna	156,7	5,1	138,8	4,3	136,0	4,9	115,2	4,1	104,9	3,7
Toscana	123,0	7,3	131,2	6,8	152,8	9,0	111,3	6,2	130,7	7,0
Umbria	46,1	10,2	46,4	8,5	57,5	14,8	72,9	17,2	47,9	10,3
Marche	55,0	7,2	53,8	7,5	40,0	5,9	41,5	6,4	59,6	8,9
Lazio	150,4	9,4	116,8	6,4	116,0	7,0	113,3	6,5	69,1	4,1
Abruzzo <sup>1</sup>	89,9	11,5	87,4	12,4	84,3	12,2	99,5	14,3	87,1	14,5
Molise	26,2	11,6	37,2	18,0	45,2	21,7	42,1	18,5	33,8	13,9
Campania	251,7	11,3	237,0	9,8	220,2	9,6	433,4	19,6	376,0	17,1
Puglia	147,3	5,4	113,7	4,1	246,2	9,4	199,6	8,2	158,0	6,8
Basilicata	125,3	24,2	102,1	18,2	130,2	26,1	103,7	21,6	120,0	23,1
Calabria	452,2	29,6	472,9	26,8	508,4	32,0	509,8	34,6	493,1	33,5
Sicilia	395,4	12,0	438,8	13,9	517,9	17,2	623,1	21,2	555,0	19,4
Sardegna	495,0	42,8	546,7	48,7	519,7	50,9	288,2	28,1	361,9	35,2
North-west	610,7	9,8	587,9	9,4	579,6	11,0	586,8	10,6	572,2	10,5
North-east	764,3	10,6	731,4	9,6	758,1	11,4	673,9	10,4	598,9	8,6
Centre	374,5	8,3	348,2	6,9	366,3	8,3	339,1	7,4	307,2	6,6
South	1.092,7	13,6	1.050,3	12,5	1.234,4	15,6	1.388,2	18,4	1.268,1	17,2
Islands	890,4	20,0	985,5	23,1	1.037,7	25,7	911,3	22,9	916,8	23,6
RSO	2.369,6	9,7	2.245,9	8,8	2.443,3	10,7	2.523,4	11,1	2.299,8	10,1
RSS	1.363,0	22,5	1.457,3	24,5	1.532,7	27,8	1.375,8	25,3	1.363,5	24,5
<b>Italy</b>	<b>3.732,6</b>	<b>12,3</b>	<b>3.703,2</b>	<b>11,7</b>	<b>3.976,1</b>	<b>14,1</b>	<b>3.899,3</b>	<b>13,9</b>	<b>3.663,2</b>	<b>12,9</b>

<sup>1</sup> Abruzzo 2007 estimated.Source: INEA, *Banca dati della spesa agricola delle Regioni*.



Tab. 3.7 - *Taxation in agriculture, gamekeeping, forestry and fishing*<sup>1</sup>

(million euro)

	2004	2005	2006	2007	2008
<b>Social security payments</b>	<b>3.187</b>	<b>3.374</b>	<b>3.441</b>	<b>3.401</b>	<b>3.318</b>
<b>Indirect taxes</b>	<b>773</b>	<b>774</b>	<b>905</b>	<b>1.010</b>	<b>1.004</b>
<b>Direct taxes</b>	<b>830</b>	<b>843</b>	<b>995</b>	<b>1.016</b>	<b>1.056</b>
Income tax	769	780	918	929	967
- employees <sup>2</sup>	238	246	251	256	262
- sole proprietorships with income determined by cadastral records	264	269	344	348	368
- sole proprietorships with effective income determined by standard methods	39	39	50	50	51
- other landowners	227	226	273	275	287
Taxes on companies	62	64	77	88	89
<b>Contributions to land reclamation agencies</b>	<b>324</b>	<b>325</b>	<b>316</b>	<b>317</b>	<b>361</b>
<b>Overall total</b>	<b>5.114</b>	<b>5.317</b>	<b>5.656</b>	<b>5.744</b>	<b>5.739</b>
Percentage shares					
Social security payments	62,3	63,5	60,8	59,2	57,8
Indirect taxes	15,1	14,6	16,0	17,6	17,5
Direct taxes	16,2	15,9	17,6	17,7	18,4
Contributions to land reclamation agencies	6,3	6,1	5,6	5,5	6,3

<sup>1</sup> Updated to 31st August 2009.<sup>2</sup> Data refer only to the agricultural sector

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

Tab. 3.8 - *Tax relief*

(million euro)

	2004	2005	2006	2007	2008
<b>Effective subsidy</b>					
VAT	187,9	234,7	231,8	242,3	253,9
<b>Virtual subsidy</b>					
Social security payments	1.821,9	1.776,7	1.926,5	2.171,5	2.318,9
Income tax	1.207,0	1.336,7	1.530,8	1.626,3	1.758,5
Regional tax on productive activity	215,4	215,8	226,3	231,3	195,8
Local property tax	377,8	382,8	395,3	380,9	400,6
Excise duties on fuel	839,6	857,8	856,0	823,7	804,6
<b>Total subsidies</b>	<b>4.649,5</b>	<b>4.804,5</b>	<b>5.166,9</b>	<b>5.476,0</b>	<b>5.732,2</b>

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

Tab. 3.9 - Total support to the agricultural sector in Italy

	2004	%	2005	%	2006	%	2007	%	2008	%	Average 2006-08	%
											(million euro)	
AGEA	4.629	28,7	4.468	27,0	3.227	20,7	3.800	23,4	3.730	23,1	3.586	22,4
SAISA -National rice board	435	2,7	133	0,8	109	0,7	59	0,4	53	0,3	73	0,5
Regional payments bodies	1.587	9,8	2458	14,9	2.633	16,9	2.339	14,4	1.880	11,6	2.284	14,3
Ministry for Agricultural Policies	757	4,7	654	3,9	592	3,8	874	5,4	688	4,3	718	4,5
Ministry for Production (Negotiated programme)	174	1,1	174	1,0	137	0,9	81	0,5	55	0,3	91	0,6
ISA (Sviluppo Italia)	26	0,2	40	0,2	4	0,0	16	0,1	22	0,1	14	0,1
ISMEA (Young entrepreneurs)	25	0,2	11	0,1	17	0,1	16	0,1	16	0,1	16	0,1
Regions	3.700	22,9	3810	23,0	3737	23,9	3.597	22,1	3.973	24,6	3.789	23,5
<b>Total transfers from agricultural policies</b>	<b>11.333</b>	<b>70,3</b>	<b>11.747</b>	<b>71,0</b>	<b>10.454</b>	<b>66,9</b>	<b>10.782</b>	<b>66,3</b>	<b>10.416</b>	<b>64,5</b>	<b>10.551</b>	<b>65,9</b>
Tax credit for investment	148	0,9	-	-	-	-	-	-	-	-	-	-
Relief on Vat	188	1,2	235	1,4	232	1,5	242	1,5	254	1,6	243	1,5
Relief on tax (fuels)	839	5,2	857	5,2	857	5,5	824	5,1	805	5,0	828	5,2
Relief on income tax	1.207	7,5	1337	8,1	1531	9,8	1626	10,0	1758	10,9	1.638	10,2
Relief on IRAP	215	1,3	216	1,3	226	1,4	231	1,4	196	1,2	218	1,4
Relief on Ici	378	2,3	383	2,3	395	2,5	381	2,3	401	2,5	392	2,5
Relief on social security contributions	1.822	11,3	1777	10,7	1926	12,3	2172	13,4	2319	14,4	2.139	13,4
<b>Total relief</b>	<b>4.797</b>	<b>29,7</b>	<b>4.805</b>	<b>29,0</b>	<b>5.167</b>	<b>33,1</b>	<b>5.476</b>	<b>33,7</b>	<b>5.732</b>	<b>35,5</b>	<b>5.458</b>	<b>34,1</b>
<b>Total</b>	<b>16.130</b>	<b>100,0</b>	<b>16.553</b>	<b>100,0</b>	<b>15.621</b>	<b>100,0</b>	<b>16.258</b>	<b>100,0</b>	<b>16.149</b>	<b>100,0</b>	<b>16.009</b>	<b>100,0</b>
Value added in agriculture and forestry	30.116	-	26.536	-	26.248	-	26.772	-	27.120	-	26.713	-
Support/Value added (%)	-	53,6	-	62,4	-	59,5	-	60,7	-	59,5	-	59,9
Production in agriculture and forestry	49.217	-	44.968	-	45.058	-	47.014	-	49.577	-	47.216	-
Support/ production (%)	-	32,8	-	36,8	-	34,7	-	34,6	-	32,6	-	33,9

Source: calculated on data from the data base on public expenditure in agriculture - INEA.

Tab. 3.10 - *Distribution of support to the agricultural sector by type of intervention - 2008*

	Research	Services for development	Processing and marketing	Farm investment	Support to management	Sectoral aid	Infrastructure	Single payments	Relief for taxes and contributions	Not classified	Total
	Milion euro										
Community policies <sup>1</sup>	0	19	0	34	11	2,041	77	3,094	0	386	5,662
National policies	61	56	86	92	292	0	194	0	5,732	0	6,514
Regional policies	144	358	152	709	260	0	1,389	0	0	962	3,973
<b>Total</b>	<b>205</b>	<b>432</b>	<b>238</b>	<b>836</b>	<b>563</b>	<b>2,041</b>	<b>1,660</b>	<b>3,094</b>	<b>5,732</b>	<b>1,348</b>	<b>16,149</b>
	Percentages										
Community policies <sup>2</sup>	0,0	0,1	0,0	0,2	0,1	12,6	0,5	19,2	0,0	2,4	35,1
National policies	0,4	0,3	0,5	0,6	1,8	0,0	1,2	0,0	35,5	0,0	40,3
Regional policies	0,9	2,2	0,9	4,4	1,6	0,0	8,6	0,0	0,0	6,0	24,6
<b>Total</b>	<b>1,3</b>	<b>2,7</b>	<b>1,5</b>	<b>5,2</b>	<b>3,5</b>	<b>12,6</b>	<b>10,3</b>	<b>19,2</b>	<b>35,5</b>	<b>8,3</b>	<b>100,0</b>

<sup>1</sup> Community policies include expenditure of AGEA, OPR, SAISA and National Rice Board.<sup>2</sup> National policies include expenditure by Ministries and competent national bodies (ISMEA, ISA, Invitalia, etc.).

Source: calculated on data from INEA National data base for agriculture.

Tab. 4.1 - *Specially Protected Areas, Sites of Community Interest and Nature 2000 Areas by Region, 2009*

	SPA			SCI			Nature 2000 Areas		
	N.	ha	%	N.	ha	%	N.	ha	% of Regional area
Piemonte	50	307.880	12,1	122	282.345	11,1	141	396.837	15,6
Valle d'Aosta	5	86.315	26,5	28	71.619	22,0	30	98.933	30,3
Lombardia	66	297.337	12,5	193	224.201	9,4	241	372.067	15,6
P.A. Bolzano	17	142.513	19,3	40	149.819	20,3	40	149.819	20,3
P.A. Trento	19	127.133	20,5	152	151.627	24,4	156	173.411	28,0
Veneto	67	359.822	19,5	102	369.640	20,1	128	414.679	22,5
Friuli-Venezia Giulia	8	116.450	14,8	56	132.170	16,8	60	149.733	19,1
Liguria	7	19.615	3,6	125	145.428	26,9	132	147.354	27,2
Emilia-Romagna	75	175.919	8,0	127	223.757	10,1	146	256.863	11,6
Toscana	61	192.072	8,4	123	286.839	12,5	143	362.725	15,8
Umbria	7	47.093	5,6	98	109.667	13,0	104	120.200	14,2
Marche	29	131.013	13,5	80	102.608	10,6	102	146.213	15,1
Lazio	39	408.187	23,7	182	143.107	8,3	200	441.630	25,7
Abruzzo	5	307.921	28,5	53	252.587	23,4	57	387.076	35,9
Molise	12	66.019	14,9	85	97.750	22,0	88	118.724	26,8
Campania	28	215.763	15,9	106	363.215	26,7	120	395.537	29,1
Puglia	10	263.666	13,6	77	465.518	24,1	83	474.597	24,5
Basilicata	14	156.282	15,6	47	55.462	5,6	50	164.774	16,5
Calabria	6	262.256	17,4	179	85.454	5,7	185	319.392	21,2
Sicilia	29	387.158	15,1	217	384.065	14,9	232	568.736	22,1
Sardegna	37	296.217	12,3	92	426.251	17,7	121	529.838	22,0
<b>Italy</b>	<b>591</b>	<b>-</b>	<b>14,5</b>	<b>2.284</b>	<b>-</b>	<b>15,0</b>	<b>2.559</b>	<b>-</b>	<b>20,5</b>

<sup>1</sup> The number and area of Nature 2000 sites has been calculated excluding the territories overlapping with SPAs and SCIs.

Source: Ministero dell'ambiente e della tutela del territorio e del mare.

Tab. 4.2 - *Forest area by type of woodland*

	Woodland	Other wooded areas	Total forest area	Forested area/ total area <sup>1</sup>
Piemonte	870.594	69.522	940.116	37,0
Valle d'Aosta	98.439	7.489	105.928	32,5
Lombardia	606.045	59.657	665.703	27,9
Trentino-Alto Adige	712.091	67.614	779.705	57,3
Veneto	397.889	48.967	446.856	24,3
Friuli-Venezia Giulia	323.832	33.392	357.224	45,5
Liguria	339.107	36.027	375.134	69,2
Emilia-Romagna	563.263	45.555	608.818	27,5
Toscana	1.015.728	135.811	1.151.539	50,1
Umbria	371.574	18.681	390.255	46,2
Marche	291.394	16.682	308.076	31,8
Lazio	543.884	61.974	605.859	35,2
Abruzzo	391.492	47.099	438.590	40,6
Molise	132.562	16.079	148.641	33,5
Campania	384.395	60.879	445.274	32,8
Puglia	145.889	33.151	179.040	9,2
Basilicata	263.098	93.329	356.426	35,7
Calabria	468.151	144.781	612.931	40,6
Sicilia	256.303	81.868	338.171	13,2
Sardegna	583.472	629.778	1.213.250	50,4
<b>Italy</b>	<b>8.759.200</b>	<b>1.708.333</b>	<b>10.467.533</b>	<b>34,7</b>

<sup>1</sup> Ratio between the forest area and total area of the Region.

Source: INFC, 2005.

Tab. 4.3 - *Utilisation of agricultural area (Eu Universe)*

	Utilised agricultural area				Forested area	Other areas	Total
	arable	permanent meadows and pasture	permanent crops	total			
	Area in hectares						
1990	8.106.753	4.106.080	2.733.760	14.946.593	4.602.962	1.916.364	21.465.918
2000	7.297.409	3.418.083	2.346.764	13.062.256	4.064.163	1.490.442	18.616.858
2005	7.075.224	3.346.951	2.285.671	12.707.846	3.770.223	1.324.945	17.803.014
2007	6.969.257	3.451.756	2.323.184	12.744.196	3.813.643	1.283.705	17.841.544
- North	2.749.614	1.449.889	453.280	4.652.783	1.522.119	577.181	6.752.083
- Centre	1.441.422	492.739	382.099	2.316.260	1.077.728	261.384	3.655.373
- South and islands	2.778.221	1.509.127	1.487.805	5.775.153	1.213.796	445.140	7.434.089
	Change 2007/2000 (hectares)						
North	-183.920	-589	-18.726	-203.235	-11.891	-151.851	-366.978
Centre	-77.865	-17.436	-12.715	-108.017	-111.453	-5.889	-225.369
South and islands	-66.364	51.696	7.860	-6.809	-127.178	-48.983	-182.969
<b>Italy</b>	<b>-328.153</b>	<b>33.673</b>	<b>-23.580</b>	<b>-318.060</b>	<b>-250.520</b>	<b>-206.737</b>	<b>-775.314</b>
	Change 2007/2000 (percent)						
North	-6,3	0,0	-4,0	-4,2	-0,8	-20,8	-5,2
Centre	-5,1	-3,4	-3,2	-4,5	-9,4	-2,2	-5,8
South and islands	-2,3	3,5	0,5	-0,1	-9,5	-9,9	-2,4
<b>Italy</b>	<b>-4,5</b>	<b>1,0</b>	<b>-1,0</b>	<b>-2,4</b>	<b>-6,2</b>	<b>-13,9</b>	<b>-4,2</b>

Source: ISTAT, Indagine sulla struttura e sulle produzioni delle aziende agricole (2003, 2005, 2007) e Censimento dell'agricoltura (1990, 2000).

Tab. 4.4 - *Zones vulnerable to nitrates (ZVN) and Adult Bovine Units (ABU) by Region*

	ZVN (ha)	ZVN (%)	ZVN/ regional area (%)	ABU	ABU (%)	ABU/ 1 ha UAA
Piemonte	380.858	9,4	15,4	1.005.360	10,2	1,0
Valle d'Aosta	-	-	-	35.250	0,4	0,5
Lombardia	814.176	20,1	34,1	2.772.270	28,0	2,8
P.A. Trento	-	-	-	53.870	0,5	0,4
P.A. Bolzano	-	-	-	129.020	1,3	0,5
Veneto	717.800	17,7	39,0	1.365.980	13,8	1,7
Friuli-Venezia Giulia	183.144	4,5	23,3	179.330	1,8	0,8
Liguria	1.334	0,0	0,3	20.990	0,2	0,4
Emilia-Romagna	661.200	16,3	29,9	1.225.500	12,4	1,2
Toscana	114.199	2,8	5,0	214.810	2,2	0,3
Umbria	77.171	1,9	9,1	193.260	2,0	0,6
Marche	118.959	2,9	12,2	157.010	1,6	0,3
Lazio	33.756	0,8	2,0	354.690	3,6	0,5
Abruzzo	11.600	0,3	1,1	149.890	1,5	0,3
Molise <sup>1</sup>	97.895	2,4	21,9	88.820	0,9	0,4
Campania	158.000	3,9	11,6	456.890	4,6	0,8
Puglia	92.057	2,3	4,7	221.500	2,2	0,2
Basilicata <sup>1</sup>	288.960	7,1	28,7	143.310	1,4	0,3
Calabria	146.550	3,6	9,6	157.200	1,6	0,3
Sicilia	138.012	3,4	5,3	350.720	3,5	0,3
Sardegna	5.500	0,1	0,2	625.010	6,3	0,6
<b>Italy</b>	<b>4.051.172</b>	<b>100,0</b>	<b>14,2</b>	<b>9.900.680</b>	<b>100,0</b>	<b>0,8</b>

<sup>1</sup> For Molise and Basilicata the figure includes the area potentially vulnerable.

Source: INEA calculations on data from RRN, Eurostat and Istat, 2007.

Tab. 4.5 - Emission and absorption of greenhouse gases in the agro-forestry sectors

(thousand tons in CO<sub>2</sub> equivalent)

	Italy					European Union	
	1990	1995	2000	2005	2007/90 (%)	2005	Italy/EU (%)
Total emissions (without LULUCF)	516.318	529.686	549.509	552.771	7,1	4.051.958	13,6
Total emissions (with LULUCF)	448.825	444.096	470.279	481.862	7,4	3.792.542	12,7
Agriculture	40.576	40.349	39.940	37.210	-8,3	371.482	10,0
- gastric emissions	12.179	12.267	12.165	11.027	-9,5	120.499	9,2
- management of manure	7.383	7.068	7.140	6.853	-7,2	67.830	10,1
- rice cultivation	1.562	1.657	1.382	1.523	-2,5	2.379	64,0
- emissions from agricultural land	19.435	19.340	19.237	17.791	-8,5	180.257	9,9
- burning crop residues	17	17	16	17	-1,2	517	3,3
Agricultural as percentage of total emissions	7,9	7,6	7,3	6,7	-	9,2	-
Percentage composition:							
Agriculture	100,0	100,0	100,0	100,0	-	100,0	-
- gastric emissions	30,0	30,4	30,5	29,6	-	32,4	-
- management of manure	18,2	17,5	17,9	18,4	-	18,3	-
- rice cultivation	3,8	4,1	3,5	4,1	-	0,6	-
- emissions from agricultural land	47,9	47,9	48,2	47,8	-	48,5	-
- burning crop residues	0,0	0,0	0,0	0,0	-	0,1	-
Change in use of land and forests (LULUCF)	-67.493	-85.590	-79.230	-70.910	5,1	-259.416	27,3
LULUCF as percentage of total emissions (%)	13,1	16,2	14,4	12,8	-	6,4	

Source: European Environment Agency, 2009.



Tab. 4.6 - Operators and areas engaged in organic farming by Region<sup>1</sup>

	Operators				Areas			
	producers		processors, importers including producers <sup>2</sup>		total		UAA in organic farming	
	N.	% change 2008/07	N.	% change 2008/07	N.	% 2008/07	ha	percentage share of total UAA
Piemonte	1.703	-3,7	508	6,7	2.211	4,5	27.821	2,8
Valle d'Aosta	73	-1,4	10	25,0	83	0,2	2.161	0,2
Lombardia	646	-14,6	586	2,3	1.232	2,5	16.736	1,7
Trentino-Alto Adige	1.214	18,1	278	62,6	1.492	3,0	8.427	0,8
Veneto	902	-2,6	656	5,5	1.558	3,1	15.498	1,5
Friuli-Venezia Giulia	246	-1,2	125	2,5	371	0,7	3.511	0,4
Liguria	258	-8,8	148	27,6	406	0,8	4.010	0,4
Emilia-Romagna	2.589	-10,4	936	2,7	3.525	7,1	62.241	6,2
Toscana	2.077	9,6	854	23,1	2.931	5,9	89.101	8,9
Umbria	1.066	-11,3	313	4,7	1.379	2,8	31.888	3,2
Marche	2.437	-5,1	250	-1,6	2.687	5,4	67.246	6,7
Lazio	2.494	9,2	415	6,1	2.909	5,9	68.943	6,9
Abruzzo	1.271	20,5	229	-2,6	1.500	3,0	21.225	2,1
Molise	100	-83,4	53	-64,9	153	0,3	2.380	0,2
Campania	1.409	20,2	312	8,3	1.721	3,5	17.515	1,7
Puglia	4.421	0,3	672	16,1	5.093	10,3	94.750	9,5
Basilicata	4.028	-11,8	127	12,4	4.155	8,4	107.151	10,7
Calabria	6.313	-5,5	327	15,5	6.640	13,4	83.237	8,3
Sicilia	6.346	-8,0	642	2,9	6.988	14,1	218.647	21,8
Sardegna	2.444	31,9	176	-15,0	2.620	5,3	59.930	6,0
<b>Italy</b>	<b>42.037</b>	<b>-2,6</b>	<b>7.517</b>	<b>7,0</b>	<b>49.554</b>	<b>100,0</b>	<b>1.002.418</b>	<b>100,0</b>
								<b>-12,9</b>
								<b>7,9</b>

<sup>1</sup> At 31.12.2008.<sup>2</sup> Producers who also operate in processing and importing are included.

Source: INEA and SINAB calculations on data from certifying bodies.

Tab. 4.7 - Agri-tourist farms and their UAA by altimetric zone, ESU and type of farming

	Farms with agri-tourism		UAA of farms with agri-tourism		Agri-tourist farms/ total farms	Agri-tourist UAA/ total UAA
	N.	%	ha	%	%	
Altimetric zone						
Mountains	6.079	34,0	116.062	26,4	1,9	3,7
Hills	9.558	53,4	249.079	56,7	1,1	4,3
Plains	2.255	12,6	74.027	16,9	0,4	1,9
Economic Size Unit						
< 4 ESU	2.566	14,3	9.733	2,2	0,3	0,6
from 4 to 8 ESU	1.838	10,3	14.318	3,3	0,6	1,1
from 8 to 16 ESU	4.125	23,1	39.897	9,1	2,2	2,6
from 16 to 40 ESU	5.542	31,0	105.391	24,0	3,5	4,0
from 40 to 100 ESU	2.512	14,0	96.602	22,0	3,1	3,9
from 100 to 250 ESU	1.042	5,8	95.122	21,7	3,6	5,6
> 250 ESU	266	1,5	78.105	17,8	2,5	4,9
Type of farming						
Arable	2.425	13,6	94.084	21,4	0,6	2,6
Vegetables and flowers	163	0,9	1.548	0,4	0,6	1,4
Permanent crops	6.660	37,2	107.989	24,6	0,8	4,1
Grazing animals	3.697	20,7	117.536	26,8	2,1	3,0
Grain-fed animals	68	0,4	2.266	0,5	0,8	1,5
Polyculture	2.845	15,9	58.314	13,3	1,8	5,1
Mixed livestock raising	661	3,7	17.167	3,9	4,0	5,9
Crops-Livestock	1.374	7,7	40.263	9,2	2,3	5,4
<b>Total</b>	<b>17.892</b>	<b>100,0</b>	<b>439.167</b>	<b>100,0</b>	<b>1,1</b>	<b>3,5</b>

Note: The total number of agri-tourist farms from the SPA survey differs from that published in another ISTAT source coming from administrative registers in that it is a direct survey from a sample.

Source: ISTAT, Struttura e produzioni delle aziende agricole, 2007.

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

	Area (000 ha)			Output harvested (000 t)			Yield (t/ha) <sup>1</sup>			Value of production (000 euro) <sup>2</sup>		
	2007	2008	% change	2007	2008	% change	2007	2008	% change	2007	2008	share % <sup>3</sup>
<b>Soft wheat</b>												
North-west	168,5	177,3	5,3	872,4	944,4	8,3	5,2	5,3	2,9	172.891,5	184.449,6	6,7
North-east	281,4	303,4	7,8	1.485,4	1.831,6	23,3	5,3	6,1	14,5	296.194,1	333.097,8	12,5
Centre	139,6	143,6	2,8	679,1	715,4	5,3	4,9	5,0	2,6	135.307,2	138.291,0	2,2
South and islands	71,8	71,1	-0,9	210,6	246,8	17,2	3,0	3,5	16,9	41.879,7	47.530,8	13,5
<b>Italy</b>	<b>661,2</b>	<b>695,4</b>	<b>5,2</b>	<b>3.247,5</b>	<b>3.738,2</b>	<b>15,1</b>	<b>4,9</b>	<b>5,4</b>	<b>9,5</b>	<b>646.272,4</b>	<b>703.369,2</b>	<b>8,8</b>
<b>Durum wheat</b>												
North-west	17,0	25,2	48,3	81,9	140,0	70,9	4,8	5,5	15,2	24.295,8	40.887,3	68,3
North-east	50,5	88,6	75,6	244,0	489,4	100,6	4,8	5,5	14,2	73.713,0	132.314,9	79,5
Centre	282,7	343,6	21,5	1.013,2	1.242,3	22,6	3,6	3,6	0,9	313.750,3	353.514,0	12,7
South and islands	1.089,0	1.128,8	3,7	2.583,6	3.235,4	25,2	2,4	2,9	19,5	782.055,4	971.243,1	24,2
<b>Italy</b>	<b>1.439,2</b>	<b>1.586,3</b>	<b>10,2</b>	<b>3.922,7</b>	<b>5.107,0</b>	<b>30,2</b>	<b>2,8</b>	<b>3,3</b>	<b>17,2</b>	<b>1.193.814,5</b>	<b>1.497.959,4</b>	<b>25,5</b>
<b>Maize</b>												
North-west	412,7	441,8	7,0	4.223,4	4.849,0	14,8	10,2	11,0	7,3	764.044,3	804.204,1	5,3
North-east	520,0	434,7	-16,4	4.791,9	3.817,8	-20,3	9,2	8,8	-5,0	888.913,1	886.090,9	2,0
Centre	77,9	70,5	-9,5	544,5	520,2	-4,5	7,2	7,4	2,5	102.975,3	96.200,9	-6,6
South and islands	42,8	43,5	1,5	249,4	274,0	9,9	6,0	6,3	4,7	45.472,4	45.710,4	0,5
<b>Italy</b>	<b>1.053,4</b>	<b>990,4</b>	<b>-6,0</b>	<b>9.809,3</b>	<b>9.460,9</b>	<b>-3,6</b>	<b>9,3</b>	<b>9,6</b>	<b>2,2</b>	<b>1.761.405,2</b>	<b>1.832.206,4</b>	<b>2,9</b>
<b>Rice</b>												
North-west	-	-	-	-	-	-	-	-	-	406.744,2	525.796,7	29,3
North-east	-	-	-	-	-	-	-	-	-	17.413,4	23.478,6	34,8
Centre	-	-	-	-	-	-	-	-	-	724,5	1.103,6	52,3
South and islands	-	-	-	-	-	-	-	-	-	5.326,9	7.693,1	44,4
<b>Italy</b>	<b>232,5</b>	<b>224,1</b>	<b>-3,6</b>	<b>1.487,6</b>	<b>1.389,0</b>	<b>-6,6</b>	<b>6,4</b>	<b>6,2</b>	<b>-3,1</b>	<b>430.209,0</b>	<b>558.072,0</b>	<b>29,7</b>

<sup>1</sup> Yield is calculated over total output.<sup>2</sup> The value of output has been calculated at moments in time different from those of the quantities.<sup>3</sup> Calculated as the ratio between the value of output for each product and the value of total agricultural output in the area of reference.

Source: calculation on data from ISTAT.

Tab. 5.2 - Area, output and value of soya, sunflower and oilseed rape in Italy

	Area (000 ha)			Output harvested (000 t)			Yield (t/ha) <sup>1</sup>			Value of production (000 euro) <sup>2</sup>		
	2007	2008	% change	2007	2008	% change	2007	2008	% change	2007	2008	share % <sup>3</sup>
<b>Soya</b>												
North-west	18,9	20,0	6,1	65,1	67,0	2,9	3,4	3,3	-3,0	13.859,7	14.924,1	7,7
North-east	110,7	89,6	-19,1	341,1	284,5	-16,6	3,1	3,3	5,7	72.620,0	75.091,6	3,4
Centre	0,6	0,5	-10,6	1,6	1,6	-2,4	2,8	3,0	6,8	340,3	286,9	-15,7
South and islands	0,2	0,2	-3,8	0,7	0,7	-2,7	5,1	5,0	-2,7	149,6	61,5	-58,9
<b>Italy</b>	<b>130,3</b>	<b>110,3</b>	<b>-15,4</b>	<b>408,5</b>	<b>353,7</b>	<b>-13,4</b>	<b>3,1</b>	<b>3,3</b>	<b>4,4</b>	<b>86.970</b>	<b>90.364</b>	<b>3,9</b>
<b>Sunflower</b>												
North-west	8,7	8,2	-6,2	26,3	27,2	3,5	3,0	3,3	10,4	5.778	5.075	-12,2
North-east	10,2	7,5	-26,2	28,9	22,3	-22,6	2,8	3,0	5,1	6.346	4.780	-24,7
Centre	96,6	88,6	-8,3	203,7	194,4	-4,5	2,1	2,2	3,3	44.758	38.129	-14,8
South and islands	11,0	10,5	-4,5	18,6	17,5	-6,3	1,8	1,7	-4,4	4.068	3.434	-15,6
<b>Italy</b>	<b>126,5</b>	<b>114,8</b>	<b>-9,2</b>	<b>277,4</b>	<b>261,4</b>	<b>-5,8</b>	<b>2,2</b>	<b>2,3</b>	<b>3,1</b>	<b>60.951</b>	<b>51.417</b>	<b>-15,6</b>
<b>Oilseed rape</b>												
North-west	2,4	3,1	26,2	5,6	7,5	35,9	2,3	2,5	7,6	1.048,5	1.234,8	17,8
North-east	1,3	6,4	403,8	3,9	19,9	405,8	3,1	3,1	-1,3	726,6	2.829,0	289,3
Centre	2,6	2,3	-10,4	3,9	4,0	0,5	1,7	1,8	6,7	748,2	658,6	-12,0
South and islands	0,8	0,7	-11,2	1,1	1,1	-3,8	1,6	1,7	6,2	206,8	186,7	-9,7
<b>Italy</b>	<b>7,1</b>	<b>12,5</b>	<b>77,0</b>	<b>14,6</b>	<b>32,5</b>	<b>123,1</b>	<b>2,2</b>	<b>2,6</b>	<b>22,0</b>	<b>2.730</b>	<b>4.909</b>	<b>79,8</b>

<sup>1</sup> Yield is calculated over total output.<sup>2</sup> The value of output has been calculated at moments in time different from those of the quantities.<sup>3</sup> Calculated as the ratio between the value of output for each product and the value of total agricultural output in the area of reference.

Source: calculation on data from ISTAT.

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

	Area (000 ha)			Output harvested (000 t)			Yield (t/ha) <sup>1</sup>			Value of production (000 euro) <sup>2</sup>		
	2007	2008	% change	2007	2008	% change	2007	2008	% change	2007	2008	share % <sup>3</sup>
North-west	7,6	5,8	-23,7	488,5	359,2	-26,5	64,3	61,9	-3,6	30.142,4	18.712,8	0,2
North-east	52,6	43,1	-18,1	3067,6	2.646,2	-13,7	58,3	61,4	5,3	138.922,1	112.622,5	0,8
Centre	12,3	2,3	-81,3	482,3	100,8	-79,1	39,2	43,8	11,8	32.995,6	16.249,4	0,2
South and islands	13,1	9,9	-24,4	591,4	411,7	-30,4	45,1	41,6	-7,9	33.058,1	19.566,0	0,1
<b>Italy</b>	<b>85,6</b>	<b>61,1</b>	<b>-28,6</b>	<b>4.629,8</b>	<b>3.520,8</b>	<b>-24,0</b>	<b>54,1</b>	<b>57,6</b>	<b>6,5</b>	<b>235.118,2</b>	<b>167.150,7</b>	<b>0,3</b>

<sup>1</sup> Yield is calculated over total output.<sup>2</sup> The value of output has been calculated at moments in time different from those of the quantities.<sup>3</sup> Calculated as the ratio between the value of output for each product and the value of total agricultural output in the area of reference.

Source: ANB, ISTAT.

Tab. 5.4 - Area, output and coupled aid for tobacco produced in Italy - 2008

	Area			Output			Coupled aid <sup>1</sup>		
	hectares	% change 2008/07	% light on total tobacco	tons	% change 2008/07	% light on total tobacco	(000 euro)	% change 2008/07	% light on total tobacco
Piemonte	51,2	-13,0	100,0	151,2	-22,7	100,0	284,8	-25,6	100,0
Lombardia	58,1	-26,2	100,0	143,3	-38,4	100,0	267,7	-40,3	100,0
Veneto	7.940,2	1,7	99,1	27.625,9	4,3	99,3	51.989,9	0,3	99,3
Friuli-Venezia Giulia	149,1	-2,5	100,0	413,4	19,1	100,0	778,1	14,8	100,0
Emilia-Romagna	-	-100,0	-	-	-100,0	-	-100,0	-	-
Toscana	2.039,4	1,3	65,9	4.505,3	-9,8	73,0	8.547,6	-13,4	72,4
Umbria	6.066,7	-6,0	98,8	17.543,1	-10,2	99,2	33.056,1	-13,7	99,2
Marche	31,7	-4,9	100,0	67,8	-33,5	100,0	127,7	-36,1	100,0
Lazio	789,5	-1,6	77,0	2.400,4	4,8	75,8	4.497,8	2,8	75,6
Abruzzo	252,3	-7,1	100,0	733,9	-18,6	100,0	1.369,0	-20,6	100,0
Molise	16,4	-31,4	0,0	46,9	-19,9	0,0	79,1	-16,2	0,0
Campania	8.608,4	3,7	59,7	38.763,9	9,1	71,5	69.721,1	11,1	72,9
Basilicata	9,9	-22,7	100,0	9,7	-79,3	100,0	18,2	-80,2	100,0
Puglia	22,8	44,5	100,0	49,8	9,0	100,0	93,9	4,7	100,0
<b>Grand total</b>	<b>26.035,6</b>	<b>0,0</b>	<b>82,7</b>	<b>92.454,8</b>	<b>1,8</b>	<b>85,7</b>	<b>170.831,1</b>	<b>0,0</b>	<b>86,5</b>

<sup>1</sup> Coupled aid paid out in Puglia was connected with output grown outside the Region.

Source: calculated on AGEA data.

Tab. 5.5 - Area and output of vegetables, fresh legumes and tubers in open field

	Area (ha)			Output harvested (000 t)			Yield (t/ha) <sup>1</sup>		
	2007	2008	% change	2007	2008	% change	2007	2008	% change
Garlic and spring onions	3.141	2.939	-6,4	28,8	26,9	-6,8	9,4	9,3	-0,9
Asparagus	5.419	5.272	-2,7	34,2	33,7	-1,7	6,5	6,5	0,0
Beet tops	2.811	2.632	-6,4	58,4	55,6	-4,8	21,9	21,1	-3,6
Turnip tops	9.674	10.123	4,6	135,2	174,1	28,8	16,4	17,5	6,7
Artichokes	50.120	49.952	-0,3	474,3	483,6	2,0	10,1	10,4	2,9
Carrots and parsnips	12.708	12.664	-0,3	548,6	587,3	7,1	47,3	46,7	-1,2
Cauliflower	18.352	20.647	12,5	410,6	460,7	12,2	24,2	22,7	-6,4
Cabbages	17.626	17.104	-3,0	330,5	345,0	4,4	19,8	20,4	3,2
Cucumber	1.139	1.180	3,6	23,5	22,5	-4,3	21,3	19,6	-7,8
Onions	12.959	13.415	3,5	371,5	394,8	6,3	28,9	29,6	2,2
Water melon	9.828	9.805	-0,2	362,8	362,9	0,0	39,0	38,8	-0,3
Beans	21.235	20.319	-4,3	187,6	178,8	-4,7	9,1	8,9	-1,8
Broad beans	9.792	9.544	-2,5	59,1	57,7	-2,4	6,3	6,3	0,3
Fennel	23.426	24.590	5,0	550,4	623,7	13,3	24,8	25,6	3,1
Strawberries	2.906	3.686	26,8	57,7	62,8	8,9	20,5	17,7	-13,7
Cultivated mushrooms	-	-	-	85,9	342,0	298,1	-	-	-
Endives	10.966	10.675	-2,7	215,1	225,9	5,0	21,1	21,3	0,9
Lettuce	18.013	18.057	0,2	367,0	378,9	3,3	21,4	21,2	-0,7
Aubergines	11.917	11.842	-0,6	262,1	262,6	0,2	22,6	22,4	-1,0
Melons	22.450	20.095	-10,5	498,4	520,9	4,5	22,7	26,1	15,1
Peppers	13.504	12.503	-7,4	246,3	239,6	-2,7	18,8	20,4	8,4
Peas	11.786	12.789	8,5	77,2	81,7	5,8	6,9	6,5	-5,9
Tomatoes	23.401	18.778	-19,8	744,0	545,3	-26,7	32,4	29,4	-9,1
Tomatoes for processing	94.346	89.376	-5,3	5.260,8	4.916,7	-6,5	57,5	55,4	-3,6
Parsley	1.378	1.311	-4,9	23,4	22,5	-3,9	17,8	17,2	-3,7
Radicchio or chicory	15.199	15.271	0,5	234,9	242,9	3,4	16,2	16,0	-0,7
Turnips	2.726	3.085	13,2	51,1	58,5	14,4	19,9	19,0	-4,7
Radishes	797	821	3,0	13,9	14,9	6,9	18,7	18,1	-3,1
Celery	3.850	3.958	2,8	98,4	122,4	24,4	28,0	30,9	10,5
Spinach	6.478	6.956	7,4	87,3	93,0	6,6	14,2	13,4	-5,9
Courgettes	14.300	13.844	-3,2	351,0	331,6	-5,5	25,2	24,3	-3,6
<b>Vegetables</b>	<b>453.484</b>	<b>424.810</b>	<b>-6,3</b>	<b>12.274,8</b>	<b>11.565,1</b>	<b>-5,8</b>	<b>28,2</b>	<b>27,6</b>	<b>-2,0</b>
Potatoes	69.513	70.649	1,6	1.781,6	1.605,4	-9,9	26,2	25,5	-2,9

<sup>1</sup> Yield is calculated on total output.

Source: calculations on data from ISTAT.

Tab. 5.6 - Area and output of the main species of fruit

	Area (ha)			Output harvested (000 t)			Yield (t/ha) <sup>1</sup>		
	2007	2008	% change	2007	2008	% change	2007	2008	% change
Kiwi	21.736	22.417	3,1	417,1	474,0	13,6	19,9	21,4	7,7
Apricots	16.308	17.353	6,4	214,6	208,8	-2,7	13,6	12,5	-8,4
Cherries	28.868	28.904	0,1	106,2	134,9	27,0	3,8	5,1	33,6
Apples	56.149	54.406	-3,1	2.224,1	2.204,7	-0,9	40,2	40,9	1,6
Nectarines	29.306	29.669	1,2	593,0	583,8	-1,6	20,4	20,0	-1,9
Pears	37.940	37.422	-1,4	855,4	797,1	-6,8	22,6	21,4	-5,3
Peaches	56.711	56.555	-0,3	1.037,4	1.012,7	-2,4	18,6	18,2	-1,9
Damsons	12.596	13.023	3,4	184,8	183,8	-0,5	15,1	14,5	-3,8
Dessert grapes	68.250	70.878	3,9	1.354,4	1.368,9	1,1	21,1	20,1	-4,6
<b>Fresh fruit</b>	<b>436.859</b>	<b>415.639</b>	<b>-4,9</b>	<b>6.059,4</b>	<b>5.858,7</b>	<b>-3,3</b>	<b>14,1</b>	<b>14,3</b>	<b>1,5</b>

<sup>1</sup> Yield is calculated on total output.

Source: calculations on ISTAT data.



Tab. 5.7 - Area and output of the main types of nut produced in Italy

	Area harvested (ha)			Output harvested (000 t)			Yield (t/ha) <sup>1</sup>		
	2007	2008	% change	2007	2008	% change	2007	2008	% change
<b>Almonds</b>									
North-west	-	-	-	-	-	-	-	-	-
North-east	8	7	-12,5	0,03	0,02	-27,8	3,46	3,01	-13,1
Centre	14	14	0,0	0,01	0,01	0,0	1,19	1,09	-8,4
South and islands	79.599	79.080	-0,7	112,60	118,71	5,4	1,49	1,55	4,4
<b>Italy</b>	<b>79.621</b>	<b>79.101</b>	<b>-0,7</b>	<b>112,64</b>	<b>118,74</b>	<b>5,4</b>	<b>1,49</b>	<b>1,55</b>	<b>4,4</b>
<b>Hazel nuts</b>									
North-west	10.696	10.239	-4,3	15,78	13,60	-13,8	1,48	1,33	-9,9
North-east	20	16	-20,0	0,05	0,03	-49,7	2,66	1,65	-38,0
Centre	18.952	18.950	0,0	48,06	36,64	-23,8	2,62	2,00	-23,7
South and islands	41.062	39.117	-4,7	64,34	58,79	-8,6	1,63	1,57	-4,1
<b>Italy</b>	<b>70.730</b>	<b>68.322</b>	<b>-3,4</b>	<b>128,23</b>	<b>109,05</b>	<b>-15,0</b>	<b>1,87</b>	<b>1,65</b>	<b>-11,9</b>
<b>Pistachio</b>									
North-west	-	-	-	-	-	-	-	-	-
North-east	-	-	-	-	-	-	-	-	-
Centre	-	-	-	-	-	-	-	-	-
South and islands	3.649	3.642	-0,2	2,78	2,81	1,1	0,77	0,79	2,1
<b>Italy</b>	<b>3.649</b>	<b>3.642</b>	<b>-0,2</b>	<b>2,78</b>	<b>2,81</b>	<b>1,1</b>	<b>0,77</b>	<b>0,79</b>	<b>2,1</b>
<b>Carrubo</b>									
North-west	-	-	-	-	-	-	-	-	-
North-east	2	-	-	0,01	-	-	6,75	-	-
Centre	4	4	0,0	0,08	0,09	12,5	22,50	25,00	11,1
South and islands	8.669	8.470	-2,3	32,69	31,13	-4,8	3,82	4,20	9,9
<b>Italy</b>	<b>8.675</b>	<b>8.474</b>	<b>-2,3</b>	<b>32,78</b>	<b>31,22</b>	<b>-4,8</b>	<b>3,83</b>	<b>4,21</b>	<b>9,8</b>

<sup>1</sup> Yield is calculated on total output.

Source: calculations on ISTAT data.

Tab. 5.8 - Area and output of citrus fruit in Italy

	Area (ha)			Output harvested (000 t)				Yield (t/ha) <sup>1</sup>		
	2007	2008	% change	2007	2008	% change	2007	2008	% change	
Oranges	102.301	102.369	0,1	2.527,5	2.197,3	-13,1	26,1	22,3	-14,4	
Bergamot	1.461	-	-	14,0	-	-	9,6	-	-	
Clementines	25.320	26.681	5,4	643,4	451,0	-29,9	26,1	23,5	-10,1	
Lemons	27.398	26.713	-2,5	556,4	500,9	-10,0	21,5	19,7	-8,2	
Mandarines	9.440	9.443	0,0	142,8	140,5	-1,6	15,9	15,6	-2,1	
Grapefruit	255	-	-	7,2	-	-	30,3	-	-	
Other citrus	74	-	-	1,4	-	-	19,2	-	-	
<b>Citrus</b>	<b>166.249</b>	<b>165.206</b>	<b>-0,6</b>	<b>3.892,6</b>	<b>3.289,7</b>	<b>-15,5</b>	<b>24,6</b>	<b>21,7</b>	<b>-11,8</b>	

<sup>1</sup> Yield is calculated on total output.

Source: calculations on ISTAT data.

Tab. 5.9 - Flower cultivation, number of firms and area - 2007

	Firms (N.)				UAA (ha)			
	nurseries	flower growing	mixed	total	nurseries	flower growing	mixed	total
Piemonte	1.033	28	99	1.160	1.829	14	95	1.938
Valle d'Aosta	7	-	-	7	4	-	-	4
Lombardia	2.191	26	253	2.470	5.430	6	145	5.581
Trentino-Alto Adige	281	13	-	294	396	1	-	397
Veneto	1.391	42	160	1.593	2.961	67	99	3.127
Friuli-Venezia Giulia	366	-	37	403	2.885	-	33	2.918
Liguria	846	3.306	232	4.384	786	2.191	191	3.168
Emilia-Romagna	599	96	80	775	1.955	29	90	2.074
Toscana	2.789	616	172	3.577	6.714	635	294	7.643
Umbria	72	50	19	141	353	25	12	390
Marche	447	46	76	569	895	20	145	1.060
Lazio	617	207	56	880	918	866	110	1.894
Abruzzo	118	54	27	199	251	6	30	287
Molise	14	-	-	14	6	-	-	6
Campania	620	1.317	40	1.977	423	847	95	1.365
Puglia	305	227	13	545	799	212	65	1.076
Basilicata	34	-	5	39	142	-	0	142
Calabria	60	6	40	106	231	80	108	419
Sicilia	805	259	72	1.136	1.773	222	200	2.195
Sardegna	101	64	30	195	282	78	45	405
<b>Italy</b>	<b>12.696</b>	<b>6.357</b>	<b>1.411</b>	<b>20.464</b>	<b>29.033</b>	<b>5.299</b>	<b>1.757</b>	<b>36.089</b>

Source: Mipaaf - Consorzio ITA. *Miglioramento delle statistiche congiunturali delle colture floricole e orticole - Indagine florovivaismo 2007.*

Tab. 5.10 - Area and output of vines by geographical area

	Area in production (ha)			Output harvested (000 t)			Yield (t/ha) <sup>1</sup>		
	2007	2008	% change	2007	2008	% change	2007	2008	% change
<b>Vines for wine making</b>									
North-west	77.070	77.456	0,5	566,5	549,5	-3,0	7,4	7,1	-3,5
North-east	158.650	159.721	0,7	2.224,8	2.220,7	-0,2	14,0	14,0	-0,3
Centre	115.979	117.003	0,9	921,9	889,7	-3,5	8,3	7,9	-4,2
South and islands	329.255	329.913	0,2	2.324,9	2.784,7	19,8	7,4	8,8	18,8
<b>Italy</b>	<b>680.954</b>	<b>684.093</b>	<b>0,5</b>	<b>6.038,0</b>	<b>6.444,7</b>	<b>6,7</b>	<b>9,1</b>	<b>9,6</b>	<b>6,3</b>
<b>Vines for dessert grapes</b>									
North-west	217	223	2,8	1,5	1,7	17,7	6,7	7,8	16,4
North-east	100	491	391,0	1,2	5,0	334,8	11,9	10,3	-13,5
Centre	1.198	1.190	-0,7	22,9	21,7	-5,2	21,1	20,4	-3,0
South and islands	66.735	68.967	3,3	1.328,8	1.339,8	0,8	21,1	20,2	-4,5
<b>Italy</b>	<b>68.250</b>	<b>70.871</b>	<b>3,8</b>	<b>1.354,4</b>	<b>1.368,3</b>	<b>1,0</b>	<b>21,1</b>	<b>20,1</b>	<b>-4,7</b>
<b>Total</b>									
North-west	77.287	77.679	0,5	567,9	551,2	-2,9	7,4	7,6	3,7
North-east	158.750	160.212	0,9	2.225,9	2.225,8	0,0	14,0	14,5	3,1
Centre	117.177	118.193	0,9	944,8	911,5	-3,5	8,4	7,8	-7,5
South and islands	395.990	398.880	0,7	3.653,7	4.124,5	12,9	9,7	10,3	5,8
<b>Italy</b>	<b>749.204</b>	<b>754.964</b>	<b>0,8</b>	<b>7.392,4</b>	<b>7.813,0</b>	<b>5,7</b>	<b>10,2</b>	<b>10,3</b>	<b>1,6</b>

<sup>1</sup> Yield is calculated on total output.

Source: calculations on ISTAT data.

Tab. 5.11 - *Area of olive groves and output of olive oil in Italy*

(area in 000 ha, output in 000 tons)

	Area in production	Output harvested	Yield (t/ha) <sup>1</sup>	Olives destined to		
				direct consumption	oil-making	Oil produced
<b>2007</b>						
North-west	15,1	21,4	1,6	0,6	20,8	5,0
North-east	7,3	13,2	1,8	0,0	13,2	2,3
Centre	211,6	317,1	1,6	1,5	315,5	51,2
South and islands	905,7	2.898,1	3,3	53,6	2.844,6	515,7
<b>Italy</b>	<b>1.139,6</b>	<b>3.249,8</b>	<b>3,0</b>	<b>55,7</b>	<b>3.194,1</b>	<b>574,3</b>
<b>2008</b>						
North-west	18,6	26,3	1,5	1,9	24,5	3,8
North-east	7,5	16,6	2,3	0,0	16,6	2,8
Centre	216,1	409,2	2,1	6,1	405,1	63,5
South and islands	918,8	2.983,1	3,4	60,6	2.921,2	529,3
<b>Italy</b>	<b>1.161,1</b>	<b>3.435,2</b>	<b>3,1</b>	<b>68,5</b>	<b>3.367,4</b>	<b>599,5</b>
<b>% change 2008/07</b>						
North-west	23,1	23,2	-9,8	197,3	18,0	-23,7
North-east	3,6	25,4	21,9	-53,3	25,2	20,7
Centre	2,2	29,1	27,0	292,4	28,4	23,9
South and islands	1,4	2,9	3,1	13,2	2,7	2,7
<b>Italy</b>	<b>1,9</b>	<b>5,7</b>	<b>5,3</b>	<b>23,0</b>	<b>5,4</b>	<b>4,4</b>

<sup>1</sup> Yield is calculated on total output.

Source: calculations on ISTAT data.

Tab. 5.12 - *Beef cattle slaughtered in Italy*

	Number of head (000)		% change 2008/07	Carcasse weight (000 t)		% change 2008/07
	2007	2008		2007	2008	
Young calves	878	871	-0,8	128,7	126,8	-1,5
Older calves	1.946	1.799	-7,6	680,8	618,7	-9,1
Heifers	599	610	2,0	158,9	161,8	1,8
Ox and bulls	30	40	32,5	11,7	15,4	31,3
Cows	507	502	-0,9	138,4	134,3	-3,0
<b>Total</b>	<b>3.960</b>	<b>3.823</b>	<b>-3,5</b>	<b>1.118,5</b>	<b>1.056,9</b>	<b>-5,5</b>

Source: ISTAT.

Tab. 5.13 - *Pigs slaughtered in Italy*

	Number (000)		% change 2008/07	Carcasse weight (000 t)		% change 2008/07
	2007	2008		2007	2008	
Suckling pigs	896	905	1,0	10,0	9,9	-1,3
Pigs	1.063	1.015	-4,5	69,1	66,0	-4,5
Heavy pigs	11.637	11.696	0,5	1.524,1	1.530,1	0,4
<b>Total</b>	<b>13.596</b>	<b>13.616</b>	<b>0,2</b>	<b>1.603,3</b>	<b>1.606,0</b>	<b>0,2</b>

Source: ISTAT.

Tab. 5.14 - *Sheep and goat slaughtered*

	Number (000)		% change 2008/07	Carcasse weight (000 t)		% change 2008/07
	2007	2008		2007	2008	
Lambs	5.321	4.975	-6,5	37,9	36,5	-3,7
Larger lambs	593	565	-4,7	7,6	7,4	-2,5
Ewes and rams	648	650	0,4	13,6	13,4	-1,4
<b>Total sheep</b>	<b>6.561</b>	<b>6.190</b>	<b>-5,7</b>	<b>59,1</b>	<b>57,3</b>	<b>-3,0</b>
Kids	293	277	-5,6	1,7	1,8	4,9
Male and female adult goats	28	34	19,7	0,5	0,6	11,7
<b>Total goats</b>	<b>322</b>	<b>311</b>	<b>-3,3</b>	<b>2,2</b>	<b>2,4</b>	<b>6,5</b>
<b>Total sheep and goats</b>	<b>6.883</b>	<b>6.501</b>	<b>-5,6</b>	<b>61,3</b>	<b>59,7</b>	<b>-2,6</b>

Source: ISTAT.

Tab. 5.15 - *Main indicators in the Italian dairy sector - 2008*

	Million euro	% change 2008/07
Value of all types of domestic milk	5.600	7,8
Turnover of the dairy industry	14.500	1,0
Imports	3.203	-2,5
Exports	1.549	-2,9
Trade balance	-1.654	-2,2
	Million tons	% change 2008/07
Production of all types of milk	11,9	-1,7
Production of bovine milk	10,9	-2,0
	Number	% change 2008/07
Bovine dairy farms <sup>1</sup>	40.895	-5,3
Number of dairy cows	1.830.711	-0,5
Number of sheep	8.175.196	-0,8
Number of goats	957.248	4,0
Number of bufalos	186.937	0,5

<sup>1</sup> The data refers exclusively to farms which deliver milk to the first industrial buyer. Farms which sell milk directly are therefore excluded.

Source: ISTAT, ISMEA, AGEA, Federalimentare, Assolatte.

Tab. 5.16 - *Catches and receipts for the main species of fish - 2008*

	Catches		Receipts	
	tons	%	(million euro)	%
Anchovies	45.039	20,8	77	7,1
Clams	24.940	11,5	56	5,2
Cod	12.547	5,8	93	8,6
Sardines	12.025	5,6	13	1,2
Octopus	9.839	4,5	69	6,3
White prawns	8.244	3,8	64	5,9
Grey mullet	7.130	3,3	35	3,3
Squill	5.973	2,8	39	3,6
Sword fish	4.534	2,1	54	4,9
Tatler	4.168	1,9	18	1,6
Moscardini muschiati	4.041	1,9	15	1,4
Sugarelli	4.033	1,9	7	0,6
Snails and murex	3.609	1,7	17	1,5
Scampi	3.414	1,6	64	5,9
Polpi altri	2.902	1,3	21	1,9
Red mullet	2.807	1,3	30	2,7
Moscardini bianchi	2.567	1,2	12	1,1
Boghe	2.338	1,1	4	0,4
Veneridi	2.098	1,0	9	0,9
Other	54.320	25,1	388	35,8
<b>Total</b>	<b>216.567</b>	<b>100,0</b>	<b>1.082</b>	<b>100,0</b>

Source: MIPAAF-IREPA.

Tab. 5.17 - *Aquaculture production - 2008*

			(tons)	
	Aquaculture installations on land and at sea	Installations in valleys and in brackish water	Total	Value (000 euro)
Sea bass	8.800	1.000	9.800	68.000
Sea bream	8.600	1.000	9.600	62.300
Umbrine	370	-	370	3.000
Eels	1.500	100	1.600	13.300
Grey mullet	-	3.500	3.500	12.000
Trout	39.400	-	39.400	131.200
Catfish	550	-	550	3.300
Carp	750	-	750	2.100
Sturgeon	1.350	-	1.350	14.000
Other fish	5.600	-	5.600	35.800
<b>Total fish</b>	<b>66.920</b>	<b>5.600</b>	<b>72.520</b>	<b>345.000</b>
Shellfish	-	-	115.000	77.000
Clams	-	-	50.000	185.000
<b>Total molluscs</b>	-	-	<b>165.000</b>	<b>262.000</b>
<b>Total aquaculture</b>	-	-	<b>237.520</b>	<b>607.000</b>

Source: API.

Tab. 5.18 - *Utilisation of timber in Italy, by type of timber*

	2007	2008 <sup>1</sup>	(cubic metres) % change 2008/07
<b>FOREST</b>	7.523.291	7.662.908	1,9
<b>Coniferous</b>	<b>1.824.889</b>	<b>1.714.401</b>	<b>-6,1</b>
Timber for working	1.380.030	1.260.942	-8,6
Timber for fuel	444.859	453.460	1,9
Loss during work in the forest	135.044	9.245	-93,2
<b>Deciduous</b>	<b>5.698.402</b>	<b>5.948.507</b>	<b>4,4</b>
Timber for working	1.120.123	1.272.288	13,6
Timber for fuel	4.578.279	4.676.219	2,1
Loss during work in the forest	197.178	201.147	2,0
<b>OUTSIDE THE FOREST</b>	926.031	745.631	-19,5
<b>Coniferous</b>	<b>80.045</b>	<b>47.791</b>	<b>-40,3</b>
Timber for working	68.526	30.691	-55,2
Timber for fuel	11.519	17.100	48,5
<b>Deciduous</b>	<b>845.986</b>	<b>697.839</b>	<b>-17,5</b>
Timber for working	390.449	301.783	-22,7
Timber for fuel	455.537	396.057	-13,1
<b>TOTAL TIMBER UTILISATION</b>	<b>8.449.322</b>	<b>8.408.539</b>	<b>-0,5</b>

<sup>1</sup> Data for Lombardia is estimated.

Source: ISTAT, *Indagine sulle superfici tagliate e sui prelievi legnosi e non legnosi*.

Tab. 5.19 - *Non-timber forest products<sup>1</sup>*

	2006		2007		(% change 2007/06)	
	quantity	value	quantity	value	quantity	value
Chestnuts	52.615	55.515	44.635	61.669	-15,2	11,1
Pine seeds	968	1.816	558	1.191	-42,4	-34,4
Mushrooms	3.307	39.985	1.513	21.473	-54,2	-46,3
White truffle	19,3	15.370	12,1	10.888	-37,3	-29,2
Black truffle	68,8	10.804	70,3	10.725	2,2	-0,7
Hazel nuts	47.535	70.378	56.401	114.069	18,7	62,1
Blueberries	202	1.714	192	1.689	-5,0	-1,5
Strawberries	41,6	376	43	429	3,4	14,1
Raspberries	33,4	252	41,1	340	23,1	34,9
Acorns	3.449	3287	1.666	458	-51,7	-86,1
Cork	9.324	17.326	7.232	12.069	-22,4	-30,3
Coarse cork	1.182	300	1.625	564	37,5	88,0
<b>Total</b>	-	<b>217.123</b>	-	<b>235.564</b>	-	<b>8,5</b>

<sup>1</sup> The data refer to products originating in forests; production from agricultural land is excluded.

Source: ISTAT, *Bollettini mensili di statistica*.



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