THE AGRICULTURAL SECTOR IN ITALY

Italy is the third agricultural country in the European Union (turnover of €42.8 billion in 2015) after France and Germany. In all economic sectors, Italy is France's second largest trading partner.

The peninsula has natural conditions (soils and climate) varied with a very uneven terrain. Only one third of the useful agricultural area (UAA) is in plain. Most European agricultural production is represented in Italy, while the country has an overall agri-food deficit.

Production structures Are small and numerous. The average of UAA, although increasing, is 8 hectares/exploitation. Disparities between North (more structured and productive), and South and islands (more extensive and less organized) remain very important.

Italy is strongly committed in productions showing identification of quality and origin; it has the largest number of protected designations of origin (PDO), of protected geographical indications (PGI) and traditional specialty guaranteed (TSG) of the European Union (271 Italian productions in April 2015).

The country is one of the world leaders in organic farming in Europe and worldwide. Many products are world renowned (ham, wine and cheese for example). Gastronomy and a certain food identity are part of the Italian cultural substrate. The choice of the universal exhibition's theme organized in Milan in 2015 is the proof: « Feeding the planet, energy for life ».

Agricultural production

Principales cultures	SAU	% SAU
Céréales et légumineuses à grains	4 032 823	31,7
Pommes de terres et légumes	266 117	2
Cultures industrielles	315 972	2,5
Fourrage	1 798 141	14,2
Jachères	494 217	3,9
Vigne	761 480	6
Oliviers	1 018 995	8
Agrumes et fruits	516 162	4,1
Autres (pépinières, jardins familiaux..)	49 146	0,4
Prairies permanentes et pâtures	3 451 756	27,2
TOTAL	**12 704 809**	**100**

Source : INEA Compte de l'agriculture 2010 – données 2007

The Italian agricultural production is focused on crop production. However, Italy is not self-sufficient, in particular for some basic products, like cereals and meat products.

Italy is the leading European rice producer (1.4 billion tons in 2015). It produces corn (7,9 billion tons in 2015) and other big cultures (Beet, sunflower, soybean). Production of common wheat amounted in 2015 at 3,3 billion tons and at 3,9 billion tons for durum wheat.

The country is also the leading European producer of fruit and vegetables, whose range includes all continental and Mediterranean productions. In 2015, 361,000 hectares were devoted to vegetable production. The most important in terms of volume were tomatoes (5,2 billion tons), potatoes (1,3 billion tons), cabbages (0,7 billion tons), fennel (0,5 billion tons), melons (0,5 billion tons). About fruits, grown on 860,000 hectares in 2013, the main products were apples (2,2 billion tons), peaches and nectarines (1,4 billion tons), citrus fruits (2,7 billion tons) and table grapes (1,1 billion tons). However, this sector suffers from an unevenly efficient economic organization, and, often, from an insufficient competitiveness.

With 45 Mhl of wine produced in 2015, Italy, according to the years, is the world's first or second largest wine producer by volume behind France, strongly positioned in the export, especially on the US market. Italian wine, with more than 630 denominations of origin in 2015, represents the 1st item of agri-food export, but the wine's average price for export remains lower compared with French wines.

Olive oil is another emblematic production of the country, with an approximately production of 461,000 tons in 2013. Italy is also a hub for olive oil since Italian brands use large quantities of imported oils, for both internal consumption in Italy and re-export. Therefore, it buys almost half of its domestic consumption: its main suppliers are Spain, Tunisia and Greece. This product is considered at EU level as one of the main food products subjects to fraud.

Livestock products represent in value about one third of Italian agricultural production. Meat production represents the largest share of production (5,3 billion tons, which means 20% of total agricultural production in value) followed by milk and eggs. These three sectors are highly concentrated in Northern Italy's intensive farms. However, the country has a large deficit in these three sectors, especially on milk and meat**. About bovine meat, Italy is characterized by the main fattening activity of young bovine animals imported mainly from France (80%)**. Milk is for a large part (more than 60%) used for cheese processing, of half are in quality lines (protected designations of origin, PDO).

Agri-food industry represent in Italy the 2nd sector of industry after the metal and mechanical industries**. With a slight increase in turnover, which setting up at €132 billion in 2015, including approximately €34 billion for export, agri-food industry is a sector that has been particularly resilient to the crisis and the sluggishness of Italian domestic consumption, particularly by increasing its export presence**. The main branches of the Italian food industry are the dairy industry, the wine sector, the pasta industry and milling. This industrial sector is characterized by many small structures, often family and craft: more than 58 000 companies in 2015, of which 3.2% employ more than 20 people. Among the major groups operating in Italy with a turnover of more than €1bn, only two are of Italian origin: Barilla and Ferrero, but they are particularly known for their fabrications internationally renowned. Other Italian agri-food specialties such as, for example, some hams (Prosciutto di Parma, San Daniele…) or hard cheese (Parmigiano-Reggiano, Grana-Padano…) are made by many economically independent enterprises but federated around the product within a supporting consortium.

Agricultural policy

The Italian Constitution accords to Regions exclusive competence in agricultural policy, while other various questions about agriculture (nutrition or health protection) are a shared responsibility between the State and the Regions, which must, respectively, lay down the basic principles and the application in detail. The Constitution also set as the exclusive competence of the State, competition and environmental issues, and European Union relations (and thus the negotiation of the CAP), sectors that also overlap across agricultural policy.

Coordination between the Regions and the national government takes place within an authority called the « Conference Regions-State » which includes sectoral sub-levels, as is the case for agriculture. Major decisions relating to the common agricultural policy's application (CAP) are thus taken jointly by State and Regions in this authority.

In regional executive, an agricultural assessor is designated, which leads to the application of national and Community legislation, prepares and conducts regional laws, particularly those relating to the CAP application.

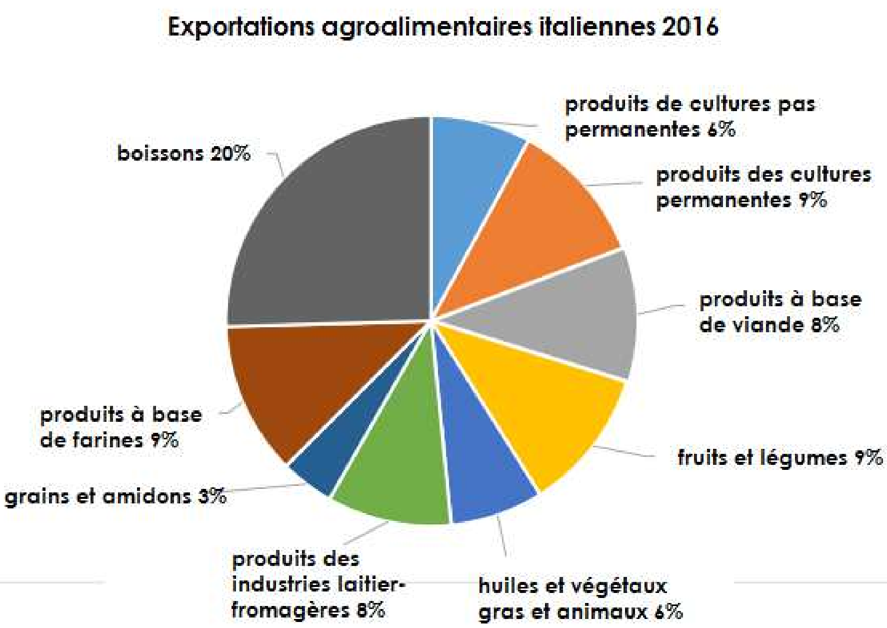
With a budget of more than €33bn for the period 2014 - 2020, Italy is the 4th CAP beneficiary (behind France, Germany and Spain). The first CAP pillar should represent 72% of the helps. **The State and Regions have shown some conservatism in the agricultural policy's application and the different levers offered by European texts were used in order to implement a limited convergence of aid.**

The CAP's second pillar is implemented through 21 regional programs and 4 national programs, for issues related to risk management, to irrigation, to biodiversity and the rural network. Italy is one of 16 Member States who received, in the last moments of the 2014-2020 financial framework negotiations, a supplementary budget on the Rural Development Fund.

For the 2nd pillar too, the new distribution between regions is principally based on historical criteria, to which have been added some fixes to taking account of the spending capacity of each region, which proved to be very heterogeneous during the period 2007-2014. Main trends in the objectives pursued and the measures used for the period 2014-2020 are like those of the period 2007-2014, namely supporting the competitiveness of agricultural companies and biodiversity.

As logical consequence about the importance of Italian agri-food production under geographical or origin indications, Italy ardently defends the protection of the designations in the international forums. At European level, it also wants a more extensive indication on the labels of the national origin of the products.

Business exchange



The agri-food products export reached a value of €42 billion in 2018, with an annual increase of 2.4%. Agri-food export dynamic is stronger than other economic sectors. Meanwhile, the imports have reached €41.9 billion, resulting in a **deficit of €7.6 billion for the sector's trade balance.** It is mainly the agricultural compartment (deficit of €7 billion) which is implicated in the overall deficit, due to the structural limitation of production.

The food-processing productions, whose exports increased by 70% between 2005 and 2015, are, on the other hand, one of the government's spearheads for the worldwide promotion of «Made in Italy». The choice of the Universal Exhibition of Milan theme in 2015 «Feeding the planet, energy for life », allows the government to use this demonstration as a powerful way for the promotion of Italian know-how in agriculture and agri-food.

Towards France, Italy mainly imports raw materials and exports processed products. Imports mainly concern live bovine animals (weanlings), meat, cereals, dairy products and the products of the sea. Exports, meanwhile, focus on cereal-based preparations (pasta), drinks, dairy products (cheeses) and fruit-based preparations, of vegetables and olive oil. France's agri-food trade balance with Italy Is durably positive but it has been reduced by over €400 million over the last ten years (-7%), from a surplus of €2.4bn in 2005 to €2bn in 2015. The evolution of the balance is erratic according to years. In 2015, it has been reduced by €219 million (almost -10%) compared to 2014, due exclusively to the decline in exports to Italy (-4,1%, to €5,2bn) while imports from Italy are stable (at €3.6bn).

International agreements

Italy is one of the six founding countries of the European Union and therefore is involved in the common agricultural policy implementation since its creation.

Rome hosts the headquarters of several United Nations' international organizations in the field of agriculture and food: organization for food and agriculture (OFA), the international fund for agricultural development (IFAD) and the world food program (WFP). As host country, Italy gives to these three organizations buildings and provides financial support during the organization of conferences, meetings, or the setting up of projects in relation to the missions of these organizations.

Italy is a member of the International Olive Council, of the international organization of vineyards and wine and of the Union for the Mediterranean. It is also a member of the World Trade Organization (WTO) since 1 January 1995 and normative organizations recognized by the SPM agreement (Sanitary and Phytosanitary Measures' Agreement) of the WTO: The Codex Alimentarius, the International Plant Protection Convention and the World Organization for Animal Health (OAH).

Bilateral relations

If the French-Italian exchanges (Political, commercial, technological, cultural) are historical, they were consolidated in February 1982 through the annual summit's institutionalization, whose last edition took place in Paris on 24 February 2015.

In the agricultural domain, French and Italian Ministers of Agriculture and their respective administrations meet regularly to exchange, particularly on CAP issues. Italy and France share convergent positions, on agricultural and food heritage, based on tradition and quality. In 2010, Italy has joined the Franco-Spanish committee on fruits and vegetables, place of exchanges between administrations and professional representatives.

Finally, French agricultural establishments developing projects with Italy are numerous and most often work with bilateral partnerships between institutions, companies, professional organizations etc.., without real network structuring. Study trips and student, apprentices and teacher's mobility rely directly on local correspondents for projects such as Leonardo, Interreg or Euromed.

Exhibitions

Fiera Sant'Alessandro
Fiera Bergamo
Via Lunga sn, 24125 Bergamo
Dates 2020 are awaited
https://www.xpobuzz.com/fiera-sant-alessandro

SANA
Dates : September 11-14th, 2020
Bologna Fiere
Via della Fiera, 20 6 40127 Bologna
http://www.sana.it/home-page/1229.html

APIMELL
Dates:March 6-8th, 2020
Piacenza Exp, Via Tirotti, 11 - 29122 Piacenza
http://www.apimell.it/

Fiera dell' Agricoltura Lanciano
Dates:April 3rd-5th, 2020
Localita' Iconicella - 66034 Lanciano
http://www.lancianofiera.it/it/home-main.aspx