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E FORESTALI

Italian agriculture in figures 2001



ISTITUTO
NAZIONALE
DI ECONOMIA
AGRARIA

NORTH

- 1 Piemonte
- 2 Valle d'Aosta
- 3 Lombardy
- 4 Trentino Alto Adige
- 5 Veneto
- 6 Friuli Venezia Giulia
- 7 Liguria
- 8 Emilia Romagna



SOUTH

- 1 Abruzzo
- 2 Molise
- 3 Campania
- 4 Puglia
- 5 Basilicata
- 6 Calabria
- 7 Sicily
- 8 Sardinia

*Italian agriculture
in figures
2001*

Unless otherwise indicated,
all the statistics contained in this booklet
have been provided by ISTAT and INEA.
For international comparisons, Eurostat figures have been used.

The Italian, English and French versions of this publication
may be consulted on Internet on the following website:
<http://www.inea.it/pubb/itaco.cfm>
They may be quoted providing the source is acknowledged.

The 13th edition of “Italian agriculture in figures” offers a wider range of topics than previous editions and presents them in even greater detail, confirming INEA’s objective of providing through this booklet a mine of up-to-date information for everyone involved in the agricultural sector. The booklet is especially useful at the present time, when concerted action is being taken by our Ministry, the social parties and the research world to produce a decisive leap forward in quality and competitiveness throughout the whole of the agricultural system.

As always, the booklet covers all the major issues concerning the food and agriculture sector, including the role played by the primary sector in the national economy, relations with the food industry, the distribution sector,

the market and EU agricultural policies. In many cases it provides not only national but also regional detail of the issues it covers.

Certain chapters, such as the one on agriculture and the environment and the one on farm business data from the FADN data bank, have been particularly enlarged this year, supplying facts and figures of great interest in the wake of recent developments in agricultural trends such as the multifunctionality of agriculture and market orientation in the farming industry. This year’s booklet also refers to the 5th Agricultural Census which took place in 2000; the chapter on the “Structure of the Farming Industry” contains a first analysis of the census data both at national and regional levels.

Lastly, I would mention that in an

effort to widen readership outside Italy, this year’s booklet has not only been published in the customary English-language version but it has also been translated into French; the French version can be consulted online on INEA’s website (<http://www.inea.it/pubb/itaco.cfm>). INEA has therefore once more confirmed its commitment to, and its key role in, spreading information on the agricultural sector. This leads me on to express my warmest thanks to the Institute for producing with such timeliness this informative booklet which is so quick and easy to consult yet provides much food for thought for all those who are involved in formulating policy for the agricultural world or who form part of it as farmers or researchers.

Giovanni Alemanno

Minister for

Agricultural and Forestry Policies



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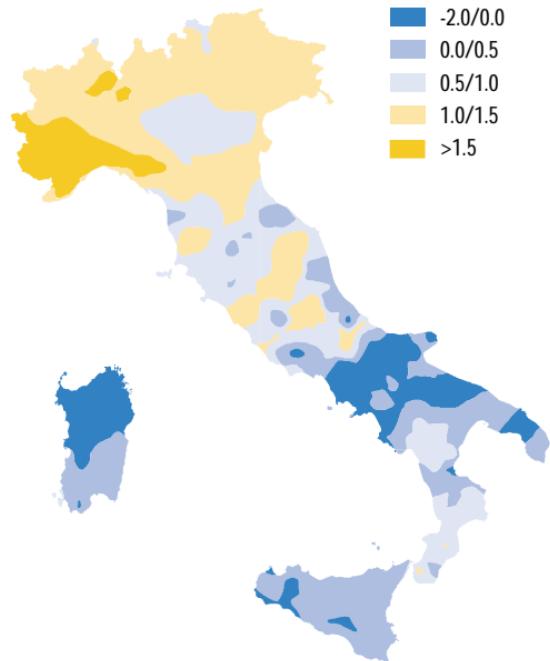
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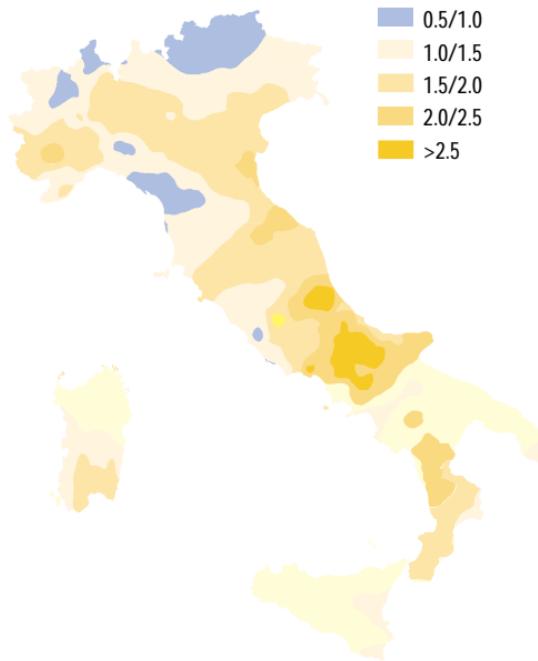
LAND AND POPULATION

Climate

Deviations in the lowest annual temperatures compared to the norm (°C), 2000

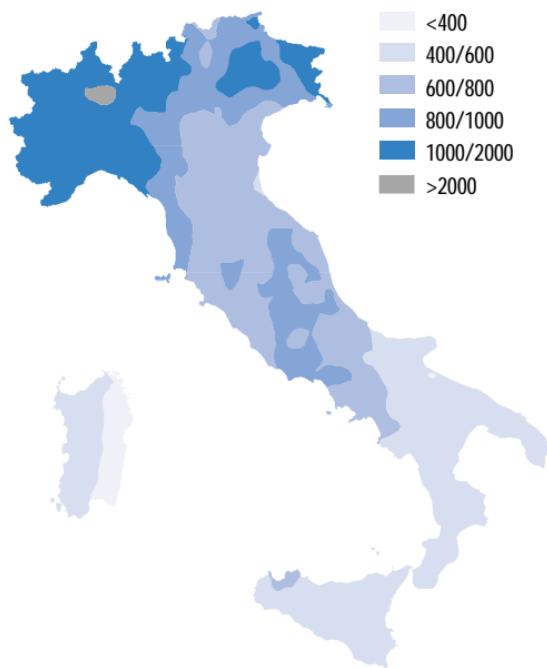


Deviations in the highest annual temperatures compared to the norm (°C), 2000

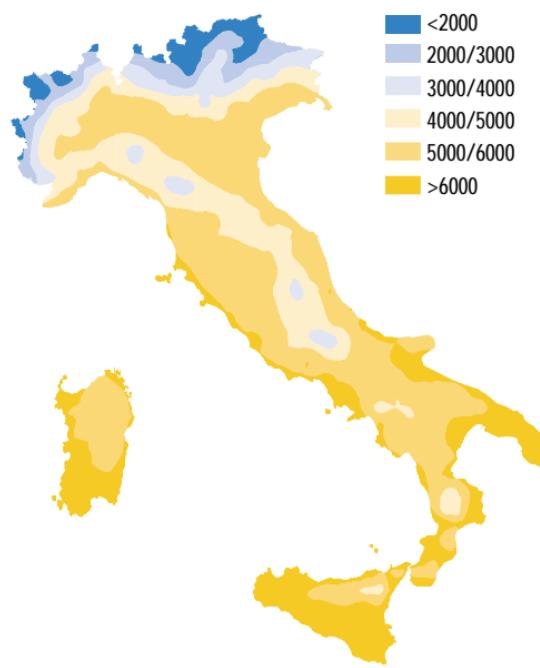


Source: UCEA.

Total annual rainfall (mm), 2000



Accumulated degree-days (0°C), 2000



Land and Population

General features

One of Italy's main geographical features is the prevalence of hilly and mountainous terrain. Out of a total land area of some 30 million hectares, only 23% is made up of lowland and this figure falls to 18% in the South and 9% in the Centre.

Over the last few years, population growth has been boosted by foreign immigration (the rate of immigration increased by 0.31% in 2000). The Italian population showed a natural increase of 0.03% in 2000; taking the flow of migration into account, the total resident population increased by 0.28% compared to 1999, confirming the upward trend in the Centre-North (+0.5%) and the downward trend in the South (-0.09%).

Type of land according to altitude (%), 2000

	North	Centre	South	Italy
Mountainous	46.1	27.0	28.5	35.2
Hilly	18.9	63.8	53.2	41.6
Lowland	34.9	9.2	18.3	23.2
TOTAL ('000 ha)	11,992	5,834	12,307	30,133

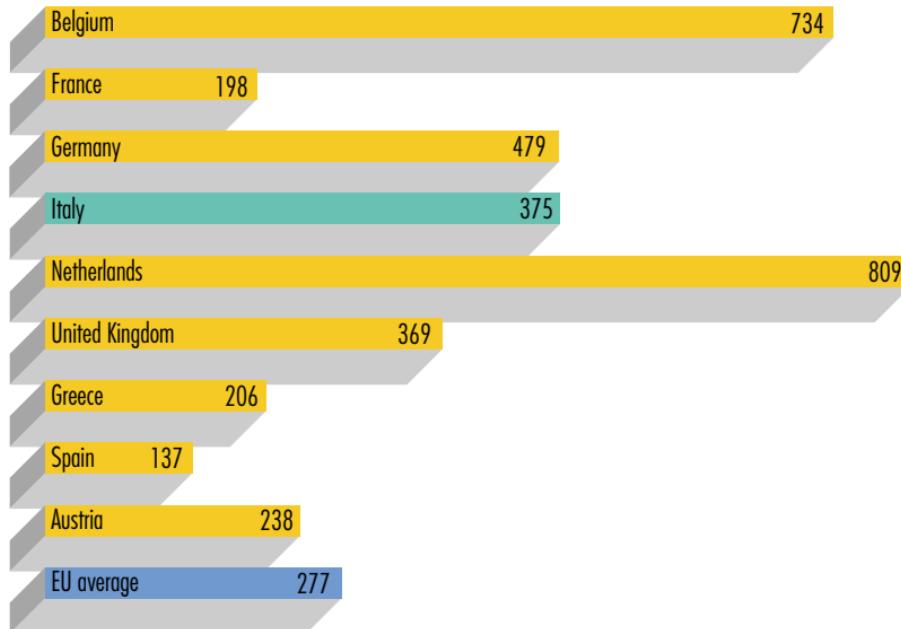
Land and Population, 2000

	Total area of land (km ²)	UAA(*) (%)	Population(**) ('000) (1)	Density inhab./km ²	Labour force ('000 units)
North	119,920	44.3	25,834	215	11,442
Centre	58,345	46.6	11,160	191	4,638
South	123,068	57.0	20,850	169	7,495
ITALY	301,333	49.9	57,844	192	23,575

(*) 1998 UAA, ISTAT survey.

(**) Resident population.

Population/agricultural land ratios (inhabitants/100 ha of UAA), 1999 (*)



(*) Population at 1/1/2000, European Commission estimates.

Agricultural land

The urbanization process is progressively eroding land in Italy. There is a tendency for the total amount of unproductive land to increase as a result of the spread of built-up areas and infrastructure; it is currently estimated at about 3 million hectares or almost 24% of national land area. The area of agricultural land, on the other hand, decreases progressively; arable land has fallen from an average of 0.17 hectares per capita over the three-year period 1979-81 to an average of 0.14 hectares in 1996-98 (World Bank). In European Union countries there is a general decrease in the amount of used agricultural area (UAA): according to Eurostat figures on land use, UAA decreased by 5% between 1990 and 1998 in the EU overall, with rates varying considerably among the Member States.

Use of land in Italy and EU countries (% total land area), 1999

	Italy	Other Mediterranean countries (*)	Other EU countries (**)	Former EFTA countries (***)	EU
Arable land	26.7	24.3	31.0	7.2	22.7
Fallow land (1)	1.7	6.3	1.7	0.7	2.5
Permanent crops (2)	9.5	9.2	1.1	0.1	3.4
Vegetable gardens	0.3	0.2	0.2	0.0	0.1
Permanent grass and pasture	14.7	18.2	22.9	2.7	15.6
Woodland	21.2	30.4	22.4	55.9	33.2
Inland waterways	2.4	1.3	1.8	8.4	3.5
Unproductive areas and other land (3)	23.5	10.1	18.9	25.0	19.0
 TOTAL LAND AREA ('000 hectares)	 30,132	 72,986	 133,312	 87,197	 323,627

(*) Greece, Spain, Portugal.

(**) France, Germany, Benelux, Denmark, Ireland, United Kingdom.

(***) Austria, Finland, Sweden.

(1) Includes green manure.

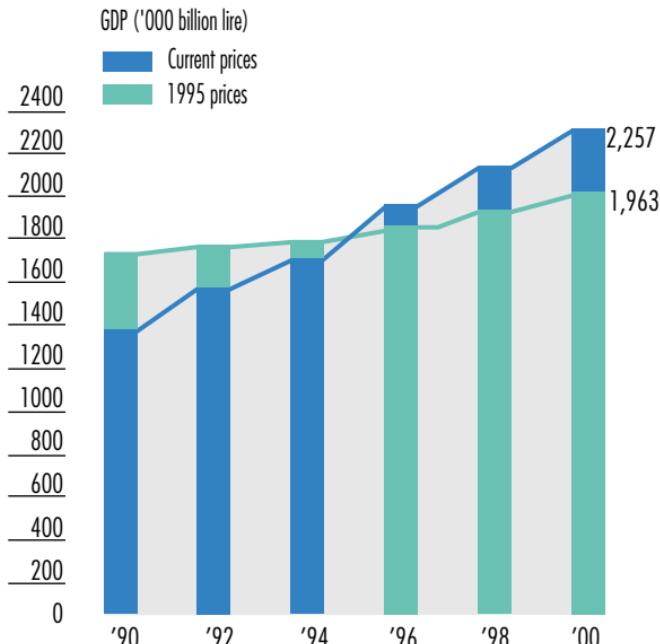
(2) Tree crops and other permanent crops.

(3) Unproductive areas include land covered by housing and other buildings, industrial plants, infrastructure, rocky and barren land; other land includes abandoned and uncultivated land, parks and ornamental gardens, farm land occupied by buildings, yards, roads and unused land between crops.

AGRICULTURE AND THE ECONOMY

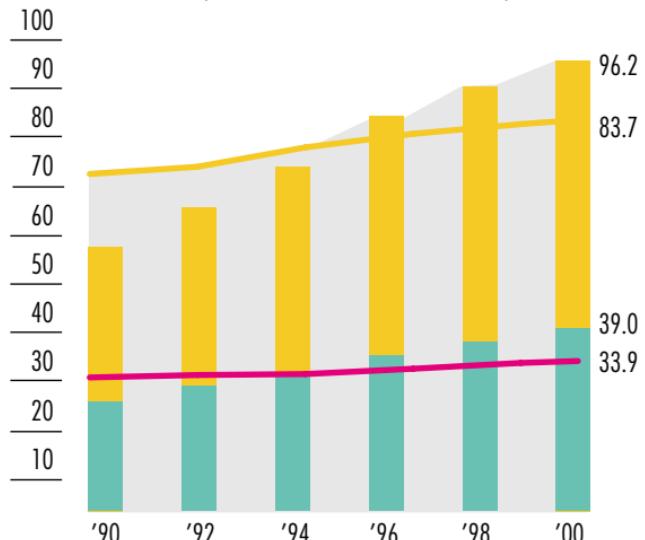
Gross Domestic Product

GDP, GDP per inhabitant and GDP per work unit, 1990 - 2000



GDP/inhabitant (million lire)

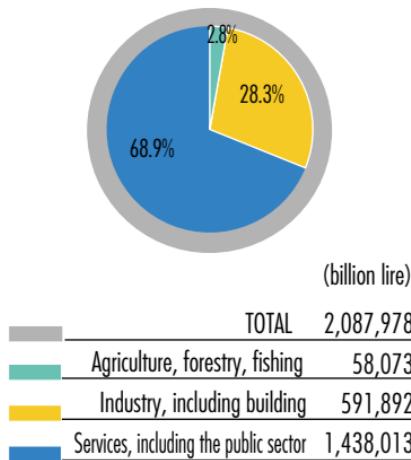
Current prices (teal)
1995 prices (green)



Value Added

In 2000, value added (VA) at basic prices for the primary sector, including forestry and fishing, was down 1.6% in value compared to 1999 as the combined result of a 2.1% decrease in volume and a 0.5% increase in prices. Agriculture's share of total national VA

VA at basic prices by sector, 2000



was about 2.8%, a lower percentage than in 1999. In real terms (at 1995 prices), agriculture's contribution to total national VA rose from 3.1% to approximately 3.2% between 1990 and 2000. Over the same period, the contribution of industry - in the narrow sense of the manufacturing and mining industries - dropped from 24.7% to 24.4%, the contribution of the building industry dropped from 5.8% to 4.9%, the contribution of commerce, transport and communications rose from 23.6% to 24.9%, the contribution of financial services, information technology, research and professional services rose from 23.3% to 24.6% and the contribution of the civil service and other public services dropped from 19.4% to 17.9%. Over the last few years, Italian agriculture's share of the total economy has become more similar to that in other countries in the Centre-North of Europe. There remain, however, large regional differences; in the Centre-

Contribution (%) of agriculture to national economies in 1999 (*)

Country	Value Added
France	2.4
Germany	0.9
Italy	2.6
Netherlands	2.4
United Kingdom	0.9
Greece	7.1
Spain	4.1
Austria	1.2
Finland	0.9
Sweden	0.7
EU	1.8
USA (1)	1.7
Japan (1)	2.0

(*) Includes forestry, fishing and hunting, at basic prices.

(1) World Bank estimates.

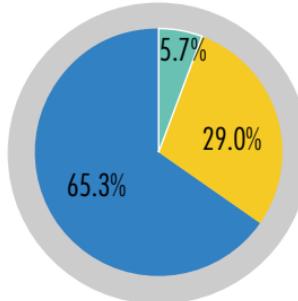
North, agriculture provides just 2.6% of total VA and 4.8% of employment (measured in standard work units) whereas in the South these figures rise to 5.3% and 12.2% respectively (1998 ISTAT figures, new ESA).

Employment

The total labour force in employment in Italy, measured in standard work units (WU), increased by 1.5% in 2000, continuing the upward trend of the previous year. Compared to 1999, employment rose by 1.6% in the building industry and by 3.7% in the service industry (excluding the civil service, which remained unchanged), it remained at a similar level across the manufacturing industry but it fell in the energy industry (-3%) and in agriculture (-2.4%). The downturn in agriculture was less marked than in 1999, thanks to the number of paid workers remaining constant (+0.5%); the number of self-employed workers, on the other hand, dropped (-4.1%), but to a lesser degree than in 1999. Paid labour in agriculture represented 3.1% of total paid labour in Italy, while self-employed labour in agriculture represented 11.7% of the national total.

In 2000, 68.7% of the labour force in

Work units by sector, 2000



	('000 units)
TOTAL	23,454
Agriculture	1,338
Industry	6,797
Services (1)	15,319

(1) Includes the public sector.

The agricultural labour force by sex and geographical area, 2000 averages (*)

	Total labour force ('000 units)	Total labour force (%)	Women (%)	Men (%)
North	414	37.0	30.9	69.1
Centre	154	13.7	31.8	68.2
South	552	49.3	31.5	68.5
ITALY	1,120	100.0	31.3	68.7

(*) New ISTAT series of quarterly surveys on the labour force.

agriculture, in terms of individuals, was male.

Just under half of the agricultural labour force was to be found in the South of Italy, while the other half was divided between the North (37%) and Centre (13.7%). The percentage of the total labour force engaged in agriculture drops considerably if only young workers (under 25) are taken into account, not only in Italy but in almost all EU countries.

Employment rates by sector

Over the last ten years, the percentage of the population employed in the service industry has increased (from 24.9% in 1990 to 26.5% in 2000) while it has dropped in industry (from 12.8% to 11.7%) and has become even more marginal in agriculture (from 3.5% to 2.3%).

The ratio of the agricultural workforce to the population is changing

Employment rates by sector (% of population)

Agriculture



Industry



Services



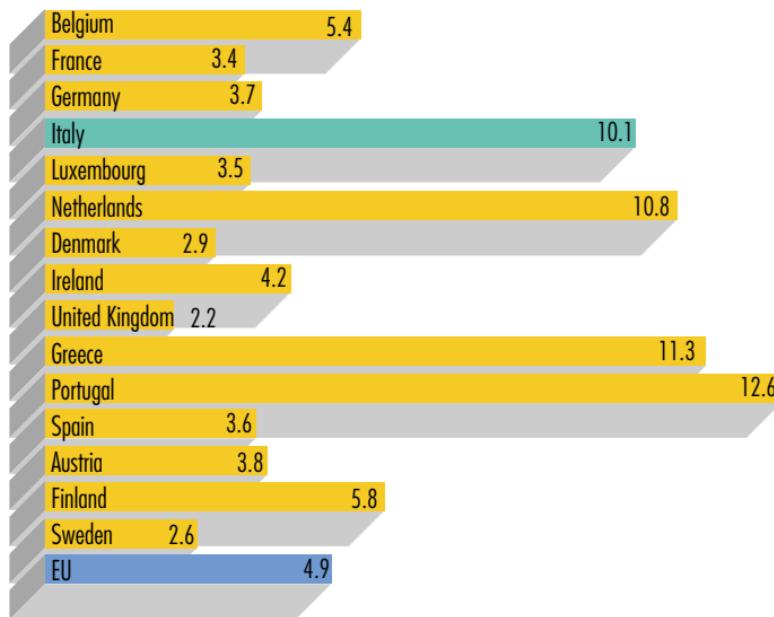
1990

2000

rapidly: in 1990 there was approximately one work unit employed in agriculture for every 28 inhabitants whereas in 2000 there was one in 43. In industry this ratio is changing

much more slowly and in the service industry (including the civil service) it is on the decrease, falling from approximately one in 4 to one in 3.8 between 1990 and 2000.

Volume of employment in agriculture in the EU (AWU/100 hectares UAA), 1999



Source: EUROSTAT.

Employment in agriculture as % of total employment in EU countries, 1999 (*)

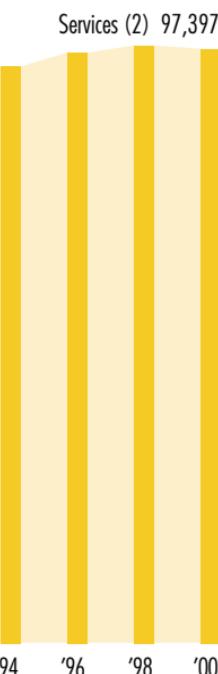
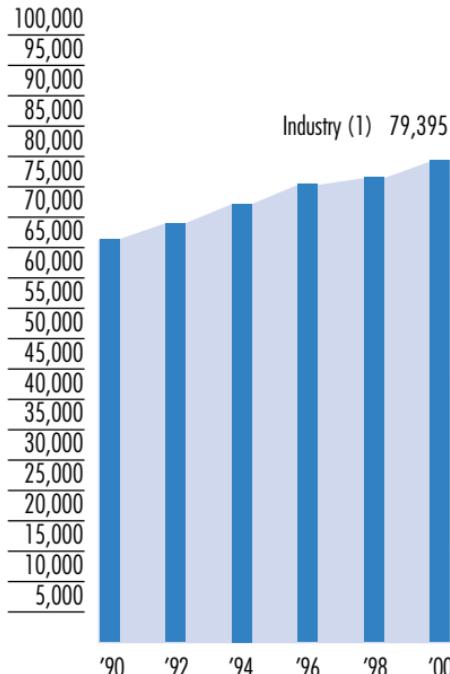
Country	Employment in agriculture	Employees under 25 yrs
France	4.3	3.2
Germany	2.9	2.2
Italy	5.4	4.1
Netherlands	3.2	3.4
United Kingdom	1.6	1.5
Greece	17.0	13.4
Spain	7.4	6.5
Austria	6.2	2.5
Finland	6.4	5.5
Sweden	3.0	2.4
EU	4.5	3.3
USA (1)	2.4	-
Japan (1)	4.5	-

(*) Includes forestry, fishing and hunting.

(1) World Bank, Eurostat estimates.

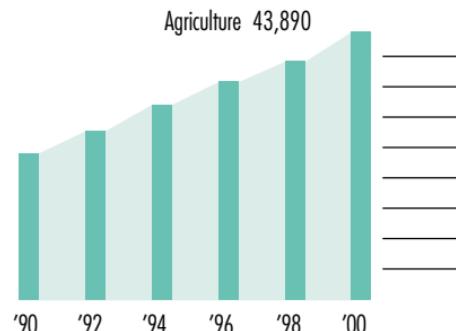
Productivity

VA at basic prices per WU by sector at 1995 prices ('000 lire)



Value added at basic prices per work unit in agriculture is equivalent, in real terms, to 55.4% of the same figure for industry (including the building sector) and to 45.1% of the figure for the service industry (commerce, transport, financial services, tourism and other professional services).

These figures have improved, for agriculture, since 1990, in relation to both industry (of which it was 36.2% in 1990) and the service industry (of which it was about 27%).



(1) Includes the building industry.

(2) Excludes the civil service, education, health and other public and social services.

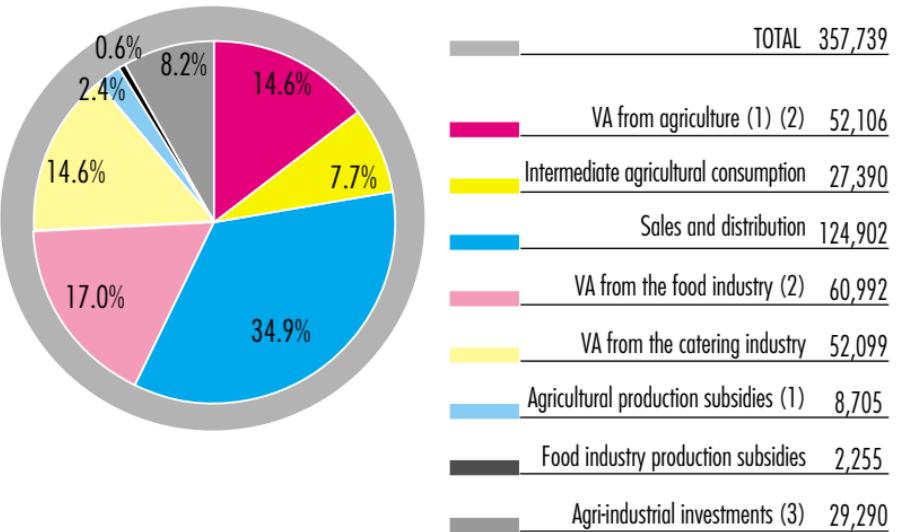
AGRI-INDUSTRIAL SYSTEM

Structure

The agri-industrial system is made up of a number of activities in which agriculture interacts with the sectors related to it: the inputs industries (fertilisers, pesticides, animal feed, energy etc), the food industry and the catering industry.

The agri-food sector is estimated to have been worth some 358,000 billion lire or 15.8% of GDP in 2000. The main contributions were: approximately 52,000 billion from value added (VA) in agriculture, 27,000 billion from intermediate consumption in agriculture, 29,000 billion from agri-industrial investments, approximately 61,000 billion from VA in the food industry, 52,000 billion from VA in the catering industry and approximately 125,000 billion from sales and distribution.

Main components of the agri-industrial system (billion lire), 2000



(1) Includes fishing.

(2) At market prices; includes drinks and tobacco.

(3) Gross fixed investments.

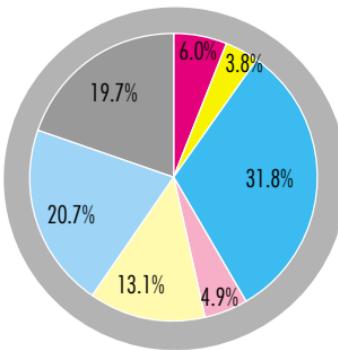
Intermediate Consumption

Expenditure on intermediate consumption amounted to 26,752 billion lire in 2000, a 1.4% increase in value compared to 1999 due to a 2.5% rise in prices accompanied by a 1.1% drop in volume. These figures confirmed the downward trend in the use of inputs by farmers, both as a means of reducing production costs and as a result of the spread of environment-friendly farming practices introduced in accordance with Reg. (EC) 2078/92. Transactions within the industry, which are now included among inputs according to the new ESA 95 accounting system, fell by 1.7% (-1.5% in volume and -0.2% in price). There was also a continuing decline in the use of pesticides (-2.4%), fertilisers (-2.7%), feed and other livestock-related expenses (-0.5%). The consumption of seeds also fell in volume (-0.6%), together with other goods and services such as maintenance, trials, conversion, advertising etc (-2.3%), inverting the 1999 trends.

Prices fell for seeds (-2.1%) and pesticides (-0.6%) but rose for fertilisers (+2.4%), services (+5.1%) and machinery fuel in particular (+11.3%).

This last increase, caused by a leap in the price of diesel oil, had a considerable effect on flowers, fruit and vegetables.

Main categories of intermediate consumption (billion lire), 2000



ITALY	26,752
Fertilisers	1,596
Seeds	1,016
Feed (1)	8,499
Pesticides	1,309
Energy	3,512
Other goods and services (2)	5,534
Transactions within the industry (3)	5,286

(1) Includes other expenses for livestock.

(2) This figure has been re-assessed since preceding estimates, on the basis of FADN/INEA sources and the 1992 ISTAT input-output table.

(3) This category includes seeds sold by farms to other farms, directly marketable forage products, products used as animal feed, hay from cereal crops etc.

Agricultural Credit

The 2000 figures for both short-term and medium and long-term credit varied very little compared to 1999 but there was a change in the type of credit used as recourse to subsidised loans dropped considerably following the introduction of restrictions by the European Commission (State aid regime). Short-term subsidised credit

fell to approximately 1,380 billion lire (-17%) while medium and long-term subsidised credit dropped to about 7,340 billion lire (-12.7%). Non-subsidised credit, on the other hand, increased: short-term loans by 3.4% and medium and long-term loans by 13.5%. As a result of these variations, the percentage of agricul-

tural credit represented by subsidised loans fell from 39.5% in 1999 to 34.2% in 2000 with a difference between short-term loans (15.1%) and medium and long-term loans (45%). The rate of credit to agricultural output rose slightly (+29.7%), confirming the increase in borrowing by farmers.

Agricultural credit (billion lire) ()*

Year	Short term	Medium and long term	Total	% of output (**)
1994	5,383	13,596	18,979	24.8
1995	7,838	15,231	23,069	28.1
1996	8,589	14,026	22,615	26.3
1997	9,784	14,005	23,789	27.7
1998	10,502	14,578	25,080	29.4
1999	9,166	16,330	25,496	29.6
2000	9,134	16,333	25,467	29.7

(*) Operations at year end by residents in Italy; includes credit for fisheries.

(**) At basic prices.

Source: Bank of Italy; from 1998 onwards, figures refer to loans from all banks.

Investments

In the Italian economy, the process of accumulation of capital picked up speed in 2000. The agricultural sector was no exception, increasing its gross fixed investments by 5.5% at constant prices (+3.2% in 1999). In other sectors of the economy, investments rose at an even higher rate; in industry, affected by a high demand in means of transport, they rose by 9.5% and in the building industry by 7.7%. Agriculture's share of Italy's total gross fixed investments remained the same as in 1999, confirming a growth trend. According to UNACOMA estimates, the demand for agricultural machinery on the internal market in 2000 kept to the 1999 levels, rising overall by about 0.9% between tractors, agricultural operating machinery and other machinery. National production contributed much to this increase, rising by 2.6%, while imports of foreign machinery fell by 4.5%. The ratio of

investments to agricultural VA rose in 2000, as a result not only of the increase in accumulation but also of the decrease in agricultural VA. The level of investments per member of the agricultural labour force amounted to about 14.3 million lire, 24% less than the average for the

national economy on the whole. According to Švimez valuations, agricultural investments showed different rates of growth in different parts of the country, increasing, at constant prices, by 8.6% in the Centre-North and by 1.9% in the South.

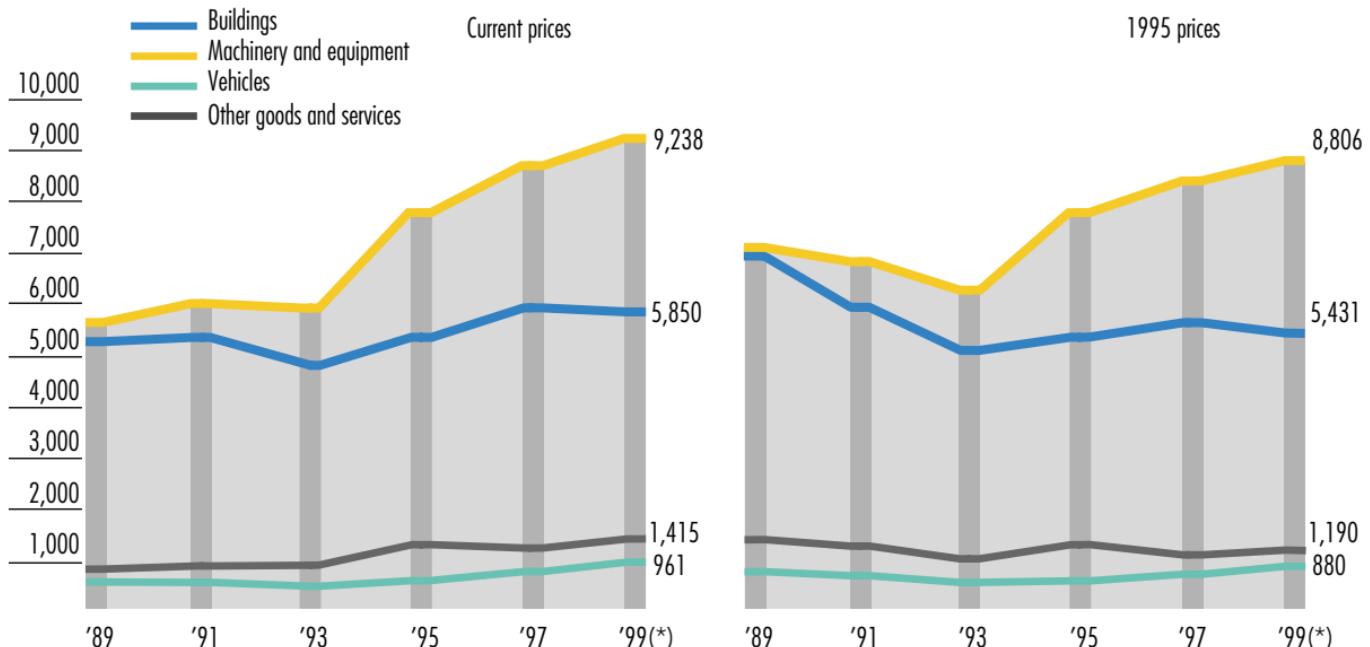
Trends in agricultural investments ()*

	Current values (billion lire)	1995 price values (billion lire)	Total investments	% of (**) VA from agriculture
1990	12,529	15,441	4.4	31.8
1991	12,817	14,739	4.2	27.9
1992	12,557	13,879	4.0	25.9
1993	12,120	12,957	4.2	24.3
1994	13,723	14,227	4.6	26.5
1995	15,040	15,040	4.6	27.6
1996	16,588	16,098	4.7	29.0
1997	16,594	15,817	4.6	28.1
1998	17,210	16,218	4.5	28.6
1999	17,909	16,738	4.4	27.9
2000	19,206	17,665	4.4	30.1

(*) Includes forestry and fishing.

(**) At 1995 prices, VA from agriculture at basic prices.

Machinery, buildings and other forms of investment (billion lire)



Land Market

The price of land rose by an average of 2.5% in Italy in 1999 over the previous year, with different increases across the country: the 3.5% increase in regions in the North was accompanied by a decidedly lower increase (0.1%) in regions in the Centre and South. The effects of the general economic situation on the land market are difficult to evaluate, but the positive expectations of investors and the presence in some cases on the market of non-agricultural operators with substantial liquidity are evident. Comparing the increases in land prices to the increase in the cost of living, a real growth in prices emerges for the third consecutive year. In terms of assets, therefore, land capital has maintained, and in some cases increased, purchasing power, especially in the North and Centre. As usual, there was greater interest in fertile areas and in well-located land; this was confirmed by the growing

difference between values for lowland, which increased by an average of 3-4% a year in the second half of the 1990s, and values for land in hilly or mountainous areas. The difference between North and South, on the other hand, is due essentially to the difference in government aid for agricultural production in different

regions and to the general economic situation. The type of farm land which contributed most to the increase in land values was land planted with vines, which rose in price by an average of 5% from the year before as a result of the favourable commercial situation and the progressive incorporation of

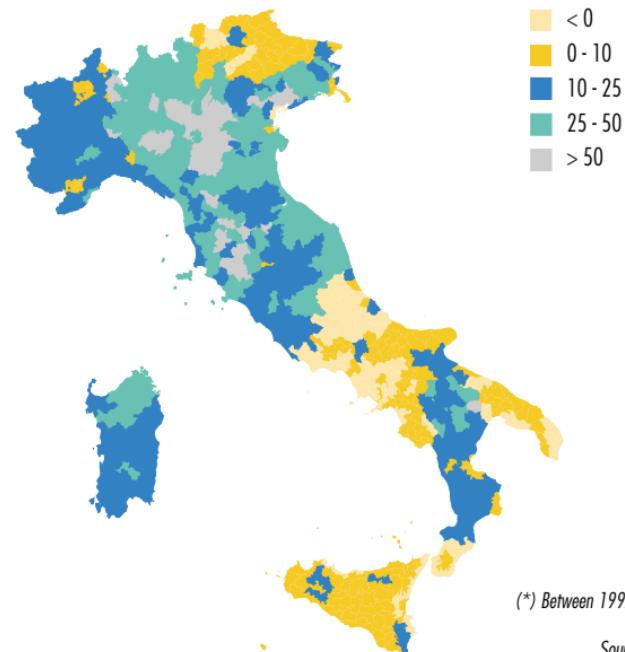
Average land values (million lire/hectare), 1999

	Type of land (according to altitude)					Total	% change	
	Inland mountains	Coastal mountains	Inland hills	Coastal hills	Lowland hills		1999/98	1999/92
North-West	9.6	25.0	28.9	63.7	46.2	32.3	3.4	35.1
North-East	31.0	-	37.7	26.2	50.9	43.4	4.6	35.2
Centre	12.6	19.4	19.2	28.2	36.2	20.9	1.2	22.1
South	11.7	19.2	18.2	28.0	26.3	20.0	0.8	4.2
Islands	10.4	18.0	13.1	16.8	22.7	15.2	0.2	9.4
TOTAL	15.3	18.9	19.9	24.3	40.3	25.5	2.5	22.0

Source: INEA Land Values Data Bank.

replanting rights in the value of land. In 1999, as in 1998, there was a large demand for land to rent, especially in lowland areas and areas in which the presence of profitable crops contributes to a rise in the demand for land. There was, however, no sign of any tension caused by the price of rents. Lastly, according to operators in the sector, some undeclared "black" rents are emerging as a result of farms being required to regularize their business accounts in order to be able to obtain rural development incentives and direct aid payments connected with certain product regimes.

Percentage change in average value of land by agricultural area in Italy between 1992 and 1999 ()*



(*) Between 1992 and 1999, the rate of inflation increased by 24.9%.

Source: INEA Land Values Data Bank.

Production Levels

In 2000 the value of agricultural output at basic prices, including forestry and fishing, showed a slight decrease (-0.6%) compared to 1999. This was due to a small rise in prices (+1.2%) accompanied by a larger drop in volume of production (-1.8%).

Weather conditions were extremely varied, with periods of drought in the North-East at the beginning of the year and in the South during the summer. Violent storms and floods hit Northern and Central Italy, especially in the later part of the year.

None of the main production sectors showed an increase in production levels, which remained unchanged for field crops and fell for tree crops (-6.6%), forage (-2.5%) and livestock (-1.4%). The livestock sector bore the negative impact of an epidemic of avian influenza, of "blue tongue" disease in sheep in Sardinia and the emergence of new cases of BSE in the EU, which resulted in a drop in

beef consumption.

Services connected with agricultural activities showed a decrease in real terms of 0.7%, after five years of constant growth.

An analysis of the single products shows a decrease in cereal production (-0.8%) due to lower outputs of soft wheat (-2.4%), durum wheat (-4.5%)

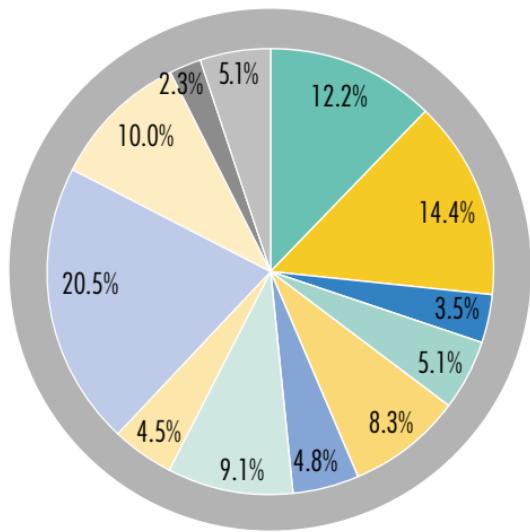
and rice in particular (-13.8%), which was affected by the flooding in Piemonte. Maize output increased (+3.9%), thanks to higher investments. Among industrial crops, there was a large fall in the production of sugar beet (-18.1%), which was characterized, however, by a much higher sugar content than in 1999. The pro-

Output at basic prices by sector, 2000

	Italy		% change 2000/99	
	billion lire	%	Volume	Price
Field crops	27,817	32.5	0.0	-0.9
Tree crops	19,398	22.7	-6.6	0.0
Forage crops	3,680	4.3	-2.5	0.6
Livestock	26,958	31.5	-1.4	5.1
Connected services (1)	4,208	4.9	-0.7	2.0
Forestry	960	1.1	-1.3	-4.1
Fishing	2,596	3.0	9.8	1.0
TOTAL	85,617	100.0	-1.8	1.2

(1) Active and passive agricultural contract work, packaging of agricultural produce, maintenance of parks and gardens, services connected to livestock farming, artificial insemination, new planting, etc.

Agricultural output at basic prices by main sector (billion lire), 2000



(1) Dried legumes accounted for 109 billion lire.

(2) Includes potatoes and fresh legumes.

(3) Sugar beet, tobacco, oilseeds, textile fibres and other industrial products.

(4) Includes honey for 39 billion lire and wool for 23 billion lire.

(5) Active and passive contract work, packaging of agricultural produce, maintenance of parks and gardens, new planting etc.

	TOTAL	82,061
Cereals and dried legumes (1)	9,991	
Vegetables (2)	11,847	
Industrial crops (3)	2,842	
Flowers and ornamentals	4,226	
Grapes	6,835	
Olives	3,969	
Fruit and citrus	7,505	
Forage crops	3,680	
Meat	16,861	
Milk	8,199	
Eggs and other (4)	1,898	
Connected services (5)	4,208	

Main crop production, 2000 (*)

	Volume		Value (**)	
	('000 tonnes)	% change 2000/99	(billion lire)	% change 2000/99
Soft wheat	3,152	-2.4	1,429	-1.3
Durum wheat	4,313	-4.5	2,172	0.0
Maize	10,412	3.9	3,711	0.4
Rice	1,230	-13.8	837	-7.6
Sugar beet	11,561	-18.1	1,053	-6.7
Tobacco	130	3.2	681	7.7
Soya	923	6.1	632	2.8
Sunflowers	456	5.2	367	-2.6
Potatoes	2,155	4.1	888	-6.5
Tomatoes	7,730	4.1	2,208	1.3
Dessert grapes	1,256	2.2	915	14.3
Sold grapes	4,227	-4.1	2,046	-7.4
Wine ('000 hl) (1)	23,638	-7.2	3,847	-11.0
Sold olives	276	-28.6	270	-29.9
Oil (1)	459	-29.8	3,654	-21.1
Apples	2,241	-4.4	1,286	-11.7
Pears	941	16.1	751	14.1
Peaches and nectarines	1,655	-6.3	1,369	2.2
Oranges	2,276	31.3	1,172	14.7
Lemons	708	30.1	565	16.8
Mandarins and clementines	672	13.0	446	-0.1
Kiwi	353	5.7	479	-5.5

(*) Provisional data.

(**) At basic prices.

(1) According to the new methodology of ESA 95, only wine and oil made from the farm's own grapes and olives are taken into consideration; co-operatives and industry are excluded.

duction of oilseeds picked up considerably, with a 5.2% increment in sunflowers and a 6.1% increment in soya, thanks to an increase in the area planted with them. There was a decline in flowers (-6%), which were affected by negative market trends, whereas ornamentals showed a modest increase (+1.4%). The production of vegetables varied considerably: there was an increase in tomato production of about 4% but a drop in beans (-5.2%), artichokes (-8%), peppers (-9.8%) and courgettes (-11.1%). As regards tree crops, there was a large drop in production in the olive sector, especially in sold olives (-28.6%) and oil produced by farms (-29.8%); this was partly due to it being the low-yield year of the olive production cycle and partly to the prolonged summer drought. There was also a considerable drop in the volume of vine products, with wine produced by farms down by 7.2% (but of good quality) and dessert grapes up

slightly (+2.2%). Production levels in the fruit sector varied: a drop in apples (-4.4%) and in peaches and nectarines (-6.3%) was offset by a good harvest of pears (+16.1%) and kiwi fruits (+5.7%). There was a large increase in citrus fruits, especially oranges and

lemons (+30%), although the high temperatures and shortage of water affected quality.

The livestock sector suffered from the effects of various diseases that affected production levels and market trends. There was a decrease in the production

of beef (-2.2%), sheepmeat and goatmeat (-1.3%) and poultrymeat (-3.8%). The production of cow's milk fell by 1%.

The forestry sector was characterized by less felling (-1.3%), accompanied by an unfavourable market.

Looking at results in different parts of the country, the South showed a greater downturn in production levels (-2.9% in volume and about -3% in value) compared to the Centre-North, where the volume of production was down by 1.2% and the value of production was up slightly, by 0.5%.

Main livestock production, 2000

	Volume (*)		Value (**)	
	('000 tonnes)	% change 2000/99	(billion lire)	% change 2000/99
Beef cattle	1,582	-2.2	6,598	0.0
Pigs	1,748	0.6	4,164	12.9
Sheep and goats	96	-1.3	694	-14.3
Poultry	1,361	-3.8	3,802	10.8
Rabbits and game	393	1.1	1,522	4.8
Eggs (millions)	12,700	-1.6	1,835	5.0
Cow's milk ('000 hl) (1)	105,721	-1.0	7,347	0.6
Sheep and goat's milk ('000 hl)	7,083	-0.7	851	0.0
Honey	11	8.9	39	5.2

(*) Liveweight for meat.

(**) At basic prices.

(1) Includes buffalo milk.

Agricultural output at basic prices in EU countries, 1999

	Final output (million euro*)	(%)	Intermediate consumption (million euro*)	(%)	Intermediate consumption/ Final output (%)
Belgium	6,921	2.5	4,224	3.2	61.0
France	62,928	23.1	31,592	24.3	50.2
Germany	41,612	15.2	24,549	18.9	59.0
Italy	42,049	15.4	13,168	10.1	31.3
Luxembourg	251	0.1	129	0.1	51.4
Netherlands	18,457	6.7	9,997	7.7	54.2
Denmark	7,722	2.8	4,579	3.5	59.3
Ireland	5,469	2.0	2,973	2.3	54.4
United Kingdom	24,147	8.8	13,249	10.2	54.9
Greece	11,285	4.1	2,880	2.2	25.5
Portugal	6,309	2.3	2,913	2.2	46.2
Spain	33,344	12.2	11,398	8.8	34.2
Austria	5,246	1.9	2,942	2.3	56.1
Finland	3,533	1.3	2,429	1.9	68.7
Sweden	4,385	1.6	2,941	2.3	67.1
EU	273,658	59.2	69,598	53.6	47.5

(*) 1 euro = 1936.27 lire.

Prices and Costs

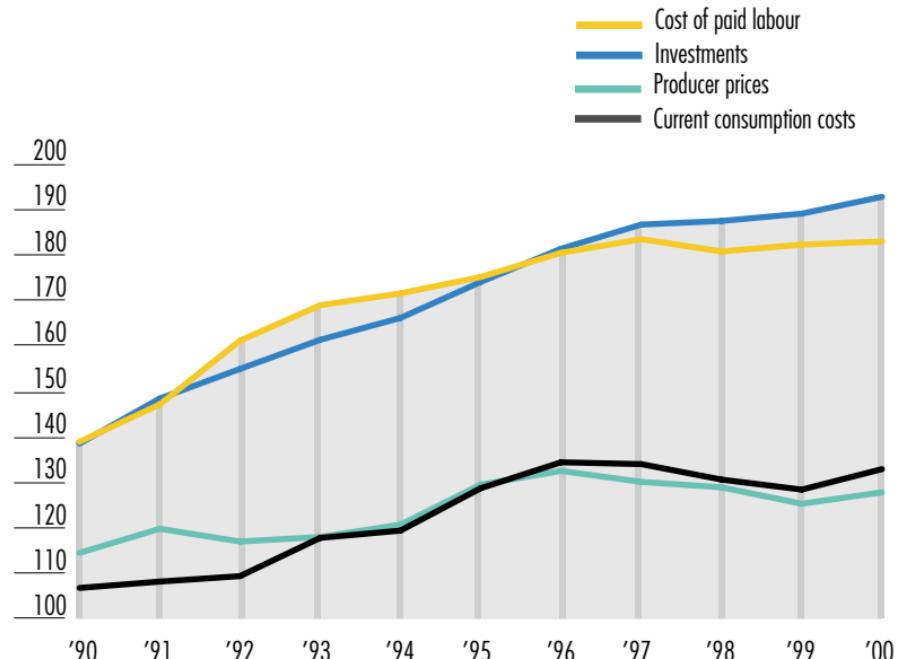
In 2000 the price of goods purchased by farmers (current consumption) began to rise again (+3.6% on average). There were particularly high increases in energy prices (+17.1%) and general expenses (+6%). Prices also rose for materials (+4.4%), maintenance and repairs (+4%) and livestock (4.2%). The price of seeds and plants dropped (-5.8%), as in 1999.

The price of investment goods increased on an average by 2%, with machinery rising by 1.5% and improvements to farm property by 3.1%. Paid labour costs increased by 0.4%, partially as a result of a 0.9% rise in per capita gross salaries.

Producer prices for commodities sold by farmers rose by an average of 2.1%. The increase was concentrated in the livestock sector (+7.1%); crop prices remained more or less the same (+0.3%).

Among livestock products, the high-

Index numbers (1985=100)



est increases were for pigs (+21.1%), poultrymeat (+11.8%) and eggs (+20.2%). These are sectors that were partially affected by the emergence of diseases, as in the case of poultry. As regards other animal products, beef prices rose slightly (calves by 0.2%, adult bovines by 4.2%), while the price of cow's milk fell (-0.9%). The price of sheepmeat increased moderately while the price

of sheep's milk rose considerably (+6.5%).

In the crop sector, among cereals prices rose for soft wheat (+4.4%) and durum wheat (+3.8%), while the price of maize fell by 5.9% and paddy rice by 2.9%. Prices also fell for potatoes (-14.3%), sugar beet (-5.8%), fresh fruit (-5.3%) and nuts (-5.9%). The price of vegetables and legumes rose slightly (+1.4% on aver-

age). Among processed commodities, there was a marked decrease in the price of wine (-5%) and olive oil (-6.4%) whereas the price of oilseeds rose overall (+21.3%).

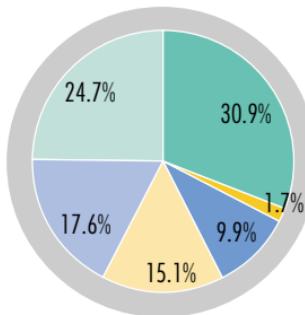
The terms of trade for agriculture, i.e. the ratio between the producer price index and the current consumption goods index, dropped further, falling from 97.5% in 1999 to 96% in 2000.

Total Output and Income From Farming

In 2000, intermediate consumption (seeds, fertilisers, feed, energy, services etc) accounted for 31% of total agricultural output (including production-related subsidies and indirect taxes), paid labour for about 15% and the income to self-employed labour (farmers, entrepreneurs and family workers), capital and business before depreciation (17.6%) accounted for almost 25%.

Subsidies and grants from the State, Ministries, Regional Authorities and EU accounted for a further 9.9%, the same percentage as in 1999.

Break-down of the income from farming (billion lire), 2000 ()*



TOTAL OUTPUT	89,212
Intermediate consumption	27,544
Indirect taxes on production	1,482
Production-related subsidies	8,828
Paid labour earnings	13,450
Depreciation	15,742
Net income to self-employed labour, capital and business	22,166

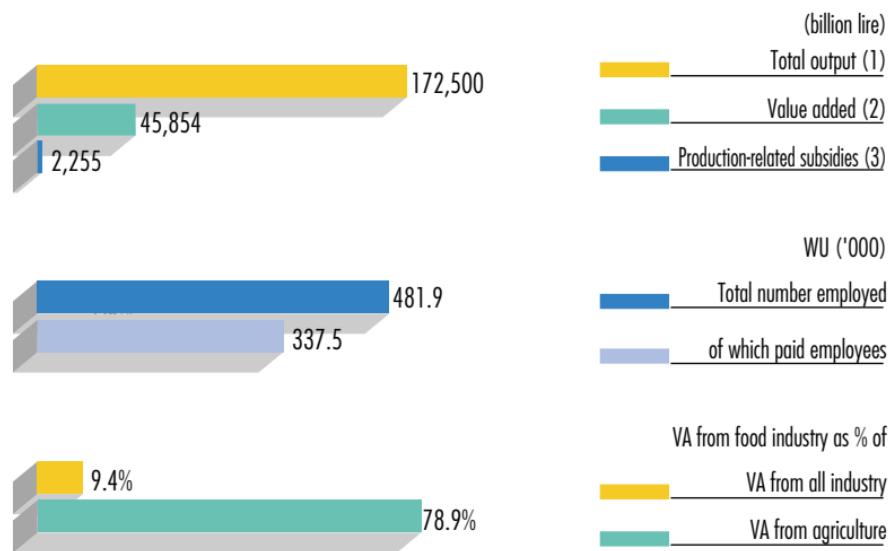
(*) Includes forestry and fishing.

Food Industry

In 2000, production in the food and drinks industry showed an upward trend (+2.3%), due to an increase in food consumption and exports. This increase contrasted with a negative result in the tobacco industry (-2.9%). Value added at basic prices amounted to almost 46,000 billion lire, a 3.3% increase in value over 1999. The food industry contributed around 9.4% of VA from the whole of industry (considered in the narrow sense of the manufacturing and mining industries) and around 78.9% of VA from agriculture in 2000. The percentage of exports on total sales exceeded 13%, but remained lower than that of many of Italy's European partners (in France it is 26%).

Increases in volume of production were recorded in the following sectors: processed fruit and vegetables (+3.9%), especially fruit and vegetable juices (+9.9%); oils and fats (+8.2%); durum wheat flour (+3.4%); refined

Food industry: main macroeconomic aggregates, 2000



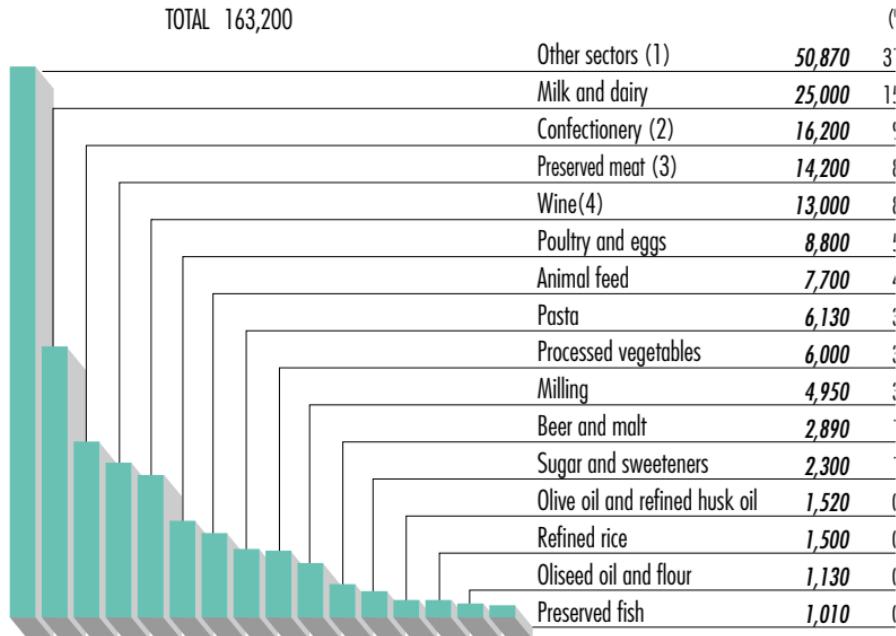
(1) Includes drinks and tobacco.

(2) At basic prices, ie includes product-related subsidies and excludes taxes on products (VAT etc).

(3) Total figure for all subsidies related to products and production.

Source: estimates calculated from ISTAT figures.

Turnover in the food industry by sector (billion lire), 2000



(1) Mineral water, soft drinks, coffee etc.

(2) Industrial confectionery, sweets, chocolate, ice-cream etc.

(3) Ham, mortadella, frankfurters, stuffed trotters, sausages, salami, etc.

(4) Includes cooperatives and short food chains (farmer-producer).

Source: *Federalimentare, "The Accounts of the Italian Food Industry", Rome, June 2001.*

rice (+12.5%); ice cream (+8.4%); baby and diet foods (+9.1%); pre-cooked and other foods (+8.1%). There was a downward trend in sugar (-21.5%); confectionery (-3.5%); condiments and spices (-6.9%); processed and preserved fish (-5.9%); animal food (-2.1%).

The food industry numbers some 80,000 firms*, 79% of which employ fewer than 10 people. In 2000 the food industry employed approximately 482,000 work units, a 1.4% increase over 1999 and the equivalent of 9.2% of the total number of employees in industry in the narrow sense. The structure and the distribution of these firms vary considerably between the North and South of the country; 60% of all firms, 72% of all employees and 75% of VA at basic prices from the Italian food industry are concentrated in the Centre-North. These figures confirm the need to develop the food processing industry in the South.

* ISTAT: firms operating at 31/12/97.

Production in Italy by sector

	Changes 2000/99 (%)
Milling (1)	4.0
Pasta-making	1.4
Biscuit and bread-making	2.9
Processing of fruit and vegetables (2)	3.9
Vegetable and animal oils and fats	8.2
Slaughter and processing of meat	1.2
Milk and dairy products (3)	2.4
Sugar production	-21.5
Confectionery	-3.5
Baby and diet foods	9.1
Precooked and other foods	8.1
Wine (4)	0.7
Beer	0.5
Mineral water and soft drinks	6.2
Animal feed	-2.1
TOTAL	2.3

(1) Includes durum wheat flour and starch products.

(2) Includes vegetable and fruit juices (+9.9%).

(3) Includes production of ice-cream (+8.4%).

(4) From non home-produced grapes.

Food industry in the European Union: main macroeconomic aggregates, 1999 (*)

	Absolute value (**)	% change 1999/98
Value added at factor cost	121,458	0.1
Production	532,049	1.7
Prices (index: 1995=100)	101.7	-1.0
Non-EU exports	36,439	-4.2
Non-EU imports	31,570	-1.2
Employment ('000 units)	2,668.6	1.1

(*) Includes drinks and tobacco.

(**) Monetary aggregates are in million euro (1 euro = 1,936.27 lire). Production aggregates are at constant prices.

Source: Eurostat.

In the European Union, the agri-food sector is one of the leading sectors as far as employment and value added are concerned. Over 80% of value added from the food industry in the EU is concentrated in Germany, France, the United Kingdom, Italy, Spain and the Netherlands. Production increased between 1990 and 2000 in Germany (+2.9%), Denmark (+3.3%) and the Netherlands (+2.5%) while it dropped in France (-0.4%), Spain (-0.8%) and the United Kingdom (-1.2%). In the EU, the food industry represented 13.7% of the whole of the manufacturing industry in 1999. The sectors with the largest share of the industry are milk and dairy products and processed fruit and vegetables, which each account for over 13% of the total.

Distribution

The Ministry of Industry and Trade has radically changed its methods of surveying the retail distribution system, setting up a national Observatory on Commerce for the purpose. The new methodology only takes working businesses into account and distinguishes between their main

activities (national total around 721,000 businesses) and their secondary activities (around 137,000 businesses).

In the food sector, a survey counted 196,000 retail businesses selling food as their main activity (27.2% of the national total) at 31 December 2000.

In the South, the percentage rises to 31%. About 13% of food shops specialized in fruit and vegetables, 21% in meat, 7% in bread and confectionery, 3% in wines, oils and beverages and 14% in other foods. Over 38% of food shops were not specialized in any one category of food.

Food retail outlets, 2000 ()*

	North		Centre		South		Italy	
	Number	%	Number	%	Number	%	Number	%
Fruit and vegetables	9,581	13.3	5,381	15.5	9,540	10.7	24,502	12.5
Meat and meat-based products	12,720	17.7	7,217	20.8	21,798	24.4	41,735	21.3
Fish and fish products	1,569	2.2	1,416	4.1	4,845	5.4	7,830	4.0
Bread and confectionery	6,442	9.0	2,102	6.1	5,207	5.8	13,751	7.0
Wine, oil and drinks	2,278	3.2	992	2.9	1,864	2.1	5,134	2.6
Other foods	10,310	14.4	4,180	12.1	13,361	14.9	27,851	14.2
Non-specialized foods	28,908	40.2	13,352	38.5	32,871	36.7	75,131	38.4
TOTAL	71,808	100.0	34,640	100.0	89,486	100.0	195,934	100.0
% of total outlets	24.8		24.5		30.8		27.2	
DENSITY (1)	360		323		233		295	

(*) Local outlets and branches.

(1) Inhabitants/outlet.

Source: National Observatory on Commerce.

A survey of secondary business activities showed the existence of 1,550 farms, 15,000 food industries and 23,000 restaurants and hotels, together representing 29% of the national total of businesses with secondary activities. In 2000, the retail food trade showed different sales results around the country with an increase compared to 1999 of 1.7%

in the North-East, 1.1% in the North-West, 1.9% in the Centre and 0.8% in the South*. There was a marked difference between the performances of small, traditional food shops and large-scale retail businesses; sales remained stationary in the former, except for the North-East (+1.5%), whereas they increased in the latter, especially in the Centre (+5.3%) and

South (+4.2%).

Large-scale retail trade

At 1 January 2000, there were 6,206 supermarkets in Italy compared to 5,892 the year before. The increase (+5.1%) was particularly marked in the Centre (+8.2%) and South (+6.3%). There was an increase in

Large-scale retail food trade by geographical area, 2000 (*)

	Outlets	% change 2000/99	Sales area (m²) (**)	% change 2000/99	Employees	% change 2000/99	No of outlets per 100,000 inhab.	Sales area m²/1,000 inhab.
North	3,528	5.1	4,217,559	7.6	100,855	7.7	13.6	163.1
Centre	1,327	7.9	1,411,952	9.3	37,609	21.7	11.9	126.8
South	1,655	6.3	1,494,308	10.3	28,221	15.0	7.9	71.6
TOTAL	6,510	6.0	7,123,819	8.5	166,685	11.8	11.2	123.1

(*) Independent supermarkets, food departments in large stores and hypermarkets. At 1st January 2000.

(**) Figures for sales areas and employees refer to all departments in stores, not only food departments.

Source: Calculations by INEA from data from the Ministry of Trade and Industry, Observatory on Commerce.

* Calculation by Irs from ISTAT and IRI-Infoscan data.

the total area used for retail, which reached over 5.3 million m² (+2%), and the total number of employees rose to over 115,000 (+5.4%). There was a considerable increase in the number of hypermarkets, which rose to 304 (+21.1%), with a retail area

of over 1.8 million m² (+33.6%) and some 52,000 employees (+29.1%).

Compared to 1999, sales increased in value in 2000 by 4.8% in supermarkets, by 3.8% in the food departments of hypermarkets and

by 5.4% in discount stores, against 1.8% in traditional food shops.

Large-scale retail trade is increasing its share of the turnover of total fixed-location retail; according to Information Resources valuations, it accounts for over 60% of the total.

Food Consumption

In 2000 household expenditure on food and drink in Italy amounted to about 211,000 billion lire, a 3.1% increase in value over 1999; the volume of consumption rose by 1.3%, recovering after 1999. Among the

different kinds of food, there was an increase in consumption of diet products and other foods (+7.9%), mineral water, soft drinks and juices (+5%), confectionery (+3.3%), milk and dairy products (+3%), fish

(+2.6%), bread and cereal-based products (+2.3%) and fruit (+1.7%); there was a decrease in consumption of oils and fats (-5.2%) and wine and alcoholic drinks (-1.6%) and there was very little change in the consumption of vegetables (-0.7%), coffee, tea and cocoa (-0.5%) and meat (-0.1%).

Expenditure on food dropped to 15.3% of total household expenditure, compared to 15.8% in 1999; ten years ago it was around 20.5%.

According to ISTAT valuations, sales in the catering industry (canteens, snack bars, restaurants etc) amounted to 95,000 billion lire in 2000, increasing by 10.6% in value and 7.5% in volume since 1999; between 1990 and 2000, the value of consumption in the catering industry rose from 32% to 45% of the value of total food consumption, showing a significant change in consumers' eating habits.

Break-down of food consumption, 2000

Product	% of total food expenditure	Average annual rate of change 2000/92 (%)	
		Volume	Price
Meat	22.6	-1.2	2.2
Bread and cereal products	16.8	0.7	2.4
Milk and dairy produce and eggs	13.8	-0.1	3.1
Vegetables and potatoes	10.8	1.0	2.2
Fish	6.8	0.9	2.4
Sugar and confectionery (1)	6.7	1.7	3.6
Fruit	6.3	0.3	0.8
Mineral water and soft drinks (2)	5.0	2.3	1.8
Wine and alcoholic drinks	4.8	-3.4	4.1
Fats and oils	4.7	-2.0	3.3
Coffee, tea and cocoa	1.5	-1.8	3.3
Other foods (3)	0.3	-0.2	2.4
OVERALL	100	-0.12	2.49

(1) Jam, honey, syrups, chocolate, cakes and biscuits etc.

(2) Fizzy drinks, fruit juices etc.

(3) Diet foods, spices, baby products etc.

Food consumption in the EU (kg per capita) ()*

Product	France	Germany	Italy	United Kingdom	Greece	Spain	Austria	EU
Cereals and cereal products (1)	75.2	76.2	124.2	87.1	152.4	70.2	75.2	86.3
Rice	5.1	3.8	6.5	4.1	5.6	6.9	4.1	4.9
Potatoes	53.7	70.6	41.9	97.3	97.3	86.9	55.1	73.3
Vegetables	-	88.8	202.5	-	-	172.6	93.6	-
Fruit and citrus	-	100.7	126.8	-	-	107.5	88.0	-
Milk (2)	97.6	91.2	71.8	128.4	67.2	-	98.7	-
Cheese (3)	23.7	19.3	18.7	8.9	23.0	8.1	16.4	-
Eggs (4)	15.6	13.7	11.8	10.1	10.6	13.3	13.5	12.5
Butter	8.4	6.7	2.5	2.6	0.7	1.0	5.0	-
Total meat	108.0	91.2	88.5	77.6	-	-	98.7	-
Beef	27.0	15.6	24.7	17.2	-	-	19.3	-
Pigmeat	37.2	56.8	35.1	23.0	-	-	57.8	-
Vegetable fats and oils	14.8	21.2	26.6	-	43.8	28.3	11.1	-
Sugar (5)	33.6	32.6	25.4	36.0	30.2	29.5	40.3	32.7
Wine (6)	57.4	23.5	55.0	15.8	26.1	36.9	31.8	34.3

(*) Figures for vegetable products refer to marketing year 1998/99.

Figures for animal products refer to 1998.

(1) In flour equivalents.

(2) Includes other fresh products. Italy - 1997 figures. Greece - 1996/97 figures.

(3) Italy, Spain and Greece - 1997 figures.

(4) 1999 figures.

(5) White sugar equivalent.

(6) Litres per capita. Figures - marketing year 1999/00.

The food Italians spent most on was meat (47,700 billion lire), followed by bread and cereal products (35,400 billion lire) and milk and dairy products and eggs (29,100 billion lire).

Since 1992 (the first year in the new series of unbundled statistics calculated according to ESA 95), there has been a decline in the consumption of wine and other alcoholic drinks, oil and fats and meat, and an increase in mineral water and soft drinks, sugar and confectionery, vegetables and fish.

In Italy, consumption of vegetables, fruit, citrus fruit and cereals is high.

Foreign Trade

In 2000 the trade deficit in the agri-industrial sector amounted to around 18,000 billion lire, a turn for the worse compared to 1999. The increase in the deficit was due to a larger increase in imports (+10%) than exports (+8%) and it led to a lowering of the degree of trade cover by about 1.5%, inverting the good result achieved in 1999.

In the agri-food sector, about 67% of Italian trade took place within the EU, approximately 2% less than in 1999. France and Germany remained Italy's main trading partners as regards both sales and purchases. Among other countries, the United States and Switzerland confirmed their importance as market outlets for Italian produce, and the United States again, together with Brazil and Argentina, were leading suppliers. Other main trading partners included Spain, which increased its sales to Italy by almost 1% over the previous year.

The agri-industrial balance and the agri-industrial system (*)

	1990	1999	2000
MACROECONOMIC AGGREGATES			
Total agri-industrial output (1)	98,241	129,040	131,471
Imports	31,554	45,469	50,217
Exports	13,620	29,653	31,990
Balance	-17,934	-15,816	-18,227
Volume of trade (2)	45,174	75,122	82,207
Apparent consumption (3)	116,175	144,856	149,698
INDICATORS (%)			
Degree of self-sufficiency (4)	84.6	89.1	87.8
Propensity to import (5)	27.2	31.4	33.5
Propensity to export (6)	13.9	23.0	24.3
Degree of trade cover (7)	43.2	65.2	63.7

(*) Billion lire at current prices; figures for output and trade also include "cured tobacco".

(1) Total output from agriculture, forestry and fishing plus VA from the food industry at basic prices (see glossary).

(2) Sum of exports and imports.

(3) Agri-industrial output plus imports minus exports.

(4) Output-consumption ratio.

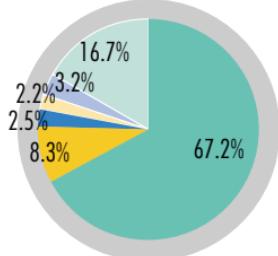
(5) Imports-consumption ratio.

(6) Exports-output ratio.

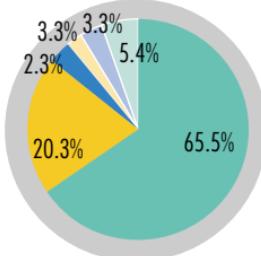
(7) Exports-imports ratio.

Geographical distribution of Italy's foreign agri-food trade (billion lire), 2000 ()*

Imports



Exports



	TOTAL	47,789
EU	32,111	
Other developed countries	3,948	
CEECs	1,172	
Other East European countries (1)	1,057	
Non-EU Mediterranean countries (2)	1,514	
Rest of world	7,987	

	TOTAL	31,975
EU	20,929	
Other developed countries	6,480	
CEECs	1,041	
Other East European countries (1)	733	
Non-EU Mediterranean countries (2)	1,071	
Rest of world	1,721	

(*) Excludes tobacco.

(1) Includes Russia, other CIS countries, former Yugoslavia countries and Albania.

(2) Non-EU Mediterranean countries in Europe, Africa and Asia.

Foreign trade by main agri-food sectors (billion lire), 2000

Product sector	Imports	Exports	Nb (*) (%)	Product sector	Imports	Exports	Nb (*) (%)
Cereals	2,520	165	-87.7	Cereal products	862	4,536	68.1
Fresh legumes and vegetables	896	1,352	20.3	of which pasta	18	2,105	98.3
Dried vegetables and fruit	178	42	-44.6	Sugar and confectionery	1,299	1,158	-5.8
Fresh fruit	1,479	3,166	36.3	Fresh and frozen meat	6,236	1,018	-71.9
Citrus fruit	290	222	-13.3	Processed meat	272	1,119	60.9
Raw textile fibres	965	27	-94.6	Processed and preserved fish	3,942	442	-79.8
Oilseeds	518	18	-93.2	Processed vegetables	1,062	1,856	27.2
Coffee, tea and spices	1,605	79	-90.7	Processed fruit	723	1,392	31.6
Flowers and ornamental plants	711	690	-1.5	Dairy products	5,172	2,107	-42.1
Uncured tobacco	258	369	17.7	of which milk (1)	1,433	15	-98.0
Live animals for food	2,872	79	-94.7	of which cheese	2,139	1,663	-12.5
of which cattle	2,143	56	-94.9	Oils and fats	2,517	2,028	-10.7
Other livestock products	1,446	50	-91.1	Oilcake and oilseed flour	1,726	404	-62.1
Forestry products	1,657	387	-62.2	Drinks	1,782	6,286	55.8
Fish and game	1,451	345	-61.6	of which wine	387	4,649	84.6
Other products	254	187	-15.4	Other food industry products	4,470	2,229	-33.5
TOTAL PRIMARY SECTOR	17,728	7,402	-41.1	TOTAL FOOD INDUSTRY	30,062	24,573	-10.0
				TOTAL AGRI-FOOD BALANCE	47,789	31,976	-19.8
				Cured tobacco	2,428	14	-98.9
				TOTAL AGRI-INDUSTRIAL BALANCE	50,217	31,990	-22.2

(*) Nb = Normalized balance (see glossary).

(1) Fresh and long life.

Foreign trade in agri-food sector by region (billion lire), 2000

	Primary sector		Food industry		Total	
	Imports	Exports	Imports	Exports	Imports	Exports
Piemonte	2,917.7	355.9	1,775.2	3,633.8	4,692.9	3,989.7
Valle d'Aosta	19.3	0.2	34.4	13.1	53.7	13.3
Lombardy	3,303.5	517.3	8,054.3	4,452.2	11,357.8	4,969.5
Trentino - Alto Adige	297.8	505.6	1,039.9	1,172.9	1,337.7	1,678.5
Veneto	2,734.6	803.8	4,122.9	3,156.8	6,857.5	3,960.6
Friuli - Venezia Giulia	634.5	152.7	457.4	746.7	1,091.9	899.4
Liguria	896.5	609.8	1,144.7	400.5	2,041.2	1,010.3
Emilia - Romagna	1,710.7	1,153.8	4,531.5	3,956.0	6,242.2	5,109.8
Tuscany	709.9	398.4	2,436.5	1,869.3	3,146.4	2,267.7
Umbria	206.1	122.0	311.9	343.4	518.0	465.4
Marche	345.2	75.6	308.1	172.6	653.3	248.2
Lazio	893.6	239.9	2,155.0	536.8	3,048.6	776.7
Abruzzo	308.3	72.7	361.8	441.3	670.1	514.0
Molise	18.8	3.1	85.7	78.1	104.5	81.2
Campania	970.0	435.1	1,511.6	2,156.6	2,481.6	2,591.7
Puglia	658.6	1,075.9	793.2	708.9	1,451.8	1,784.8
Basilicata	55.5	60.9	35.5	39.5	91.0	100.4
Calabria	181.9	86.9	217.9	89.8	399.8	176.7
Sicily	399.5	588.0	635.7	581.7	1,035.2	1,169.7
Sardinia	234.4	25.5	191.6	281.1	426.0	306.6
ITALY	17,501.6	7,285.0	30,205.2	24,835.7	47,706.8	32,120.7

Primary sector products represented 35% of total agri-food imports and 23% of exports; the balance in this sector worsened slightly, with an increase in the deficit leading to a normalized balance of 41%. Among primary sector imports, cereals and live animals confirmed their importance, while fresh fruit and vegetables dominated exports, accounting for 61% of the total.

In the food processing industry, exports rose by 8% from 1999 but imports increased at an even higher rate, resulting in an increase in the balance deficit of 1,500 billion lire. Meat, milk and dairy produce and processed fish products emerged as the major imported processed foods while typical Italian commodities such as cereal products, wine and processed fruit and vegetables dominated exports.

The increasingly higher volume of trade in the food industry highlights

the growing importance of processed commodities in the agri-food trade and the role of Italy as a producer of processed foods on world markets.

In Italy the agri-food trade is dominated by four regions in the North of

the country: Lombardy, Veneto, Emilia Romagna and Piemonte. They are followed, at a distance, by Tuscany, Lazio and Campania.

The regional distribution of imports and exports varies considerably

depending on whether primary products or processed commodities are being considered.



STRUCTURE OF THE FARMING INDUSTRY

5TH AGRICULTURAL CENSUS*

Italy

The 2000 Census identified 2,611,580 farms (crop and livestock farms and forestry businesses) in Italy. Compared to 1990 (3,023,344 farms), the number has decreased by 411,764 (-13.6%). Tree crops (vines, olives, fruit etc) emerge as the most widely grown crops in Italy, planted by 71.9% of farms with UAA, while 50.3% of farmers use their land to grow arable crops. Forage crops are grown together with permanent grass on 13% of farms with UAA and together with pasture on 9%. Between 1990 and 2000, farms with UAA have decreased in number by 410,548; the decrease has affected all types of crops to a greater or lesser extent: the number of farms with arable crops has dropped by 25.9%, those with permanent tree crops by 11.1% and those with permanent

grass and/or pasture by 23.1% and 22.7% respectively. Vines are grown on 41.6% of farms with land planted with permanent tree crops and on 29.9% of farms with UAA, but are no longer grown on 35.2% of the farms that cultivated them in 1990. As far as land not classed as UAA is concerned, woods are found on just 22.9% of farms with land; 23% of farms have left the forestry sector since 1990.

Livestock is found on 650,454 or 25% of farms against 34% in 1990. Looking at the main kinds of livestock reared in Italy, the largest decrease since 1990 has been in farms rearing pigs, which now represent 28% of livestock farms compared to 34% in 1990, followed by those rearing cattle and buffalo, found on 27% of livestock farms compared to 31% in 1990.

Italy

	Farms (number)	Change 2000/1990 In number	Change 2000/1990 %
Total farms	2,611,580	-411,764	-13.6
- Arable crops	1,289,065	-450,553	-25.9
- Permanent tree crops	1,844,117	-274,095	-12.9
- Vines	767,763	-417,098	-35.2
- Permanent grass	332,249	-99,542	-23.1
- Pasture	241,892	-70,836	-22.7
UAA	2,564,979	-410,548	-13.8
Woodland	597,427	-179,495	-23.1
TOTAL AREA	2,610,218	-407,535	-13.5
Total livestock farms	640,454	-402,150	-38.6
- Cattle and/or buffalo	170,672	-148,894	-46.6
- Sheep and/or goats	117,022	-96,670	-45.2
- Horses	45,292	-26,901	-37.3
- Pigs	182,322	-175,059	-49.0

* With the data available, comparisons over time can only be made in the total number of farms and the number of farms in each production sector (crops, livestock, forestry).

North-West Italy

With a total of 248,519 farms, the regions in the North-West (Piemonte, Valle d'Aosta, Lombardy and Liguria) show the greatest loss of farms (-39.1%) since 1990 in the whole of Italy. The highest decreases are in farms with pasture, which have almost halved in number, farms with permanent grass, which have dropped from 167,196 to 94,862 (-43.2%), and farms growing arable crops, which have fallen by 42% to 133,332. Similarly, farms with tree crops have decreased by 41% and farms with vines have decreased even more sharply, dropping by 48.5% to 69,734. In absolute terms, however, the largest decrease since 1990 has been in farms in the forestry business, which have dropped from 220,610 to 120,478 (-45.4%). The Census showed that 57% of the

farms that reared livestock in 1990 no longer keep any animals; in fact, livestock is found on just 83,706 farms compared to 194,310 in 1990. The number of farms with pigs has decreased most, falling from 25,817 to 10,729 (-58.4%), followed by farms with sheep and/or goats, which now number just 12,386 (-48.3%). Farms rearing cattle and/or buffalo have also dropped in number to 40,599 (accounting for just under half of all farms with livestock), a 47% decrease since 1990.

North-West Italy

	Farms (number)	Change 2000/1990 In number	Change 2000/1990 %
Total farms	248,519	-159,378	-39.1
- Arable crops	133,332	-97,000	-42.1
- Permanent tree crops	116,755	-81,328	-41.1
- Vines	69,734	-65,554	-48.5
- Permanent grass	94,862	-72,334	-43.3
- Pasture	18,118	-18,377	-50.4
UAA	237,006	-151,109	-38.9
Woodland	120,478	-100,132	-45.4
TOTAL AREA	248,308	-158,789	-39.0
Total livestock farms	83,706	-110,604	-56.9
- Cattle and/or buffalo	40,599	-35,585	-46.7
- Sheep and/or goats	12,386	-11,586	-48.3
- Horses	7,697	-4,214	-35.4
- Pigs	10,729	-15,088	-58.4

North-East Italy

The decrease in number of farms in regions in the North-East (Veneto, Trentino-Alto Adige, Friuli Venezia-Giulia and Emilia-Romagna) is also significant (-20.2%) but smaller than in the North-West. UAA is found on 96.6% of farms in the North-East; of these, 249,935 farms (65%) grow arable crops, a 27.2% decrease since 1990, and 192,239 farms grow permanent tree crops, a similar decrease (-27.4%) resulting almost exclusively from a sharp drop in farms with vines (from 220,676 to 147,877). In fact, in 1990 vines were found on 85% of farms with tree crops while in 2000 the percentage was down to 77%. Farms with permanent forage crops have also decreased to a certain extent, in particular pasture (-23.5%).

The sector with the largest loss of farms between 1990 and 2000 was

livestock, which decreased both in absolute terms (-96,954 farms or -37.7%) and as a percentage of all farms (40% in 2000 compared to 52% in 1990). The largest decreases were in farms with pigs (-54.3%) and with cattle and/or buffalo (-47.5%), which are also the most widely reared categories in the North-East.

North-East Italy

	Farms (number)	Change 2000/1990 In number	Change 2000/1990 %
Total farms	396,736	-100,265	-20.2
- Arable crops	249,935	-93,496	-27.2
- Permanent tree crops	192,239	-72,439	-27.4
- Vines	147,877	-72,522	-32.9
- Permanent grass	112,126	-24,564	-18.0
- Pasture	18,387	-5,634	-23.5
 UAA	 383,152	 -100,689	 -20.8
 Woodland	 123,904	 -30,582	 -19.8
 TOTAL AREA	 396,462	 -99,153	 -20.0
 Total livestock farms	 160,517	 -96,954	 -37.7
- Cattle and/or buffalo	47,462	-42,877	-47.5
- Sheep and/or goats	10,603	-3,939	-27.1
- Horses	9,400	-2,210	-19.0
- Pigs	22,881	-27,185	-54.3

Central Italy

The same regressive trend is evident, though to a lesser extent than in the North, in the Central regions (Tuscany, Umbria, Marche and Lazio), where farms amount to 481,890 (-8.6% compared to 1990). UAA is found on 473,782 farms (-9% since 1990), which mainly grow arable crops (239,909 farms or 51% of farms with UAA in 2000 compared to 61% in 1990) and tree crops (357,058 farms or 75% of farms with UAA in 2000, the same proportion as in 1990). Among tree crop farms, the number of farms with vines has dropped considerably, however, falling to 169,159 (-92,569 or -35.4%) and consequently declining as a percentage of all farms in the tree crop sector (47% in 2000 compared to 66% in 1990). The number of livestock farms has

also fallen considerably since 1990, from 254,896 to 173,864 (-31.8%). This decrease is particularly noticeable in farms rearing pigs (-53.3%), cattle and/or buffalo (-49%) and sheep and goats (-46.1%), which were reared on 38% of farms in 1990 but on only 26% in 2000.

Central Italy

	Farms (number)	Change 2000/1990 In number	Change 2000/1990 %
Total farms	481,890	-45,503	-8.6
- Arable crops	239,909	-79,361	-24.9
- Permanent tree crops	357,058	-44,253	-11.0
- Vines	169,159	-92,569	-35.4
- Permanent grass	87,463	14,153	19.3
- Pasture	49,851	-8,284	-14.2
 UAA	 473,782	 -46,836	 -9.0
 Woodland	 152,425	 -12,891	 -7.8
 TOTAL AREA	 481,547	 -45,224	 -8.6
 Total livestock farms	 173,864	 -81,032	 -31.8
- Cattle and/or buffalo	24,669	-23,685	-49.0
- Sheep and/or goats	28,109	-24,037	-46.1
- Horses	12,224	-5,231	-30.0
- Pigs	44,745	-51,030	-53.3

South Italy

This is the largest area in Italy, not only in number of regions (Abruzzo, Molise, Campania, Puglia, Basilicata and Calabria) but also in number of farms. In 2000, these amounted to 1,004,224 (38.4% of the national total), just 64,754 fewer than 1990 (-6.1%). Almost all Southern farms (99.2%) possess UAA, for the cultivation of permanent tree crops and arable crops. In fact, tree crops are found on 81% of farms with UAA, a percentage decrease of only 5.7% since 1990, while arable crops are found on 46% of farms, showing a higher decrease (-22.6%). The percentage of farms with tree crops is therefore now higher than it was in 1990. Among tree crops the vine is grown by far fewer farms (32.3%) than ten years ago. Woodland is also found on fewer farms since 1990; the number of farms in forestry

has dropped by -16.2% to 156,373 (15.5% of all farms in the South).

Compared to the moderate decrease in the number of crop farms, the livestock sector has been subject to a significant number of closures and/or restructuring, with the number of livestock farmers being almost halved, especially in the traditional categories of cattle and/or buffalo (-46.3% since 1990) and sheep and/or goats (-49.6%). The percentage of farms rearing cattle and/or buffalo has fallen from 28% of total livestock farms in 1990 to 23% in 2000 and those rearing sheep and/or goats from 32% to 24%. A similar decline has occurred in pig farming, with the number of farms falling by 44.1% compared to 1990.

South Italy

	Farms (number)	Change 2000/1990 In number	Change 2000/1990 %
Total farms	1,004,224	-64,754	-6.1
- Arable crops	457,358	-133,925	-22.6
- Permanent tree crops	808,558	-48,650	-5.7
- Vines	262,320	-125,362	-32.3
- Permanent grass	28,864	-12,985	-31.0
- Pasture	79,658	-22,314	-21.9
UAA	996,054	-68,238	-6.4
Woodland	156,373	-30,243	-16.2
TOTAL AREA	1,004,020	-64,275	-6.0
Total livestock farms	179,033	-90,161	-33.5
- Cattle and/or buffalo	40,715	-35,142	-46.3
- Sheep and/or goats	43,670	-43,016	-49.6
- Horses	9,396	-9,861	-51.2
- Pigs	89,636	-70,824	-44.1

The major islands

A similar situation to the one in Southern regions was found on the two major islands (Sicily and Sardinia) which have together lost 8% of their farms since 1990. This is due mainly to a decrease in arable farms (-18.3%) and in part to a decrease in farms with tree crops (-6.9%). Among tree crops, the vine is grown on far fewer farms (-34%). There are also fewer farms with permanent grass and pasture, especially those with pasture, which have dropped by 16,227 (-17.6%).

In the livestock sector, the islands tend to follow the trends recorded in other Southern regions, with the number of farms rearing livestock dropping between -38.8% for farms rearing sheep and/or goats and -43.3% for farms with pigs. There has also been a sharp decrease in the

number of farms with horses: from 11,960 in 1990 to 6,575 in 2000 (-45%).

The major islands

	Farms (number)	Change 2000/1990 In number	Change 2000/1990 %
Total farms	480,211	-41,864	-8.0
- Arable crops	208,531	-46,771	-18.3
- Permanent tree crops	369,507	-27,425	-6.9
- Vines	118,673	-61,091	-34.0
- Permanent grass	8,934	-3,812	-29.9
- Pasture	75,878	-16,227	-17.6
UAA	476,768	-41,893	-8.1
Woodland	44,247	-5,647	-11.3
TOTAL AREA	479,881	-40,094	-7.7
Total livestock farms	43,334	-23,399	-35.1
- Cattle and/or buffalo	17,227	-11,605	-40.3
- Sheep and/or goats	22,254	-14,092	-38.8
- Horses	6,575	-5,385	-45.0
- Pigs	14,331	-10,932	-43.3

Census Data by Region

Piemonte

In absolute terms, Piemonte is the region to have shed the largest number of crop and livestock farms and forestry businesses since 1990 (-37.2%). The Census identified 121,937 farms in the region in 2000; compared to 1990, the number of arable farms has decreased by 42%, tree crop farms by 40% and farms with permanent grass by 41%. There has been a particularly significant decrease in the number of farms growing vines (-43%), while farms in the forestry business have fallen from 114,234 to 69,410 (-39.2%).

Over three-quarters of the farms which have closed down used to rear livestock among their activities, especially minor categories such as poultry, rabbits etc. Of the 54,268 farms which have stopped rearing

Piemonte

	Farms (number)	Change 2000/1990	
		In number	%
Total farms	121,937	-72,141	-37.2
-Arable crops	65,190	-47,501	-42.2
-Permanent tree crops	59,712	-40,285	-40.3
- Vines	39,681	-29,863	-42.9
-Permanent grass	50,664	-35,266	-41.0
-Pasture	7,111	-6,927	-49.3
UAA	113,939	-68,724	-37.6
Woodland	69,410	-44,824	-39.2
TOTAL AREA	121,838	-72,063	-37.2
Total livestock farms	36,753	-54,268	-59.6
-Cattle and/or buffalo	18,096	-17,030	-48.5
-Sheep and/or goats	4,721	-4,982	-51.3
-Horses	2,575	-1,361	-34.6
-Pigs	3,212	-5,604	-63.6

any livestock since 1990, under a third reared cattle and/or buffalo (-48.5%). There has been a large decrease in the number of farms rearing sheep and/or goats (-51.3%) and pigs (-63.6%).

Valle d'Aosta

With 6,650 farms in 2000, Valle d'Aosta has lost 27.6% of its farms since 1990, mainly due to a large drop in the number of farms growing arable crops (-2,081 or -47.4%), permanent grass (-2,131 or -27.2%) and pasture (-37.3%). There has also been a considerable decrease in farms in the forestry business, which have fallen from 7,429 to 4,912 (-33.9%). Just over 86% of the farms which have closed down since 1990 used to rear livestock and of these, 36% reared cattle and/or buffalo. The

Valle d'Aosta

	Farms (number)	Change 2000/1990 In number	Change 2000/1990 %
Total farms	6,650	-2,530	-27.6
- Arable crops	2,313	-2,081	-47.4
- Permanent tree crops	3,510	-1,180	-25.2
- Vines	2,406	-1,288	-34.9
- Permanent grass	5,696	-2,131	-27.2
- Pasture	2,839	-1,687	-37.3
UAA	6,428	-2,335	-26.6
Woodland	4,912	-2,517	-33.9
TOTAL AREA	6,647	-2,503	-27.4
Total livestock farms	2,403	-2,181	-47.6
- Cattle and/or buffalo	1,587	-787	-33.2
- Sheep and/or goats	383	-279	-42.1
- Horses	139	-34	-19.7
- Pigs	86	-155	-64.3

region has a particularly small number of farms with pigs: just 86, 155 fewer than in 1990 (-64.3%).

Lombardy

Lombardy

	Farms (number)	Change 2000/1990 In number	Change 2000/1990 %
Total farms	75,140	-57,020	-43.1
- Arable crops	48,607	-31,108	-39.0
- Permanent tree crops	21,029	-18,383	-46.6
- Vines	15,322	-16,727	-52.2
- Permanent grass	28,249	-26,702	-48.6
- Pasture	5,319	-4,296	-44.7
UAA	72,711	-53,650	-42.5
Woodland	23,726	-28,607	-54.7
TOTAL AREA	75,031	-56,593	-43.0
Total livestock farms	33,765	-38,430	-53.2
- Cattle and/or buffalo	19,238	-15,682	-44.9
- Sheep and/or goats	5,258	-3,402	-39.3
- Horses	4,265	-2,429	-36.3
- Pigs	7,079	-8,801	-55.4

There has also been a considerable

decrease in farms with livestock; between 1990 and 2000 the 72,195 farms rearing animals decreased by 53.2%. For a region with large numbers of cattle and pigs, the declining number of farms that rear them is a reflection on the state of health of the livestock sector and the changes it is going through; between 1990 and 2000, farms rearing cattle dropped from 34,920 to 19,238 (-44.9%), and those rearing pigs dropped by 8,841 (-55.4%).

Trentino-Alto Adige

Among the North-Eastern regions, Trentino-Alto Adige shows the smallest variation in number of farms between 1990 and 2000. With 61,316 farms, it has lost just 2,188 (-3.4%) since 1990. The decrease in farms with UAA has been greater

Trentino-Alto Adige

	Farms (number)	Change 2000/1990 In number	Change 2000/1990 %
Total farms	61,316	-2,188	-3.4
-Arable crops	8,718	-7,809	-47.2
-Permanent tree crops	28,568	-1,742	-5.7
- Vines	15,273	-1,925	-11.2
-Permanent grass	30,531	-2,210	-6.7
-Pasture	8,846	-1,192	-11.9
 UAA	 54,648	 -2,884	 -5.0
 Woodland	 40,061	 -86	 -0.2
 TOTAL AREA	 61,119	 -1,856	 -2.9
 Total livestock farms	 17,418	 -6,461	 -27.1
-Cattle and/or buffalo	11,117	-3,669	-24.8
-Sheep and/or goats	3,952	258	7.0
-Horses	2,320	-11	-0.5
-Pigs	5,716	-3,644	-38.9

(-2,884 or -5%), due to a large number of farms in the province of Trento which used to carry out farming and forestry activities now only operating in the forestry business. In fact, while farms in general have decreased by 1,372 (-3.8%) in the province of Trento, farms with UAA have fallen by 2,198 (-6.5%). In the whole Trentino-Alto Adige region, the number of farms with arable crops has decreased in particular (-47% since 1990) while the number of farms with woodland has remained more or less unchanged: just 86 fewer than in 1990.

There was a larger decrease in farms with livestock, which have fallen from 23,879 to 17,418 (-27.1%), with the province of Trento showing the largest loss (-4,729 farms or -48.7%). The largest decreases are in farms rearing cattle and pigs, which have fallen respectively by 25% and

39% from 1990. The decline in cattle farming is distributed evenly between the two provinces of Trento and Bolzano whereas the decline in pig farming is concentrated in the province of Bolzano, where farmers keeping pigs have decreased from 8,438 to 5,306 (-37.1%).

Veneto

With 192,207 farms in 2000, Veneto has lost 32,706 farms since 1990 (-14.5%). Almost all the farms in the region possess land and most of them also rear livestock. Arable crops remain the most widely grown crops, cultivated on 132,710 farms (70% of farms with UAA), despite a significant drop in the number of these farms (-19.2%). Permanent tree crops come second, cultivated on 89,767 farms (48% of farms with

UAA), but these too have decreased in number (-27.8%) since 1990, when they were cultivated by 56% of farms with UAA. Permanent forage crops, grass in particular, are also cultivated by fewer farms.

As regards animal husbandry, 43% of farms rear livestock (compared to 54% in 1990), especially poultry and other small animals. Since 1990, the number of farms rearing livestock has dropped by 32% to 82,799. The number of farms with cattle has halved, from 42,459 to 21,106, while farms with pigs have shown the largest decrease (-54.5%), falling from 22,325 to 10,157. In 1990, 35% of livestock farms reared cattle and 18% reared pigs; in 2000, these percentages dropped to 25% and 12% respectively.

Veneto

	Farms (number)	Change 2000/1990 In number	Change 2000/1990 %
Total farms	192,207	-32,706	-14.5
- Arable crops	132,710	-31,459	-19.2
- Permanent tree crops	89,767	-34,482	-27.8
- Vines	76,513	-36,687	-32.4
- Permanent grass	53,102	-10,181	-16.1
- Pasture	4,369	-1,823	-29.4
 UAA	 188,290	 -33,832	 -15.2
 Woodland	 41,791	 -6,522	 -13.5
 TOTAL AREA	 192,184	 -32,520	 -14.5
 Total livestock farms	 82,799	 -38,946	 -32.0
- Cattle and/or buffalo	21,106	-21,353	-50.3
- Sheep and/or goats	2,978	-1,368	-31.5
- Horses	3,282	-828	-20.1
- Pigs	10,157	-12,168	-54.5

Friuli-Venezia Giulia

In terms of percentage changes, Friuli-Venezia Giulia shows the second largest loss of farms (-39.3%) in Italy after Lombardy: from 57,848 in 1990 to 35,124 in 2000, of which 34,333 possess UAA. Of the farms with UAA, 84.3% grow arable crops, while only 13,254 grow tree crops, in particular the vine, which is cultivated by 90% of farms with tree crops. Compared to 1990, the number of farms with arable crops has fallen by 38.2%, and those with tree crops by 43.9%, mainly due to the large decrease (-47%) in farms with vines.

There has also been a substantial decrease in farms with permanent grass (-44.7%) and with woodland (-48%).

The number of farms rearing livestock in the region has dropped to

Friuli-Venezia Giulia

	Farms (number)	Change 2000/1990	
		In number	%
Total farms	35,124	-22,724	-39.3
- Arable crops	28,934	-17,849	-38.2
- Permanent tree crops	13,254	-10,354	-43.9
- Vines	11,975	-10,495	-46.7
- Permanent grass	9,677	-7,812	-44.7
- Pasture	679	-475	-41.2
UAA	34,333	-22,030	-39.1
Woodland	10,806	-10,049	-48.2
TOTAL AREA	35,118	-22,696	-39.3
Total livestock farms	11,673	-20,069	-63.2
- Cattle and/or buffalo	3,483	-5,625	-61.8
- Sheep and/or goats	703	-955	-57.6
- Horses	581	-369	-38.8
- Pigs	2,696	-4,594	-63.0

11,673 (-63.2% since 1990); 30% of them rear cattle (compared to 29% in 1990), dropping in number by 61.8% since 1990, and 23% rear pigs, dropping by 63% since 1990.

Liguria

Among the regions in the North-West, Liguria shows the second largest percentage change in farms between 1990 and 2000, with its farms dropping by 27,687 (-38.2%) in 1990 to 44,792 (of which 43,928 with UAA) in 2000. In percentage terms, this decrease has affected all types of production significantly, ranging from a 39.8% decrease in farms with tree crops to a 65.7% decrease in farms with pasture. According to the Census, 74% of farms with UAA now grow tree crops, of which 28% cultivate the vine (against 43% in 1990), and

39% grow arable crops (against 48% in 1990). The largest decrease is in farms cultivating the vine, with 59% of farms giving up their vineyards or uprooting their vines. A large number of farms has also stopped forestry production (-52%); farms with woodland have dropped in number to 22,430 (50% of farms compared to 66% in 1990).

In addition to a scarce vocation for livestock farming in the region (only 24% of farms rear animals), Liguria has also been subject, since 1990, to a large decrease in farms with cattle (-55.4%) and with sheep and goats (-59%). Farms rearing pigs in the region fell in number too: from 880 in 1990 to 352 in 2000 (-60%).

Emilia Romagna

With an overall loss of 42,647 farms

Liguria

	Farms (number)	Change 2000/1990	
		In number	%
Total farms	44,792	-27,687	-38.2
- Arable crops	17,222	-16,310	-48.6
- Permanent tree crops	32,504	-21,480	-39.8
- Vines	12,325	-17,676	-58.9
- Permanent grass	10,253	-8,235	-44.5
- Pasture	2,849	-5,467	-65.7
UAA	43,928	-26,400	-37.5
Woodland	22,430	-24,184	-51.9
TOTAL AREA	44,792	-27,630	-38.2
Total livestock farms	10,785	-15,725	-59.3
- Cattle and/or buffalo	1,678	-2,086	-55.4
- Sheep and/or goats	2,024	-2,923	-59.1
- Horses	718	-390	-35.2
- Pigs	352	-528	-60.0

(-28.3%), Emilia-Romagna takes second place after Friuli-Venezia Giulia among regions in the North-West for its percentage decrease in number of farms between 1990 and 2000. Arable crops and tree crops continue to be the most widely grown crops in the region, cultivated by 75% and 57% of farms respectively (against 78% and 56% in 1990). The number of farms cultivating the two categories has dropped since 1990 by 31.4% and 29.9% respectively. The decline has been particularly marked for farms with vines, which have decreased in number from 67,531 to 44,116 (-35% compared to 1990).

Livestock farms have dropped in number to 48,627 (-39.3%). Livestock is kept on 45% of farms in the region (compared to 53% in 1990); only a quarter of these rear

Emilia Romagna

	Farms (number)	Change 2000/1990 In number	Change 2000/1990 %
Total farms	108,089	-42,647	-28.3
- Arable crops	79,573	-36,379	-31.4
- Permanent tree crops	60,650	-25,861	-29.9
- Vines	44,116	-23,415	-34.7
- Permanent grass	18,816	-4,361	-18.8
- Pasture	4,493	-2,144	-32.3
UAA	105,881	-41,943	-28.4
Woodland	31,246	-13,925	-30.8
TOTAL AREA	108,041	-42,081	-28.0
Total livestock farms	48,627	-31,478	-39.3
- Cattle and/or buffalo	11,756	-12,230	-51.0
- Sheep and/or goats	2,970	-1,874	-38.7
- Horses	3,217	-1,002	-23.7
- Pigs	4,312	-6,779	-61.1

cattle, with a 51% decrease since 1990. The number of farms with pigs has also shown a considerable decrease, dropping from 11,091 in 1990 to 4,312 in 2000 (-61%).

Tuscany

With 140,645 farms, Tuscany shows a lower decrease in farms since 1990 (-6.1%) compared to the average for regions in Central Italy (-8.6%). UAA is found on 96.2% of Tuscan farms, planted mainly with tree crops (grown on 78.1% of farms with UAA) and arable crops (grown on 50.7% of farms with UAA). The number of farms growing arable crops has dropped by 24% since 1990. Almost a half of the farms which grow tree crops cultivate the vine (compared to 69% in 1990); 30% of farms have given up their

Tuscany

	Farms (number)	Change 2000/1990 In number	Change 2000/1990 %
Total farms	140,645	-9,096	-6.1
- Arable crops	68,630	-21,499	-23.9
- Permanent tree crops	105,620	-9,622	-8.3
- Vines	52,748	-22,325	-29.7
- Permanent grass	28,424	1,867	7.0
- Pasture	13,038	-433	-3.2
UAA	135,242	-10,968	-7.5
Woodland	61,758	-2,284	-3.6
TOTAL AREA	140,639	-8,998	-6.0
Total livestock farms	48,113	-23,739	-33.0
- Cattle and/or buffalo	4,847	-4,359	-47.3
- Sheep and/or goats	5,834	-5,123	-46.8
- Horses	3,884	-845	-17.9
- Pigs	5,205	-6,692	-56.2

vineyards or uprooted their vines since 1990. There has been an increase in the number of farms with permanent grass (+7%).

Farms rearing livestock have dropped from 71,852 to 48,113 (-33%) and now represent just 34% of all farms compared to 48% in 1990. This decline is not only due to a lower number of farms with smaller animals (poultry, rabbits and bees) but also to a lower number of farms rearing cattle (-47% compared to 1990) and, to an even larger degree, those rearing sheep (-56% compared to 1990).

Umbria

Among the regions of Central Italy, Umbria, with its 57,425 farms, shows the smallest loss of farms between 1990 and 2000 (-1.9%).

Tree crops are the most widely grown crops in the region, cultivated by 74% of farms with UAA (against 76% in 1990), followed by arable crops, cultivated by 63% of farms (71% in 1990). The vine is grown on 55% of the 41,978 farms with tree crops, a 31.2% decrease since 1990. Permanent forage crops and woodland are found on a larger number of farms compared to 1990.

Since 1990, 7,190 farmers have stopped rearing livestock; farms with livestock have dropped to 25,024, of which 14.1% rear cattle and/or buffalo (16.6% in 1990), 16.5% sheep and/or goats (21.1% in 1990) and 29.6% pigs (45.5% in 1990).

Umbria

	Farms (number)	Change 2000/1990 In number	Change 2000/1990 %
Total farms	57,425	-1,126	-1.9
- Arable crops	35,316	-5,762	-14.0
- Permanent tree crops	41,978	-2,538	-5.7
- Vines	23,001	-10,411	-31.2
- Permanent grass	7,853	1,394	21.6
- Pasture	8,005	700	9.6
 UAA	 56,449	 -1,425	 -2.5
 Woodland	 22,713	 1,383	 6.5
 TOTAL AREA	 57,425	 -1,113	 -1.9
 Total livestock farms	 25,024	 -7,190	 -22.3
- Cattle and/or buffalo	3,533	-1,821	-34.0
- Sheep and/or goats	4,138	-2,649	-39.0
- Horses	1,654	-447	-21.3
- Pigs	7,402	-7,263	-49.5

Marche

Marche is the region in Central Italy to have lost the largest percentage of

its farms between 1990 and 2000 (-17.1%). Almost all the 66,996 farms in the region possess agricultural land and woodland; 98.1% possess UAA. Arable crops are the most widely grown (82% of farms), followed by tree crops (68% of farms). Compared to 1990, the number of farms growing arable crops has decreased by 25.4% and the number of farms with tree crops by 17.5% (-9,527 farms). The vine, which was cultivated by 43,971 farms in 1990, is now cultivated on only 27,440 farms, which represent 42% of farms with UAA and 61% of farms with tree crops. There has been an increase in farms with permanent grass (+40.7%) since 1990 and a decrease in farms with pasture. The number of farms with livestock has fallen from 55,359 to 38,684, (-30.1%) since 1990. There has been a 42.5% decrease in farms with

Marche

	Farms (number)	Change 2000/1990	
		In number	%
Total farms	66,996	-13,836	-17.1
-Arable crops	53,627	-18,255	-25.4
-Permanent tree crops	44,808	-9,527	-17.5
- Vines	27,440	-16,531	-37.6
-Permanent grass	6,088	1,761	40.7
-Pasture	5,274	-1,525	-22.4
UAA	65,674	-14,183	-17.8
Woodland	23,017	-4,668	-16.9
TOTAL AREA	66,970	-13,774	-17.1
Total livestock farms	38,684	-16,675	-30.1
-Cattle and/or buffalo	5,245	-3,871	-42.5
-Sheep and/or goats	4,371	-5,300	-54.8
-Horses	1,258	-429	-25.4
-Pigs	14,383	-15,024	-51.1

cattle and/or buffalo, which now amount to 5,245, a 54.8% decrease in farms with sheep and goats and a 51% decrease in farms with pigs. According to the 2000 Census, 14% of livestock farmers now rear cattle and/or buffalo (against 16% in 1990), 11% rear sheep and goats (17% in 1990) and 37% rear pigs (53% in 1990).

Lazio

After Marche, Lazio is the region in Central Italy to show the largest percentage decrease in farms between 1990 and 2000 (-9%). Of its 216,824 farms, 99% possess UAA, which is mostly used for tree crops (77% of farms); the vine is cultivated on 31% of these. Arable crops are the second most widely grown crop but are only cultivated by 38% of

Lazio

	Farms (number)	Change 2000/1990 In number	Change 2000/1990 %
Total farms	216,824	-21,445	-9.0
- Arable crops	82,336	-33,845	-29.1
- Permanent tree crops	164,652	-22,566	-12.1
- Vines	65,970	-43,302	-39.6
- Permanent grass	45,098	9,131	25.4
- Pasture	23,534	-7,026	-23.0
UAA	214,634	-22,043	-9.3
Woodland	44,937	-7,322	-14.0
TOTAL AREA	216,513	-21,339	-9.0
Total livestock farms	62,043	-33,428	-35.0
- Cattle and/or buffalo	11,044	-13,634	-55.2
- Sheep and/or goats	13,766	-10,965	-44.3
- Horses	5,428	-3,510	-39.3
- Pigs	17,755	-22,051	-55.4

farms with UAA. Compared to 1990, farms growing arable crops have decreased by 29.1% and those growing tree crops by 12.1%, due to the drop in number of farms cultivating the vine (-40%).

There has been a significant decrease since 1990 in farms rearing livestock (-35%), which now number 62,043. The decrease has particularly affected farms rearing cattle and/or buffalo (-55.2%) and pigs (-55.4%). According to the 2000 Census, 18% of livestock farms now rear cattle and/or buffalo (against 26% in 1990) and 29% pigs (against 42% in 1990). The number of farms has remained more or less the same for sheep and goats (from 26% in 1990 to 22% in 2000) and for horses (9% in 1990 and 2000).

Abruzzo

With a loss of 23,337 farms, Abruzzo is the region in the South of Italy to show the greatest percentage decrease in its farms: 21.9%, well over the national average. The largest loss, in absolute and percentage terms, was in farms with arable crops (-34.6%) and in those with vines (-38.1%, from 54,314 to 33,633). Only a half of tree crop farmers grow vines today, compared to 68% in 1990. There has also been a significant decrease in farms in the forestry business (-28.3%).

In Abruzzo, 42% of farmers rear livestock compared to 50% in 1990; the decline has mainly affected farms with sheep and/or goats (-56.7%) - with a 13% drop in the percentage of sheep farmers (from 39% in 1990 to 26% in 2000) - and farms with pigs (-48%), which are now reared on 41% of livestock

Abruzzo

	Farms (number)	Change 2000/1990 In number	Change 2000/1990 %
Total farms	83,443	-23,337	-21.9
- Arable crops	50,926	-26,905	-34.6
- Permanent tree crops	66,886	-14,669	-18.0
- Vines	33,633	-20,681	-38.1
- Permanent grass	5,204	-4,944	-48.7
- Pasture	4,195	-4,227	-50.2
UAA	82,898	-23,518	-22.1
Woodland	22,011	-8,704	-28.3
TOTAL AREA	83,419	-23,254	-21.8
Total livestock farms	35,397	-19,010	-34.9
- Cattle and/or buffalo	6,705	-4,057	-37.7
- Sheep and/or goats	9,129	-11,978	-56.7
- Horses	2,070	-1,020	-33.0
- Pigs	14,420	-13,318	-48.0

farms compared to 51% in 1990.

Molise

Molise

	Farms (number)	Change 2000/1990 In number	Change 2000/1990 %
Total farms	34,105	-7,310	-17.7
- Arable crops	24,974	-9,708	-28.0
- Permanent tree crops	25,899	-4,435	-14.6
- Vines	12,262	-7,636	-38.4
- Permanent grass	3,218	-3,319	-50.8
- Pasture	5,342	-1,247	-18.9
UAA	33,528	-7,648	-18.6
Woodland	16,240	-5,278	-24.5
TOTAL AREA	34,099	-7,306	-17.6
Total livestock farms	13,521	-6,628	-32.9
- Cattle and/or buffalo	4,042	-2,711	-40.1
- Sheep and/or goats	4,041	-3,386	-45.6
- Horses	789	-1,119	-58.6
- Pigs	7,215	-5,415	-42.9

with cattle and/or buffalo has dropped by 40.1%, with sheep and goats by 45.6% and with pigs by 42.9%. In 1990, 17% of livestock farmers kept sheep and goats and 53% pigs; in 2000 they are down to 11% and 37% respectively.

Campania

With a loss of 8.6% of its farms since 1990, Campania is in third place among Southern regions for the percentage decrease in its farms. Of a total of 251,098 farms, 99.4% possess UAA, which is mainly used for tree crops (cultivated by 76% of farms, a limited decrease since 1990 of 6.2%). Arable crops, on the other hand, although they remain the second most widely cultivated crop, are grown by a far smaller number of farms compared to 1990 (-22.1%),

Campania

	Farms (number)	Change 2000/1990	
		In number	%
Total farms	251,098	-23,764	-8.6
- Arable crops	138,034	-39,261	-22.1
- Permanent tree crops	188,810	-12,439	-6.2
- Vines	81,199	-30,710	-27.4
- Permanent grass	8,812	-4,079	-31.6
- Pasture	17,774	-4,299	-19.5
 UAA	 249,583	 -23,416	 -8.6
 Woodland	 55,621	 -3,746	 -6.3
 TOTAL AREA	 251,011	 -23,721	 -8.6
 Total livestock farms	 69,103	 -26,842	 -28.0
- Cattle and/or buffalo	16,437	-14,726	-47.3
- Sheep and/or goats	11,681	-10,789	-48.0
- Horses	2,117	-2,077	-49.5
- Pigs	31,854	-25,902	-44.8

dropping from 65% of farms with UAA in 1990 to 55% in 2000. The number of farms growing vines and permanent grass has also dropped considerably since 1990 (-27.4% and -31.6% respectively).

Farms rearing livestock have decreased more than farms with crops: from 95,945 in 1990 to 69,103 in 2000 (-28%). In 1990 livestock was found on 35% of farms, in 2000 on just 28%. There were significant decreases in farms rearing all types of livestock, ranging between -44.8% for farms with pigs and -49.5% for farms with horses.

Puglia

With 354,720 farms, Puglia is second only to Sicily in number of farms and is the only region in the whole of Italy to have registered an

increase in farms between 1990 and 2000 (+1.2%). This increase is due to changes in the use of land by farms compared to 1990: there are fewer farms with arable crops, the same number of farms with permanent tree crops (though farms with vines are down by 27.7%) and 25% fewer farms with pasture.

In the livestock sector, the number of farms has dropped enormously (-59.3%); only 2% of farms in the region now rear animals. The percentages of farms with each type of livestock has, however, remained more or less the same as in 1990, except for farms with cattle and/or buffalo, which are now kept by 59% of livestock farms compared to 48% in 1990.

Puglia

	Farms (number)	Change 2000/1990	
		In number	%
Total farms	354,720	4,116	1.2
- Arable crops	118,000	-19,918	-14.4
- Permanent tree crops	304,234	636	0.2
- Vines	79,099	-30,319	-27.7
- Permanent grass	1,434	367	34.4
- Pasture	7,899	-2,685	-25.4
 UAA	 353,284	 3,035	 0.9
 Woodland	 8,105	 -1,116	 -12.1
 TOTAL AREA	 354,698	 4,221	 1.2
 Total livestock farms	 6,821	 -9,953	 -59.3
- Cattle and/or buffalo	4,025	-4,051	-50.2
- Sheep and/or goats	2,550	-3,618	-58.7
- Horses	1,049	-1,266	-54.7
- Pigs	1,156	-2,056	-64.0

Basilicata

In 2000, there were 82,438 farms in Basilicata, of which 98.9% with UAA. Since 1990, only 917 farms have stopped all agricultural, livestock and forestry production (-1.1%). The number of farms with arable crops has dropped particularly (-11.1%), followed by farms with permanent tree crops (-8.9%); among the latter, farms cultivating vines have dropped by 36.1%, a higher rate than the national average. Farms with pasture have decreased by 14.8%.

Livestock is reared on 18,801 farms (23% of total farms), 34% less than in 1990. The decreases registered for the various types of livestock indicate a tendency for livestock to be concentrated on an increasingly smaller number of farmers. Farmers owning cattle and/or buffalo have

Basilicata

	Farms (number)	Change 2000/1990 In number	Change 2000/1990 %
Total farms	82,438	-917	-1.1
- Arable crops	52,365	-6,562	-11.1
- Permanent tree crops	56,498	-5,498	-8.9
- Vines	23,457	-13,252	-36.1
- Permanent grass	5,125	-202	-3.8
- Pasture	22,149	-3,857	-14.8
UAA	81,496	-1,383	-1.7
Woodland	19,917	-3,154	-13.7
TOTAL AREA	82,434	-896	-1.1
Total livestock farms	18,801	-9,871	-34.4
- Cattle and/or buffalo	3,647	-3,156	-46.4
- Sheep and/or goats	8,499	-4,599	-35.1
- Horses	1,845	-2,337	-55.9
- Pigs	10,631	-8,414	-44.2

dropped to 3,647 (-46% compared to 1990); farmers owning sheep and/or goats have decreased by 35.1% and those with pigs by 44.2%.

(-19%).

As in the rest of Italy, Calabria saw a sharp decrease in its livestock farms between 1990 and 2000; the rate (-33.5%) is, however, below the national average. There are now 35,390 livestock farms, or 17.8% of total farms, in the region. The period between 1990 and 2000 has seen a process of specialization take place in the region: over 33% of farms with livestock have stopped keeping animals. Compared to 1990, farms keeping cattle and/or buffalo have decreased by 52.4%, those with sheep and goats by 52.7% and those with pigs by 39.2%.

Calabria

Between 1990 and 2000, the number of farms in Calabria dropped by 6.4% to 198,420, of which 98% possess UAA. Permanent tree crops (found on 83.8% of farms in the region) remain the most widely grown crops, followed by arable crops (36.8% of farms). Farms growing arable crops have decreased by 30% compared to 1990, while farms with tree crops have only decreased by 7%. There has been a large drop in the number of farms with vines (-41.1%) and with pasture (-21.2%) while the decrease in farms with woodland is less marked

Sicily

Sicily remains the region with the highest number of farms in the country, despite a 9.2% decrease between 1990 and 2000, from

Calabria

	Farms (number)	Change 2000/1990 In number	Change 2000/1990 %
Total farms	198,420	-13,542	-6.4
- Arable crops	73,059	-31,571	-30.2
- Permanent tree crops	166,231	-12,245	-6.9
- Vines	32,670	-22,764	-41.1
- Permanent grass	5,071	-808	-13.7
- Pasture	22,299	-5,999	-21.2
UAA	195,265	-15,308	-7.3
Woodland	34,479	-8,245	-19.3
TOTAL AREA	198,359	-13,319	-6.3
Total livestock farms	35,390	-17,857	-33.5
- Cattle and/or buffalo	5,859	-6,441	-52.4
- Sheep and/or goats	7,770	-8,646	-52.7
- Horses	1,526	-2,042	-57.2
- Pigs	24,360	-15,719	-39.2

404,204 to 366,948. The number of Sicilian farms cultivating the various types of crops shows less of a tendency to specialize in this region than in other regions in the South. In fact, since 1990, 9% of farms have left the census field of survey, 19% have stopped growing arable crops, 6% have stopped growing permanent tree crops, 13% no longer keep permanent grass and 16% no longer keep pasture. There has been a large decrease in farms with vines, which now number 77,906; in 1990 vines were cultivated on 39% of farms but only on 27% in 2000.

Between 1990 and 2000, Sicilian livestock farms dropped sharply in number (-45.1%) to 16,490, with large decreases in farms keeping sheep and goats (-53.6%), horses (-60%) and pigs (-62.9%). Only 4% of Sicilian livestock farmers are farm owners. The decrease in farms keeping cattle and/or buffalo (-46.6%) is

Sicily

	Farms (number)	Change 2000/1990 In number	Change 2000/1990 %
Total farms	366,948	-37,256	-9.2
- Arable crops	158,982	-36,098	-18.5
- Permanent tree crops	287,702	-18,587	-6.1
- Vines	77,906	-41,963	-35.0
- Permanent grass	5,423	-782	-12.6
- Pasture	44,449	-8,407	-15.9
UAA	365,450	-37,075	-9.2
Woodland	16,977	-795	-4.5
TOTAL AREA	366,725	-36,284	-9.0
Total livestock farms	16,490	-13,520	-45.1
- Cattle and/or buffalo	8,632	-7,534	-46.6
- Sheep and/or goats	6,377	-7,360	-53.6
- Horses	2,292	-3,438	-60.0
- Pigs	2,103	-3,570	-62.9

slightly higher than the regional average for livestock farms.

Sardinia

With an annual decrease in its number of farms of just below 0.4%, Sardinia is the region in the South (including the major islands) to show the smallest decline in number of farms after Basilicata. The variations in the region's use of agricultural land since 1990 have been considerable, however: the number of farms growing arable crops has dropped by 17.7%, farms with permanent grass by 46.3% and farms with pasture by 19.9%. There has been a smaller decrease (-10%) in farms with tree crops, which are grown by just over 73% of farms with UAA (compared to 78% in 1990). The vine has disappeared from 32% of farms since 1990 and

farms in the forestry business have also decreased significantly (-15.1%).

With its 26,844 livestock farms in 2000, Sardinia has shown the smallest decrease since 1990 in this kind of farm (-26.9%) in the whole of the South of Italy. Farms with cattle and/or buffalo have decreased by 32.1%, those with sheep and goats by 29.8% and those with pigs by 37.6%. Today, 32% of livestock farms rear cattle and/or buffalo (34% in 1990), 59% sheep and/or goats (62% in 1990) and 46% pigs (53% in 1990).

Sardinia

	Farms (number)	Change 2000/1990 In number	Change 2000/1990 %
Total farms	113,263	-4,608	-3.9
- Arable crops	49,549	-10,673	-17.7
- Permanent tree crops	81,805	-8,838	-9.8
- Vines	40,767	-19,128	-31.9
- Permanent grass	3,511	-3,030	-46.3
- Pasture	31,429	-7,820	-19.9
UAA	111,318	-4,818	-4.1
Woodland	27,270	-4,852	-15.1
TOTAL AREA	113,156	-3,810	-3.3
Total livestock farms	26,844	-9,879	-26.9
- Cattle and/or buffalo	8,595	-4,071	-32.1
- Sheep and/or goats	15,877	-6,732	-29.8
- Horses	4,283	-1,947	-31.3
- Pigs	12,228	-7,362	-37.6



ECONOMIC RESULTS ACCORDING TO FADN

1999 Incomes

INEA, the official link between Italy and the EU for the implementation of the Farm Accountancy Data Network (FADN), gathers business data on a sample of farms, the number of which varies each year between 15,000 and 18,000.

The data is collected with the cooperation of the Regions and Farmers' Associations according to INEA's methodology, which analyses structural characteristics, factor endowment, types of production and costs.

After the basic data is verified and processed, it is fed into a national data bank and disseminated through specialist publications.

More detailed information is available from INEA's regional offices.

Average farm data according to altitude of territory, 1999

Farms (no)	UAA (ha)	WU	VFO	Variable costs	Fixed costs	Net income
				('000 lire)		
Mountain areas	3,841	34.53	1.66	91,404	41,419	22,605
Hill areas	7,655	21.54	1.49	94,154	35,390	22,733
Lowland	4,863	23.56	1.68	161,919	68,503	40,213
TOTAL	16,359	25.19	1.58	113,652	46,649	27,899
						46,999

Source: FADN.

Average farm data by geographical area, 1999

	Farms (no)	UAA (ha)	WU	VFO	Variable costs ('000 lire)		Fixed costs	Net income
North	6,592	27.31	1.86	159,978	68,681	41,272	62,185	
Centre	3,178	23.76	1.52	106,135	38,448	29,137	41,071	
South	6,589	23.76	1.34	70,932	28,562	13,923	34,665	
TOTAL	16,359	25.19	1.58	113,652	46,649	27,899	46,999	

Source: FADN.

Average farm data by geographical area - changes 1999/98 ('000 lire)

	VFO			Variable costs			Fixed costs			Net income		
	1998	1999	Change (%)	1998	1999	Change (%)	1998	1999	Change (%)	1998	1999	Change (%)
			99/98			99/98			99/98			99/98
North	167,115	159,978	-4.27	72,899	68,681	-5.79	40,750	41,272	1.28	66,522	62,185	-6.52
Centre	99,237	106,135	6.95	37,356	38,448	2.92	27,995	29,137	4.08	37,538	41,071	9.41
South	68,118	70,932	4.13	27,101	28,562	5.39	13,552	13,923	2.74	33,426	34,665	3.71
TOTAL	116,576	113,652	-2.51	48,726	46,649	-4.26	27,994	27,899	-0.34	48,421	46,999	-2.94

Source: FADN.

Average farm data by ESU, 1999

	Farms (no)	UAA (ha)	WU	VFO	Variable costs ('000 lire)	Fixed costs	Net income
2 - 4 ESU	725	6.01	0.94	22,288	6,783	6,825	10,066
4 - 8 ESU	2,521	10.82	1.07	32,572	11,946	9,821	13,606
8 - 16 ESU	4,605	16.89	1.26	53,835	20,489	14,385	23,514
16 - 40 ESU	5,402	27.37	1.61	101,731	40,426	25,227	44,082
40 - 100 ESU	2,423	38.27	2.26	227,186	96,321	52,566	93,987
Over 100 ESU	683	90.84	3.80	604,734	266,442	141,747	224,182
TOTAL	16,359	25.19	1.58	113,652	46,649	27,899	46,999

Source: FADN.

Average farm data by type of farm, 1999

	Farms (no)	UAA (ha)	WU	VFO	Variable costs ('000 lire)	Fixed costs	Net income
Arable crops	4,424	28.37	1.29	88,365	31,479	25,890	31,012
Horticulture	938	2.38	1.94	126,936	45,640	25,362	54,497
Permanent tree crops	3,843	10.52	1.56	107,887	30,502	25,655	50,652
Herbivorous livestock	3,739	41.67	1.82	144,462	76,028	33,206	61,531
Granivorous livestock	111	18.77	2.21	450,498	266,085	68,531	124,600
Mixed crops	1,408	20.18	1.54	84,210	28,000	24,585	32,488
Mixed livestock	366	25.53	1.65	118,122	58,922	24,025	51,286
Mixed crops/livestock	1,530	31.53	1.69	119,405	58,200	28,961	50,638
TOTAL	16,359	25.19	1.58	113,652	46,649	27,899	46,999

Source: FADN.

Profitability of Crops

The following tables provide figures for the costs and revenues involved in growing different types of crops.

INEA has used the data from its FADN data bank to calculate or estimate the figures in the tables. For some of the figures, such as those for the use of machinery, fixed costs and the consumption of fixed capital, INEA has estimated what part of the expenses incurred by the farm for all its activities can be allotted on a pro rata basis to each crop.

The data used to calculate the income for each crop is given both for the whole of Italy (the first table) and for each part of the country (the following tables).

The terms used in the tables are defined below to help the reader interpret the data correctly.

- **Crop:** only crops grown in the open are taken into consideration; crops grown in industrial nurseries or glasshouses are not included.

- **Yield:** quantity of main product harvested in a certain year.
- **Selling price:** average selling price of main product sold in the year; this can include production from previous years (left-over stock).
- **Gross output:** value of production of the main crop and of secondary products, excluding public subsidies and premiums. Gross output does not equate to the product of "yield" x "selling price" in that these refer to the main product only; the selling price can also differ from the average value of the product in the year if there is a time lag between production and sale or if products are not sold outside the industry but have a different destination (e.g. transactions within the industry, own consumption etc).
- **Premiums and subsidies:** public aid payments on cultivation and/or products; excludes generic subsidies and payments for other processes.
- **Variable costs:** expenditure on "raw materials" (seeds and plants, fertilisers, pesticides, herbicides, irrigation water and other specific expenses) and on "machinery, energy and services" (i.e. specific fuels and electricity, specific insurance premiums, machinery costs); the latter includes hire charges paid to agricultural contractors as well as expenditure on and depreciation of machinery, and is estimated for each crop on a pro rata basis. The cost of casual labour is not included.
- **Gross margin** = Total revenue minus variable costs.
- **Fixed costs:** are broken down as follows:
 - land capital (rent costs, interest calculated at 1% and depreciation of property); estimated on a pro rata basis for each crop;
 - working capital (interest calculated at 2%); estimated on a pro rata

basis for each crop;
- other fixed costs (common expenses such as general and administrative expenses, expenses for buildings and fixtures, taxes and duties related to the crop con-

cerned), estimated on a pro rata basis; the cost of fixed family or paid labour is not included.

- **Total cost (excluding labour)** = Variable costs plus fixed costs.
- **Income from activity** = Gross out-

put from crop plus premiums and subsidies minus total cost (excluding labour). Equivalent to sum available for remuneration of entrepreneurial activity and labour.

Profitability of crops in Italy ('000 lire/ha), 1999

	Yield (q/ha)	Selling price (lire/q)	Gross output	Revenue			Variable	Costs		Income from labour and business
				Premiums and subsidies	Total	Variable		Fixed	Total	
CEREALS										
Durum wheat	32	28,603	992	959	1,951	786	339	1,126	825	
Soft wheat	50	26,528	1,504	525	2,029	883	406	1,289	740	
Maize	105	22,946	2,616	805	3,421	1,493	676	2,170	1,251	
Rice	57	58,800	3,291	673	3,964	1,750	722	2,471	1,493	
INDUSTRIAL CROPS										
Soya	35	34,564	1,240	1,500	2,739	965	636	1,601	1,138	
Potatoes	245	34,079	8,253	37	8,290	3,429	1,615	5,044	3,246	
Sunflowers	21	31,258	668	1,144	1,812	744	380	1,124	688	
Raw tobacco	47	169,202	7,962	2,806	10,769	3,103	2,055	5,159	5,610	
FIELD VEGETABLES AND FRUIT										
Asparagus	47	431,585	18,891	30	18,920	5,088	3,236	8,324	10,596	
Green beans	67	130,876	8,895	30	8,925	2,841	1,477	4,317	4,607	
Strawberries	238	238,838	52,812	40	52,852	22,949	8,776	31,724	21,128	
Melons	243	51,081	12,611	46	12,656	5,886	2,123	8,009	4,648	
Tomatoes	532	19,901	10,560	25	10,585	4,526	1,773	6,298	4,287	
Courgettes	207	96,752	19,846	53	19,899	6,600	3,233	9,833	10,066	

Source: FADN.

continued

Profitability of crops in Italy ('000 lire/ha), 1999

	Yield (q/ha)	Selling price (lire/q)	Gross output	Revenue			Variable	Costs	Income from labour and business
				Premiums and subsidies	Total	Fixed			
TREE CROPS									
Kiwi	187	79,982	15,087	384	15,471	2,917	2,678	5,595	9,876
Oranges	189	41,978	7,936	393	8,329	1,780	944	2,724	5,605
Apples	345	49,698	17,139	323	17,462	5,016	3,262	8,278	9,184
Olives for eating	37	104,818	3,973	160	4,133	1,206	458	1,664	2,469
Peaches	164	65,979	10,168	216	10,384	2,539	1,594	4,133	6,251
Dessert grapes	194	67,001	13,065	312	13,376	4,578	1,824	6,401	6,975
Grapes for quality wine	112	112,504	12,528	571	13,099	3,145	2,385	5,531	7,568
Grapes for ordinary wine	137	60,183	8,346	191	8,537	2,011	1,487	3,498	5,040

Source: FADN.

Profitability of single crops by area ('000 lire/hectare, unless otherwise indicated), 1999

	Durum wheat				Soft wheat			
	North-West	North-East	Centre	South & Islands	North-West	North-East	Centre	South & Islands
Yield (q/ha)	52	59	39	26	51	59	44	27
Selling price (lire/q)	27,962	29,305	28,287	28,746	24,849	27,825	26,132	25,424
Total revenue:	2,673	2,573	2,290	1,725	2,163	2,282	1,779	1,284
of which gross output	1,712	1,740	1,168	851	1,554	1,716	1,290	1,048
of which premiums and subsidies	961	833	1,122	874	609	566	489	235
Variable costs:	1,082	1,055	968	669	912	934	859	634
of which raw materials	540	491	417	300	424	468	385	237
of which machinery, energy & services	541	563	551	369	488	466	474	398
GROSS MARGIN	1,591	1,518	1,321	1,056	1,251	1,348	920	649
Fixed costs:	473	549	470	254	383	487	365	189
of which land capital	304	320	285	162	246	284	221	121
of which working capital	47	44	59	29	38	39	46	21
of which other general costs	122	185	127	63	99	164	99	47
Total cost:	1,555	1,604	1,439	923	1,295	1,421	1,225	824
per quintal (lire)	30,166	27,239	36,937	35,250	25,286	24,215	27,561	30,815
INCOME FROM LABOUR AND BUSINESS	1,118	969	851	802	868	861	555	460

Source: FADN.

Profitability of single crops by area ('000 lire/hectare, unless otherwise indicated), 1999

	Maize				Rice			
	North-West	North-East	Centre	South & Islands	North-West	North-East	Centre	South & Islands
Yield (q/ha)	109	111	82	44	57	58	-	-
Selling price (lire/q)	23,681	22,026	24,045	25,508	57,700	68,973	-	-
Total revenue:	3,635	3,459	3,138	1,862	3,893	4,622	-	-
of which gross output	2,816	2,615	2,356	1,586	3,214	4,007	-	-
of which premiums and subsidies	820	844	782	276	680	615	-	-
Variable costs	1,618	1,485	1,442	709	1,753	1,716	-	-
of which raw materials	826	832	632	294	974	784	-	-
of which machinery, energy & services	792	653	810	415	779	932	-	-
GROSS MARGIN	2,017	1,974	1,696	1,153	2,140	2,906	-	-
Fixed costs:	644	738	645	274	693	987	-	-
of which land capital	413	430	390	175	449	575	-	-
of which working capital	64	59	80	31	68	79	-	-
of which other general costs	166	249	174	68	175	333	-	-
Total cost:	2,262	2,223	2,087	983	2,446	2,702	-	-
per quintal (lire)	20,814	19,986	25,401	22,197	43,094	46,647	-	-
INCOME FROM LABOUR AND BUSINESS	1,373	1,236	1,051	879	1,447	1,920	-	-

Source: FADN.

Profitability of single crops by area ('000 lire/hectare, unless otherwise indicated), 1999

	Soya				Potatoes			
	North-West	North-East	Centre	South & Islands	North-West	North-East	Centre	South & Islands
Yield (q/ha)	34	36	-	-	302	347	274	185
Selling price (lire/q)	32,105	35,368	-	-	29,467	28,067	38,198	36,409
Total revenue:	2,649	2,769	-	-	9,232	9,999	10,523	6,833
of which gross output	1,101	1,285	-	-	8,999	9,985	10,462	6,829
of which premiums and subsidies	1,549	1,484	-	-	233	15	61	3
Variable costs:	1,063	933	-	-	3,548	4,370	4,062	2,854
of which raw materials	430	406	-	-	1,635	2,801	2,059	1,764
of which machinery, energy & services	633	527	-	-	1,913	1,569	2,003	1,089
GROSS MARGIN	1,586	1,836	-	-	5,684	5,629	6,461	3,979
Fixed costs:	592	650	-	-	2,064	2,348	2,280	1,055
of which land capital	388	398	-	-	1,353	1,438	1,400	645
of which working capital	54	43	-	-	188	156	275	91
of which other general costs	150	209	-	-	522	754	605	320
Total cost:	1,656	1,583	-	-	5,611	6,718	6,342	3,909
per quintal (lire)	48,853	44,250	-	-	18,583	19,352	23,182	21,125
INCOME FROM LABOUR AND BUSINESS	994	1,186	-	-	3,621	3,281	4,181	2,923

Source: FADN.

Profitability of single crops by area ('000 lire/hectare, unless otherwise indicated), 1999

	Sunflowers				Raw tobacco			
	North-West	North-East	Centre	South & Islands	North-West	North-East	Centre	South & Islands
Yield (q/ha)	20	-	22	17	-	-	43	55
Selling price (lire/q)	31,380	-	31,594	29,252	-	-	167,347	172,670
Total revenue:	2,049	-	1,836	1,562	-	-	9,671	12,821
of which gross output	634	-	696	519	-	-	7,130	9,518
of which premiums and subsidies	1,415	-	1,140	1,044	-	-	2,541	3,303
Variable costs:	769	-	777	544	-	-	2,921	3,443
of which raw materials	228	-	287	164	-	-	1,107	1,488
of which machinery, energy & services	540	-	490	380	-	-	1,814	1,955
GROSS MARGIN	1,280	-	1,059	1,018	-	-	6,750	9,378
Fixed costs:	458	-	398	241	-	-	2,096	1,980
of which land capital	300	-	244	147	-	-	1,287	1,210
of which working capital	42	-	48	21	-	-	253	170
of which other general costs	116	-	106	73	-	-	556	600
Total cost:	1,227	-	1,174	786	-	-	5,017	5,424
per quintal (lire)	61,293	-	53,574	45,190	-	-	117,739	98,394
INCOME FROM LABOUR AND BUSINESS	822	-	662	777	-	-	4,654	7,397

Source: FADN.

Profitability of single crops by area ('000 lire/hectare, unless otherwise indicated), 1999

	Asparagus				Green beans			
	North-West	North-East	Centre	South & Islands	North-West	North-East	Centre	South & Islands
Yield (q/ha)	26	39	48	61	68	67	-	66
Selling price (lire/q)	412,958	591,577	245,715	247,040	156,929	107,706	-	137,645
Total revenue:	10,897	23,359	12,131	14,986	10,931	7,188	-	9,076
of which gross output	10,876	23,343	11,881	14,986	10,879	7,176	-	9,056
of which premiums and subsidies	21	15	250	-	52	12	-	20
Variable costs:	1,944	5,406	5,702	4,831	2,724	2,985	-	2,486
of which raw materials	606	1,758	3,755	2,513	1,306	1,710	-	996
of which machinery, energy & services	1,338	3,649	1,947	2,318	1,419	1,276	-	1,489
GROSS MARGIN	8,953	17,952	6,429	10,155	8,206	4,202	-	6,591
Fixed costs:	1,726	4,087	2,040	2,454	1,731	1,257	-	1,486
of which land capital	1,076	2,196	1,110	1,387	1,080	676	-	840
of which working capital	192	373	247	268	193	115	-	162
of which other general costs	457	1,518	683	799	459	467	-	484
Total cost:	3,670	9,493	7,742	7,284	4,455	4,243	-	3,972
per quintal (lire)	139,341	240,525	160,981	120,080	65,182	63,684	-	60,366
INCOME FROM LABOUR AND BUSINESS	7,227	13,866	4,389	7,702	6,475	2,945	-	5,105

Source: FADN.

Profitability of single crops by area ('000 lire/hectare, unless otherwise indicated), 1999

	Strawberries				Melons			
	North-West	North-East	Centre	South & Islands	North-West	North-East	Centre	South & Islands
Yield (q/ha)	79	217	83	277	-	269	354	163
Selling price (lire/q)	409,488	269,650	314,613	200,930	-	46,559	55,463	49,622
Total revenue:	32,683	58,435	26,061	55,691	-	12,527	19,721	8,148
of which gross output	32,551	58,435	25,974	55,654	-	12,527	19,649	8,106
of which premiums and subsidies	132	-	87	36	-	-	73	42
Variable costs:	13,211	19,170	10,621	26,260	-	6,440	9,219	3,573
of which raw materials	8,408	9,964	6,580	17,634	-	4,276	5,935	2,230
of which machinery, energy & services	4,802	9,206	4,041	8,626	-	2,164	3,284	1,344
GROSS MARGIN	19,472	39,265	15,440	29,431	-	6,087	10,502	4,575
Fixed costs:	5,176	10,223	4,382	9,119	-	2,192	3,316	1,334
of which land capital	3,228	5,493	2,384	5,156	-	1,178	1,804	754
of which working capital	576	933	531	994	-	200	402	145
of which other general costs	1,371	3,797	1,466	2,968	-	814	1,110	434
Total cost:	18,386	29,393	15,003	35,379	-	8,632	12,536	4,907
per quintal (lire)	231,297	135,635	181,725	127,727	-	32,081	35,384	30,050
INCOME FROM LABOUR AND BUSINESS	14,297	29,042	11,058	20,312	-	3,896	7,186	3,240

Source: FADN.

Profitability of single crops by area ('000 lire/hectare, unless otherwise indicated), 1999

	Tomatoes				Courgettes			
	North-West	North-East	Centre	South & Islands	North-West	North-East	Centre	South & Islands
Yield (q/ha)	616	512	663	487	198	155	177	242
Selling price (lire/q)	18,697	15,941	20,803	24,679	96,700	97,097	112,173	90,722
Total revenue:	11,585	8,174	13,843	12,069	19,187	14,610	20,075	21,959
of which gross output	11,514	8,174	13,800	12,033	19,130	14,610	19,875	21,959
of which premiums and subsidies	71	-	43	35	57	-	200	-
Variable costs:	3,699	4,144	5,873	4,765	5,637	4,856	5,073	8,917
of which raw materials	1,969	2,441	3,154	2,641	3,223	2,634	1,996	5,116
of which machinery, energy & services	1,730	1,703	2,718	2,123	2,414	2,222	3,078	3,801
GROSS MARGIN	7,886	4,030	7,971	7,304	13,550	9,755	15,001	13,042
Fixed costs:	1,835	1,430	2,328	1,976	3,038	2,556	3,376	3,596
of which land capital	1,144	768	1,267	1,117	1,895	1,373	1,837	2,033
of which working capital	204	131	282	215	338	233	409	392
of which other general costs	486	531	779	643	805	949	1,130	1,170
Total cost:	5,533	5,574	8,200	6,741	8,675	7,412	8,449	12,513
per quintal (lire)	8,987	10,880	12,362	13,829	43,853	47,862	47,686	51,693
INCOME FROM LABOUR AND BUSINESS	6,051	2,600	5,643	5,328	10,511	7,198	11,626	9,447

Source: FADN.

Profitability of single crops by area ('000 lire/hectare, unless otherwise indicated), 1999

	Kiwi				Oranges			
	North-West	North-East	Centre	South & Islands	North-West	North-East	Centre	South & Islands
Yield (q/ha)	175	202	-	161	-	-	-	189
Selling price (lire/q)	74,152	81,446	-	87,053	-	-	-	41,978
Total revenue:	13,813	16,855	-	14,255	-	-	-	8,329
of which gross output	13,070	16,646	-	14,024	-	-	-	7,936
of which premiums and subsidies	743	209	-	232	-	-	-	393
Variable costs:	2,720	3,296	-	2,056	-	-	-	1,780
of which raw materials	536	1,139	-	689	-	-	-	826
of which machinery, energy & services	2,184	2,157	-	1,368	-	-	-	953
GROSS MARGIN	11,094	13,559	-	12,199	-	-	-	6,550
Fixed costs:	2,208	3,286	-	1,616	-	-	-	944
of which land capital	1,201	1,621	-	921	-	-	-	538
of which working capital	308	266	-	234	-	-	-	136
of which other general costs	699	1,399	-	462	-	-	-	270
Total cost:	4,928	6,582	-	3,673	-	-	-	2,724
per quintal (lire)	28,201	32,570	-	22,800	-	-	-	14,409
INCOME FROM LABOUR AND BUSINESS	8,885	10,273	-	10,582	-	-	-	5,605

Source: FADN.

Profitability of single crops by area ('000 lire/hectare, unless otherwise indicated), 1999

	Apples				Olives for eating			
	North-West	North-East	Centre	South & Islands	North-West	North-East	Centre	South & Islands
Yield (q/ha)	234	393	190	133	-	-	-	37
Selling price (lire/q)	45,778	47,725	59,518	83,032	-	-	-	104,818
Total revenue:	12,047	19,377	11,897	11,359	-	-	-	4,133
of which gross output	11,021	19,242	10,869	11,107	-	-	-	3,973
of which premiums and subsidies	1,026	135	1,028	252	-	-	-	160
Variable costs:	4,045	5,475	3,890	2,370	-	-	-	1,206
of which raw materials	2,077	2,419	1,984	1,219	-	-	-	546
of which machinery, energy & services	1,968	3,057	1,906	1,151	-	-	-	660
GROSS MARGIN	8,002	13,902	8,006	8,989	-	-	-	2,927
Fixed costs:	1,926	3,778	1,683	1,288	-	-	-	458
of which land capital	1,047	1,863	1,002	734	-	-	-	250
of which working capital	269	306	222	186	-	-	-	30
of which other general costs	610	1,609	459	368	-	-	-	178
Total cost:	5,971	9,253	5,574	3,658	-	-	-	1,664
per quintal (lire)	25,496	23,542	29,375	27,465	-	-	-	44,724
INCOME FROM LABOUR AND BUSINESS	6,076	10,124	6,323	7,701	-	-	-	2,469

Source: FADN.

Profitability of single crops by area ('000 lire/hectare, unless otherwise indicated), 1999

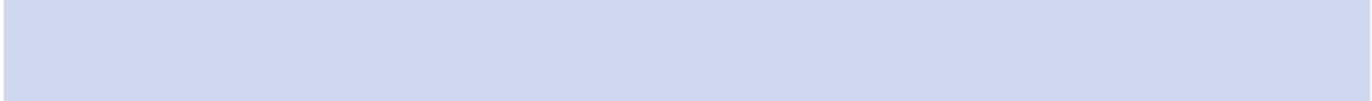
	Peaches				Dessert grapes			
	North-West	North-East	Centre	South & Islands	North-West	North-East	Centre	South & Islands
Yield (q/ha)	194	195	99	137	-	-	-	194
Selling price (lire/q)	35,966	52,030	101,715	80,333	-	-	-	67,001
Total revenue:	8,024	10,211	10,755	11,099	-	-	-	13,376
of which gross output	7,079	10,154	10,062	11,017	-	-	-	13,065
of which premiums and subsidies	945	57	693	82	-	-	-	312
Variable costs:	2,567	2,789	2,753	2,206	-	-	-	4,578
of which raw materials	1,285	1,326	1,192	1,125	-	-	-	2,391
of which machinery, energy & services	1,283	1,463	1,561	1,081	-	-	-	2,187
GROSS MARGIN	5,457	7,422	8,002	8,892	-	-	-	8,799
Fixed costs:	1,283	1,991	1,522	1,259	-	-	-	1,824
of which land capital	697	982	906	717	-	-	-	972
of which working capital	179	161	201	182	-	-	-	209
of which other general costs	406	848	415	359	-	-	-	643
Total cost:	3,850	4,780	4,275	3,465	-	-	-	6,401
per quintal (lire)	19,869	24,494	43,214	25,267	-	-	-	33,029
INCOME FROM LABOUR AND BUSINESS	4,174	5,431	6,480	7,634	-	-	-	6,975

Source: FADN.

Profitability of single crops by area ('000 lire/hectare, unless otherwise indicated), 1999

	Grapes for quality wine				Grapes for ordinary wine			
	North-West	North-East	Centre	South & Islands	North-West	North-East	Centre	South & Islands
Yield (q/ha)	94	127	106	100	97	160	112	125
Selling price (lire/q)	131,119	108,304	114,942	96,493	86,083	64,959	62,399	54,421
Total revenue:	13,311	14,082	13,134	9,753	10,115	10,442	7,607	7,079
of which gross output	12,326	13,815	12,140	9,625	9,077	10,420	7,171	6,840
of which premiums and subsidies	985	267	994	128	1,038	21	436	239
Variable costs:	3,659	3,285	3,005	2,333	3,050	2,407	1,891	1,661
of which raw materials	1,012	1,378	890	836	1,021	1,034	752	597
of which machinery, energy & services	2,647	1,907	2,115	1,497	2,030	1,373	1,139	1,064
GROSS MARGIN	9,652	10,797	10,129	7,419	7,065	8,034	5,716	5,418
Fixed costs:	2,053	2,846	2,417	1,347	1,589	2,075	1,376	998
of which land capital	1,103	1,353	1,218	717	854	986	693	532
of which working capital	258	247	354	155	199	180	201	115
of which other general costs	692	1,246	846	474	536	908	482	352
Total cost:	5,712	6,131	5,423	3,680	4,639	4,482	3,267	2,659
per quintal (lire)	60,696	48,098	51,349	36,890	47,611	28,054	29,052	21,258
INCOME FROM LABOUR AND BUSINESS	7,599	7,952	7,712	6,073	5,476	5,959	4,340	4,419

Source: FADN.



AGRICULTURE AND THE ENVIRONMENT

Environmental Policy

The 1992 Treaty of Maastricht made the promotion of sustainable and environment-friendly growth a priority objective for Europe and expressed the need for greater integration between production policies and protection of the environment. Important issues which emerged during the 1990s such as reform of the CAP (for which the long-term sustainability of the European model of agriculture is an objective), the need to meet international challenges (in particular the forthcoming accession of the CEE countries) and problems related to the interaction between trade and the environment have all acted as a stimulus for the EU, which has taken on a major role in the establishment of important international agreements for protecting the environment connected with climate change, deforestation, desertification, impoverishment of the ozone layer and loss of biodiversity.

Recent EU instruments on behalf of the environment

In January 2001, the Sixth Action Programme for the environment came into force for the period 2001-2010. The programme insists on better implementation of legislation regarding the environment by Member States, it provides for the integration of environmental policies in other sectors (transport, energy, agriculture) and it emphasises the importance of territorial planning and of measures taken at regional and local levels to promote sustainable development.

The EU also continues to apply another key principle of its policy on behalf of the environment: the “polluter pays” principle. Following the recent publication of a White Paper on environmental liability, in February 2001 a Green Paper was presented providing for an integrated

policy for commodities, based on the three stages of the decision-making process which affect the environmental impact of the life cycle of commodities: the establishment of the prices of commodities, the conscious choice of consumers and the ecological planning of commodities.

Environment and agricultural policy

The integration of environmental concerns in agricultural policy - with biological diversity representing a fundamental and predominant principle - has been reinforced through the application of instruments in the CAP framework connected with Agenda 2000 and in particular through the measures for the development of rural areas. Agri-environmental and forestry measures have once more been adopted for the 2000-2006 period but this time they

have been incorporated into the wider framework of rural development. At the same time, through the “horizontal” regulation (Reg. 1259/99), Member States have been given the power to subject the total or partial payment of direct subsidies guaranteed by the CAP to fulfilment of minimum environmental requirements. The policy of respecting the environment in the agricultural sector has led to implementation of Regulation 1467/94 on genetic resources, to the introduction of environmental considerations in common market organizations and to instruments based on market considerations which take the environment into account with respect to the quality of agri-food commodities.

EU initiatives for protecting the environment

- The LIFE III programme (2000-

2004), the financial instrument for supporting the EU's environmental policy. The programme has been allotted a budget of 640 million euro for its third phase, 47% of which has been allocated to the conservation of nature. The programme is subdivided, as it was in the first two phases, into three parts: Nature, Environment and Third Countries. New provisions have been introduced, including the opening of resources to EU accession candidates, and two new accompanying measures have been set up for LIFE-Nature: “starter” projects which encourage the drawing up of proposals involving partners in several Member States, and “coop” measures aimed at stimulating the exchange of experiences among projects. LIFE-Nature contributes to the creation of a European network for protected areas - Natura 2000 - the pur-

pose of which is to manage and conserve the EU's most precious wildlife and habitats.

- Directive 92/43/EEC on the conservation of natural and semi-natural habitats, wild animals and flowers. The main object of this directive is to protect biodiversity; for this purpose, Special Areas of Conservation (SACs) are being identified with the aim of creating a network of protected sites known as Natura 2000.
- Directive 79/409/EEC on the conservation of wild birds. The directive provides for the creation of Special Protection Areas (SPAs) which are part of the Natura 2000 network.
- The LEADER+ Community Initiative Programme, adopted in May 2000. The Programme promotes pilot schemes for rural development, including the exploitation of natural and cultur-

Implementation of the Natura 2000 Network ()*

Member State	Directive 79/409			Directive 92/43		
	SPAs (No)	Total area (km ²)	% of national land area	SACs (No)	Total proposed area (km ²)	% of national land area
Belgium	36	4,313	14.1	209	1,105	3.6
France	117	8,193	1.5	1,028	31,440	5.7
Germany	617	21,672	6.1	2,196	20,434	5.8
Italy	342	13,707	4.6	2,507	49,364	16.4
Luxembourg	13	160	6.2	38	352	13.6
Netherlands	79	10,000	24.1	76	7,078	17.0
Denmark	111	9,601	22.3	194	10,259	23.8
Ireland	109	2,236	3.2	317	6,140	8.7
United Kingdom	209	8,648	3.5	386	17,941	7.4
Greece	52	4,965	3.8	234	26,522	20.1
Portugal	47	8,468	9.2	94	16,502	17.9
Spain	260	53,602	10.6	937	90,129	17.9
Austria	83	12,080	14.4	127	9,144	10.9
Finland	451	27,500	8.1	1,381	47,154	13.9
Sweden	394	24,647	5.5	2,454	50,908	12.4
EU	2,920	209,792	-	12,178	384,472	-

(*) At November 2000.

Source: European Commission Environment DG's Nature Newsletter, December 2000.

al resources, and also incorporates projects for the Natura 2000 network.

National policy for the benefit of the environment

In addition to legislation implementing EU regulations, in the 1990s Italy passed legislation on the protection of water and air, on soil conservation, on the development of protected areas and on planning procedures for the sector, and also applied implementation legislation for environmental policy programmes and for plans for the environment and quality of life originating from structural policy measures (LIFE-Nature, LIFE-Environment, ENVIREG, LEADER).

Italy has also taken on commitments internationally and with the EU for the benefit of the environment and on major issues such as climate change,

biodiversity, desertification and substances which destroy the ozone layer. The policy of protecting the natural environment, which centres in particular on the conservation of protected areas, was boosted by Law 394/91 which started off a synergy in national parks between conservation of the environment and promotion of nature-friendly agricultural activities. Another step forward in the development of the concept of conservation and promotion of the environment was taken with Law 426/98, which sets out measures for

the decontamination and environmental restoration of polluted sites and for the creation of a national ecological network within the EU's Natura 2000 network. Further to this law, the Environment Ministry has developed some ideas for projects: APE (Apennines European Park, ITACA (minor islands in the Mediterranean) and CIP (Protected Italian Coasts).

Institutional innovations and new possibilities of funding exclusively for mountain areas were introduced by Law 97/94, but the law paying the

greatest attention to mountain areas is Law 403/99, which ratifies the International Convention for Protection of the Alps.

The most recent legislation in favour of the environment that should be mentioned here is Law 93/2001 with its "Provisions for the environment" which include the continuation of decontamination of polluted sites and the provision of a fund for local, provincial and regional councils promoting the adoption of "local Agenda 21" programmes for sustainable development.

Protected Areas

Over the last few years, the increase in the number of protected areas in Italy has been favoured not only by new national legislation and by recent trends in EU regulations and programmes on behalf of environmental conservation and sustainable development but also by greater attention on the part of public opinion to new policies for conserving natural resources. According to the official list drawn up by the Environment Ministry, there are 669 protected areas in Italy. Together they total over three million hectares of land and sea areas. They are divided into 21 national parks (over 1,300,000 hectares), 16 State marine reserves, 143 State nature reserves, 110 regional nature parks, 252 regional nature reserves and 128 other protected nature zones. According to the surveys carried out by the National Research Council (CNR) in 1998 on all national territory and by INEA's Study Group in 2000 on protected areas in Objective 1

regions, the number of protected areas is much larger (around 900), but many of them are not on the official list either because no application has been submitted for them to be added to the list or because, even if they are effectively protected, hunting has not been excluded in them.

As part of the planning for the EU Structural Funds for 2000-06 and in order to complete the European Natura 2000 network, a national ecological network has been identified as a strategic project for the exploitation of Italy's natural, environmental and cultural resources, with projects for the South, for the Alps, for the Apennines, for the coasts and for the minor islands. The areas involved in these projects should together represent around 20% of Italian territory.

Long-established national parks ()*

- Abruzzo, Lazio and Molise(**) 50,683 hectares
- Arcipelago della Maddalena 5,100 hectares of land and 15,046 hectares of sea
- Arcipelago Toscano 16,996 hectares of land and 56,766 hectares of sea
- Asinara 5,354 hectares of land and 21,790 hectares of sea
- Aspromonte 78,314 hectares
- Calabria 11,803 hectares
- Cilento and Valle di Diano 178,172 hectares
- Cinque Terre 3,959 hectares
- Circeo 5,616 hectares
- Dolomiti Bellunesi 15,132 hectares
- Foreste Casentinesi, Monte Falterona and Campigna 31,038 hectares
- Gargano 116,211 hectares
- Golfo di Orosei e del Gennargentu 73,935 hectares

* 3rd update of the Official List of Protected Natural Areas (Official Gazette n. 19 of 24/01/01).

**New name for the Abruzzo National Park (art. 8, Law 93/01).

- Gran Paradiso 66,497 hectares
- Gran Sasso and Monti della Laga 141,341 hectares
- Maiella 62,838 hectares
- Monti Sibillini 69,733 hectares
- Pollino 171,448 hectares
- Stelvio 133,325 hectares
- Val Grande 11,340 hectares
- Vesuvio 7,259 hectares

National parks in the process of being established (with the associated law)

- Alta Murgia (Law 426/98)

- Appennino (land area inside the provinces of Reggio Emilia, Parma and Massa Carrara) (Law 344/97)
- Costa Teatina (Law 344/97, Law 93/01)
- Sila(*) (Law 344/97)
- Val d'Agri and Lagonegrese (Law 394/91, Law 426/98)

Recently-established protected areas

- Extension of the National Park of Abruzzo, Lazio and Molise to include the towns of Bisegna and Ortona dei Marsi (Presidential

- Decree dated 24/01/00)
- “Torre Guaceto” State nature reserve, formerly a marine nature reserve since 1991 (Environment Ministry Decree dated 4/2/00)
- “Hanbury Botanical Gardens” protected regional area (Law of the Liguria Region n. 31 dated 27/03/00)
- “Secche di Tor Paterno” protected marine area (Environment Ministry Decree dated 29/11/00)
- “Gola del Furlo” State nature reserve (Environment Ministry Decree dated 6/2/01)

* The Sila National Park has also been entrusted with management of the area currently included in the Calabria National Park except for the area in the Aspromonte National Park.

Protected areas by region (ha) (*)

Protected areas (No)	State areas			Regional areas			Totals			% protected area	
	Protected areas (No)	Total area (1)	Area (%)	Protected areas (No)	Total area (1)	Area (%)	Protected areas (No)	Protected land area	Tot.protected area (1)	Area (%)	
Piemonte	9	67,474	4.0	51	105,620	7.9	60	173,094	173,094	5.7	0.6
Valle d'Aosta	1	25,865	1.5	10	4,033	0.3	11	29,898	29,898	1.0	0.1
Lombardy	3	59,937	3.6	75	72,065	5.4	78	132,002	132,002	4.4	0.4
Aut. Prov. Bolzano	16	56,228	3.3	19	125,782	9.5	35	182,010	182,010	6.0	0.6
Aut. Prov. Trento	39	19,306	1.1	5	82,115	6.2	44	101,421	101,421	3.4	0.3
Veneto	14	34,592	2.1	11	58,785	4.4	25	93,377	93,377	3.1	0.3
Friuli-Venezia Giulia	3	526	0.0	12	54,375	4.1	15	53,490	54,901	1.8	0.2
Liguria	6	6,551	0.4	10	17,803	1.3	16	21,698	24,354	0.8	0.1
Emilia-Romagna	20	24,777	1.5	25	58,382	4.4	45	83,159	83,159	2.8	0.3
Tuscany	60	130,096	7.7	40	80,588	6.1	100	153,918	210,684	7.0	0.7
Umbria	1	18,183	1.1	6	40,875	3.1	7	59,058	59,058	2.0	0.2
Marche	4	63,016	3.7	4	21,538	1.6	8	84,554	84,554	2.8	0.3
Lazio	32	53,473	3.2	40	156,740	11.8	72	207,407	210,213	7.0	0.7
Abruzzo	24	239,250	14.2	15	64,451	4.8	39	303,701	303,701	10.1	1.0
Molise	6	6,403	0.4	0	0	0.0	6	6,403	6,403	0.2	0.0
Campania	10	188,863	11.2	11	147,100	11.1	21	334,835	335,963	11.1	1.1
Puglia	21	147,579	8.8	1	125	0.0	22	126,832	147,704	4.9	0.5
Basilicata	10	90,324	5.4	7	34,852	2.6	17	125,176	125,176	4.2	0.4
Calabria	20	202,864	12.0	2	750	0.1	22	190,114	203,614	6.8	0.7
Sicily	3	70,712	4.2	17	198,173	14.9	20	198,173	268,885	8.9	0.9
Sardinia	16	178,571	10.6	1	5,200	0.4	17	92,630	183,771	6.1	0.6
ITALY	318	1,684,591	100.0	362	1,329,353	100.0	680	2,752,952	3,013,944	100.0	10.0

Source: Environment Ministry, Nature Conservation Service (data bank).

(*) 3rd update of Official List of Protected Nature Areas (Official Gazette n. 19 dated 24/01/2001).

(1) Includes marine areas.

National area : 30,133,800 ha (Source: ISTAT).

Management of Natural Resources

EU policy for the management of natural resources

Agriculture, forestry, urbanization, chemicals and the disposal of waste all have an impact on the soil, on the lay-out of the land, on vegetation and on the quality of water resources. In order to combat erosion and to preserve the ecosystems that support the water cycle and the habitats that are crucial to biodiversity, the EU believes measures must be adopted to reinforce the ecological function of soil cover, including riparian and alluvial vegetation. In areas used for farming, these measures are incorporated in the direct support regimes of the CAP (Reg. 1259/99), while one of the main instruments for the fight against erosion is the set of forestry support measures laid out in Reg. 1257/99. As far as the protection of water is concerned, Directive 91/676 on nitrates obliges Member States to draw up

national programmes to protect waterways from fertilisers while Directive 2000/60 sets up a framework for protecting surface, transitional, coastal and underground water. This framework directive is an instrument of conservation and of the sustainable use of biodiversity; it provides for tests to be carried out on the quality and quantity of water with respect to requirements in each river basin, including the water needed for irrigation, for the production of energy and for industrial, civil and ecological uses.

Soil and water management in Italy

Because of its morphological structure and climate, Italy is particularly subject to phenomena of hydrogeological upheaval and erosion and these are aggravated by anthropic pressure and by the presence of

built-up areas, infrastructure and roads as well as agricultural activities. The promotion of uses of land that are compatible with the country's physical and environmental features is an innovative factor in recent national legislation. Since the 1990s, national policies for the protection of natural resources - soil and water - have had a great impact on the agricultural and forestry sector, with provisions for conserving land, saving water and recycling sewage. For the four-year period 2000-03, 2,260 billion lire have been earmarked for strategic projects of national importance against landslides and floods and for plans in Law 183/89, which sets out provisions for reorganizing soil management. A national programme for the decontamination and environmental restoration of polluted sites has been started, with new provisions adopted during 2000, and a map of areas at risk of desertifica-

tion has been drawn up as part of the national programme against drought and desertification in accordance with art. 20 of Legislative Decree 152/99 for the protection of water from pollution.

Management of Italian forests

Further to Reg. (EEC) 2080/92, over 500,000 hectares of farmland in the EU were afforested between 1993 and 1997, of which 50,000 hectares

were in Italy. The area covered by forests in Italy, estimated at approximately 6.8 million hectares in 1998, represents around 25% of the country's total land area and is to be found mainly in mountain areas (59.5%) and hill areas (35.5%).

Forests are subject to hydrogeological and landscape considerations that restrict their being used for productive purposes. The gravest danger faced by Italian forests is fire, caused in many cases by arson; fires destroy or damage between 20,000 and

100,000 hectares of woodland each year.

From 1994 to 1999 there were more than 56,000 fires involving 580,000 hectares of land of which 264,000 hectares were woodland. In order to conserve and protect our woods, Framework Law 353/2000 was passed, providing for regional programmes to be set up to anticipate, prevent and actively fight forest fires, and Law 122/2001 allotted 95 billion lire to the fight against fires for the three-year period 2001-2003.

Irrigation

The use of water for agricultural activities tends to absorb over 50% of available water resources in some areas; this has led to the primary sector being asked to abstain from using some of these resources in order to guarantee availability of water for other uses considered of prime importance in national legislation.

Other information on irrigation in Italy can be drawn from ISTAT figures, according to which the area of land irrigated in Italy in 1996 (2,944,000 hectares) represented 20% of all UAA. This percentage rises to 35% in the Northern regions and drops to around 10% in the Centre-South regions. Irrigable land, according to ISTAT, amounts to 4,300,000 hectares or 29% of all UAA, distributed as follows: 60% in the North, 10% in the Centre and 30% in the South.

Irrigated and irrigable used agricultural area (ha) ()*

	Irrigable area	Irrigable area/UAA (%)	Irrigated area	Irrigated area/UAA (%)
Piemonte	482,302	42.1	396,838	34.6
Valle d'Aosta	26,847	31.0	18,893	21.8
Lombardy	785,563	70.1	671,209	59.9
Trentino-Alto Adige	70,625	16.5	64,111	15.0
Veneto	476,966	54.0	298,832	33.8
Friuli-Venezia Giulia	114,069	42.2	59,229	21.9
Liguria	13,070	15.4	19,846	23.3
Emilia-Romagna	621,275	50.7	279,870	22.8
Tuscany	131,196	14.1	70,677	7.6
Umbria	58,035	15.7	45,105	12.2
Marche	59,910	10.0	37,852	6.3
Lazio	164,654	20.2	111,475	13.6
Abruzzo	74,667	14.4	49,251	9.5
Molise	30,297	12.4	8,562	3.5
Campania	150,306	23.0	121,517	18.6
Puglia	383,408	26.5	256,299	17.7
Basilicata	75,544	12.2	42,371	6.8
Calabria	136,800	21.6	101,387	16.0
Sicily	263,418	16.9	209,272	13.4
Sardinia	193,998	14.6	81,905	6.2
ITALY	4,312,952	28.8	2,944,500	19.7

(*) The figures for irrigable areas refer to 1998, those for irrigated areas to 1996. According to ISTAT, the "irrigable area" is the maximum amount of land that can be irrigated in the course of a year on the basis of existing potential. The term "irrigated area" refers to land that is irrigated at least once during the course of a farming year.

Source: ISTAT Survey on the Structure and Production of Farms
(years 1996 and 1998).

Agri-environmental Indicators

The integration of environmental concerns into policies regarding other sectors has been one of the OECD's priority objectives over the last few years.

After analysing the relationship between agriculture and the environment, the OECD has identified some 50 indicators, divided into 13 sub-groups belonging to four main areas: 1) agriculture in the economic, social and environmental context; 2) farm management and the environment; 3) use of inputs and natural resources; 4) environmental impact of agriculture. These indicators have formed the basis for a first report on trends over the last 20 years in the various Member States. The data has been gathered for each country from the replies to a questionnaire sent to them in 1999. The lack of uniformity in available data from country to country and the relative importance of the four main subject areas have made it

The OECD's agri-environmental factors applied to Italy, 1998

FARM MANAGEMENT AND THE ENVIRONMENT

Number of days a year in which the ground is covered by vegetation	227 (1)
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USE OF INPUTS AND NATURAL RESOURCES

Nitrogen balance (2) (kg/ha total agricultural area (TAA))	31 (1)
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Withdrawal of water for agriculture (millions of cubic metres)	33.040 (1)
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ENVIRONMENTAL IMPACT OF AGRICULTURE

- soil

TAA with potential risk of water erosion (%)	30 (1)
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TAA with real risk of water erosion (%)	11 (1)
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- water

Discharge of nitrogen of agricultural origin into waterways (%)	62 (1)
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Discharge of phosphorus of agricultural origin into waterways (%)	33 (1)
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- air

Emission of greenhouse gases of agricultural origin (%)	9,6 (1)
---	---------

- biodiversity

Percentage of five main varieties of wheat on total production (%)	63
--	----

Percentage of five main varieties of barley on total production (%)	42
---	----

Percentage of five main varieties of soya on total production (%)	60
---	----

Percentage of three main breeds of cattle on total production (%)	94
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Percentage of three main breeds of sheep on total production (%)	89
--	----

impossible to obtain a complete picture for all Member States. The table

above presents a selection of indicators calculated for Italy.

* OECD, 2000. *Environmental Indicators for Agriculture*.

Use of Chemicals

EU guidelines

In February 2001, the European Commission presented a White Paper entitled "Strategy for a future policy on chemicals" in order to examine current policy in this sector. The Paper identifies objectives that contribute to sustainable development of the chemical industry in the single market, including protection of health and the environment, greater transparency and integration of measures decided internationally. Since the middle of the 1990s, in Europe there has been a tendency to reduce the use of chemicals in agriculture, partly as a result of new CAP guidelines and partly thanks to agri-environmental measures offering incentives to farmers who adopt integrated and organic farming techniques.

At the same time, the negative effects of an intensive use of pesticides have been reflected in consumers' percep-

tion of agricultural produce in terms of the quality and healthiness of food products. According to the EU, persistent organic pollutants (POP) pose a particular risk in that they remain in the environment for long periods of time, they succeed in moving long distances from the source which originated them and they accumulate in the tissues of most living organisms. For this reason, through a mandate issued by the UNEP (United Nations Environment Programme) Council, negotiations have recently been con-

cluded on an international treaty banning the production and use and eliminating the emissions and discharge of what are considered to be the 12 most dangerous POPs (including substances used in insecticides and fungicides).

The use of plant health products in Italian agriculture

As far as the use of fertilisers is concerned, in the last five years the use of phosphorus-based products has

Evolution in the use of fertilisers ('000 tonnes)

	1996	1997	1998	1999	2000
Nitrogen	918.9	894.0	876.1	863.0	871.6
Phosphorus	545.6	528.0	506.9	491.7	491.0
Potassium	418.8	397.5	393.5	385.6	387.5
TOTAL USE	1,883.3	1,819.5	1,776.5	1,740.3	1,750.1

Source: Assofertilizzanti.

Evolution in the use of pesticides ('000 tonnes)

Type	1996	1997	1998	1999	2000
Herbicides	25.0	25.0	23.1	20.6	20.8
Insecticides & acaricides	31.0	30.0	29.0	27.3	26.7
Fumigants & nematocides	4.9	5.2	6.0	5.4	4.6
Fungicides	48.8	45.8	47.6	47.7	46.9
Others	4.5	4.5	3.9	4.0	3.6
TOTAL DOMESTIC MARKET	114.2	110.5	109.6	105.0	102.6

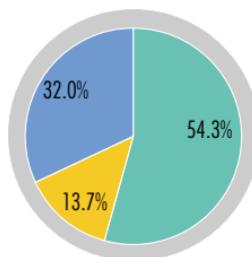
Source: Agrofarma.

fallen continuously in Italy; the use of nitrogenous and potassium-based products has also showed a steady decline over the same period of time, with a very slight increase in 2000 compared to 1999. As for pesticides, an overall decline in their usage is due in particular to a reduction in the quantities of insecticides, fumigants and fungicides used on farms as the result of the introduction of new, low-dosage products and of the

Health Ministry's Decree dated 19 May 2000, which implements EU directives on ceilings for residues of active substances from plant health products tolerated in commodities intended for food. In 2000, the largest use of pesticides in Italy was by regions in the North (54.3% of the national total), with a 2% increase over 1999. Regions in the Centre used similar quantities to 1999 (13.7% of the national total),

whereas regions in the South used lower quantities (32% of the national total).

Use of pesticides by geographical area (tonnes), 2000



ITALY	102,458
North	55,640
Centre	14,022
South	32,795

Source: Agrofarma.

Organic Farming

The Codex alimentarius (FAO/WHO) defines organic farming as a global system of agricultural, vegetable and animal production which favours management practices rather than recourse to external factors of production and which forbids the use of synthetic chemicals in order to protect the environment and promote lasting agricultural development. Regulation (EEC) 2092/91 sets out the criteria and rules which EU farmers must observe in their farming methods for their crop products to be recognized as organic. Regulation (EC) 1804/99 extends this further, setting out rules for livestock products obtained by organic methods. Organically-produced agricultural and livestock commodities must be labelled in such a way as to be recognized by consumers in all EU countries. Regulation (EC) 331/2000 provides for a special EU logo, to be used on a voluntary basis. Organic farming is subject to control

Organic farming in the EU, 1999

	Farms (number)	UAA (ha)	% UAA in EU	Organic UAA/ Total UAA (%)
Belgium	550	18,572	0.6	1.4
France	8,149	316,000	9.8	1.1
Germany	10,400	452,279	14.0	2.6
Italy	49,188	953,058	29.6	6.4
Luxembourg	29	1,002	0.0	0.8
Netherlands	1,216	22,997	0.7	1.2
Denmark	3,099	146,686	4.6	5.5
Ireland	1,058	32,478	1.0	0.7
United Kingdom	1,356	240,000(2)	7.5	1.2
Greece	4,231(1)	15,848(1)	0.0	0.5
Portugal	750	47,974	1.5	1.2
Spain	11,773	352,164	10.9	1.4
Austria	20,207(1)	345,375	10.7	8.9
Finland	5,200	137,000(3)	4.3	6.3
Sweden	3,253	155,674	4.8	5.5
EU	120,459	3,237,107	100.0	2.4

(1) December 1998.

(2) April 1999.

(3) Estimate.

Source: *Söl-Stiftung Ökologie D Landbau*.

Organic enterprises and UAA in Italy, 1999 ()*

	Production enterprises	Processing enterprises	Mixed enterprises	Total	Organic UAA (ha) (**)
Piemonte	2,102	153	52	2,307	38,445
Valle d'Aosta	5	0	1	6	144
Lombardy	806	194	37	1,037	13,769
Trentino-Alto Adige	338	55	32	425	2,508
Veneto	748	196	72	1,016	6,732
Friuli-Venezia Giulia	132	23	20	175	924
Liguria	158	26	12	196	2,235
Emilia Romagna	3,501	311	58	3,870	82,222
Tuscany	985	128	110	1,223	36,887
Umbria	919	55	63	1,037	21,683
Marche	1,283	58	40	1,381	32,423
Lazio	1,913	89	61	2,063	27,409
Abruzzo	498	44	42	584	7,182
Molise	421	19	7	447	4,717
Campania	1,556	83	39	1,678	15,501
Puglia	6,664	152	71	6,887	130,002
Basilicata	318	12	8	338	9,531
Calabria	6,183	60	86	6,329	73,291
Sicily	9,434	199	66	9,699	142,966
Sardinia	8,358	37	95	8,490	304,487
ITALY	46,322	1,894	972	49,188	953,058

(*) Organic enterprises inspected at 31/12/99.

(**) Used organic farm land and land under organic conversion at 31/12/99.

Source: Bio Bank calculations from data supplied by inspection bodies.

by private bodies which are accredited on the basis of UNI EN 45011 certification regulations; these bodies are in turn authorized and supervised by Government institutions. In Italy, nine control bodies have been authorized to operate nationally by the Ministry for Agricultural and Forestry Policies.

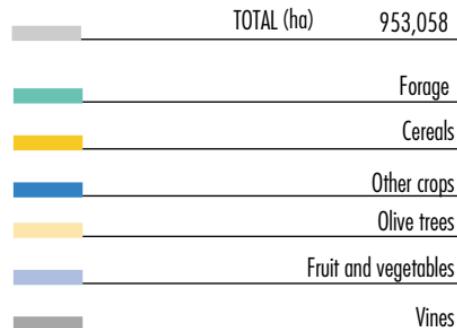
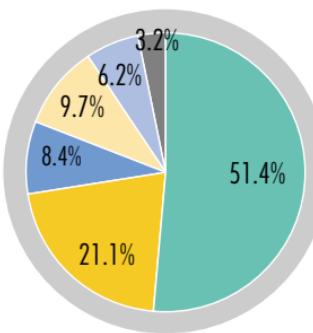
Organic farming is provided with strong incentives in the agri-environmental measures set out in Regulation (EEC) 2078/92 and again in Regulation (EC) 1257/99 on EAGGF support for rural development. In the EU, the number of farms certified as organic or as undergoing organic conversion has risen steadily, reaching over 120,000 in 1999, together with a constant increase in the area of organic land, which now amounts to over 3 million hectares. An analysis of organic production and consumption of organic products shows that countries in the north of Europe are the greatest consumers whereas countries in the

South of Europe are the largest producers.

In 1999, the number of Italian farms involved in organic production rose to 49,188, a figure which makes Italian agriculture the “greenest” in Europe. With 953 thousand hectares of land used for organic farming or undergoing organic conversion, Italy has a 29.6% share of total organic UAA in the EU, followed by Germany (14%) and by Spain, Austria and France (around 10% each).

The growth in organic farming in Italy has not changed the way in which it is distributed across the country: 70% of organic farms and land are still found in the South. Processing enterprises and mixed production/processing enterprises are also growing in number, now totalling over 2,800; they are located mainly in regions in the North and Centre, confirming that the South is the most important producer of organic commodities but has not yet

Organic farm land and land under organic conversion by type of production, 1999



started an efficient processing industry.

As regards the types of crop grown on organic land and land under conversion, 51.4% of national organic UAA is used for extensive crops, especially forage, most of which are found in

Sardinia. Cereal crops are planted on 21.1% of organic land and are concentrated in Sicily, Sardinia and Puglia, and there has been an increase in land planted with organic vines, fruit and olive trees, amounting to 20% of total organic UAA.

Farm Tourism

Farm tourism is regulated by Law 730/85, which defines it as "reception and hospitality practised by farmers under Article 230/b of the civil code through the use of their farms". The law, therefore, subordinates farm tourism to the farming business, a factor that has partially curbed growth in the sector. Each region and autonomous province has developed and added to the definition given above through their own legislation and implementation regulations. In order to offer tourist services, farmers must obtain authorization from their local council, first registering on a regional (or provincial) roll; the authorization is subject to hygiene and health standards being met and the facilities for offering hospitality being certified as suitable.

Farm tourism is playing an increasingly important role in the diversification of activities carried out by Italian farms. At the same time it is compati-

Farms offering rural tourism services by region, 2000

	Authorized, 1999	Authorized, 2000	Authorized, % 2000
Piemonte	390	444	4.8
Valle d'Aosta	50	52	0.6
Lombardy	454	270	2.9
Aut. Prov. Bolzano	2,736	1,991	21.4
Aut. Prov. Trento	167	174	1.9
Veneto	648	713	7.6
Friuli - Venezia Giulia	230	250	2.7
Liguria	140	190	2.0
Emilia - Romagna	291	320	3.4
Tuscany	1,406	1,950	20.9
Umbria	365	487	5.2
Marche	369	400	4.3
Lazio	132	205	2.2
Abruzzo	290	350	3.8
Molise	35	184	2.0
Campania	200	250	2.7
Puglia	165	179	1.9
Basilicata	60	190	2.0
Calabria	130	118	1.3
Sicily	150	197	2.1
Sardinia	350	400	4.3
TOTAL	8,758	9,314	100

Source: *Agriturist*, November 2000.

ble with objectives of conserving the environment, promoting local products and restoring the architectural heritage in rural areas, issues to which both consumers and society in general are increasingly sensitive. Over the last few years, farms have improved their services and now not only offer hospitality and genuine food but also cultural and recreational services. On this point, we would point out the increase in number of "teaching farms"; these are either ordinary farms or agri-tourist farms (respectively 153 and 120 according to a survey carried out by the Environment Ministry in 2000) which offer both teachers and students itineraries for discovering agriculture and cultural, historical, environmental and gastronomic traditions, with an original and practical approach to the subject of nutrition.

Law 122/2001 was passed to bridge

the gap that existed in national legislation to regulate the "Bed & Breakfast" formula. This kind of hospitality is widespread throughout the country, including the countryside, and in fact since 1995 as many as 17 regional administrations have issued regulations for B&B. Law 122 (art. 23) states that regional councils can issue regulations on B&B as part of their initiatives for rural development and to promote the multifunctionality of farms. It also states that if B&B is offered with continuity by a farm as a business activity, it can be considered a farm tourism service.

In 2000 there was a marked increase in the number of farms offering tourist services. They now amount to over 9,000 or 0.5% of total farms in the country and 76% of them offer overnight accommodation. Turnover amounted to one thousand billion lire

in 2000, 12% up from 1999. The phenomenon is spread all over the country but is more common in regions in the North and Centre. Over half of the farms concerned offer meals, 8% offer camping facilities and 14% the possibility of horse riding. There are 110,000 beds available on Italian farms, an average of 13 per farm. Farm accommodation is used for an average of 99 days a year and the average stay is for 6 days at a time. It is estimated that over 1,800,000 people used farm tourism services in 2000, of which 25% were foreign. According to a survey carried out by Agritourist, 52.5% of visitors were aged between 36 and 55 of which 70% had high school qualifications, 17.5% were university graduates, 30% were employees, 17% professionals, 10% teachers and 7.5% manual workers.



PRODUCTS OF DESIGNATED ORIGIN AND REGIONAL SPECIALITIES

Designation of Origin

Italy is a country in which, for geographical, historical and cultural reasons, there are many gastronomic traditions which have been passed down over time to the present day. There are 300 DOC wines in Italy, almost a thousand cheeses and an infinite number of ways of preparing meat products, bread etc. Some of these products are famous all over the world and are sold at high prices as quality commodities, thanks to their nutritional and organoleptic characteristics and the quality of the raw materials used to make them. This precious heritage was protected by public authorities a long time before designation of origin became the subject of heated discussion in negotiations for commercial treaties and the object of special community regulations. Protection of Italian foodstuffs first began in the 1950s, for cheeses, and was subsequently extended to wines in the 1960s, to Parma and San

Daniele ham in the 1980s and lastly, in 1992, to olive oils. Community Regulations 2081 and 2082 of 1992 established "protected designation of origin" (PDO), "protected geographical indication" (PGI) and the certification of specific character, all of which associated the quality of agri-food products with a specific geographical area and with tradition. These Regulations made national legislation in this sector obsolete and covered all agricultural and food specialities, with the exclusion of wines, in one legal framework. At the end of 2000, Regulation (EC) 2796/2000 extended PDO and PGI to flowers and ornamentals.

Regulation 2081/92 registered 111 Italian products with a PDO or PGI. Of these products, 30 are cheeses, 28 fresh fruit or vegetables, 26 salamis or meats and 24 olive oils. There are few fresh meat products with a registered name (in January 2001 Sardinian

lamb was added to young white bovine meat from the Central Apennines), few bread and non-food products (the latest Italian product to be registered was in fact the essential oil of bergamot of Reggio Calabria), and no confectionery or honey at all. Some regions in the North of the country have the lion's share of registered products, with Emilia-Romagna in first place with 21 PDO/PGI products. Among Southern regions, a fair number of registered products come from Campania (10 PDO/PGI products), Calabria and Sicily (9 products each). Mozzarella made with cow's milk is the only Italian product to have a certificate of specific character. Italy has also given provisional protection to a certain number of products awaiting EU registration^(*), including the Pachino tomato, the Roman artichoke of Lazio, the Annurca apple of Campania, the Marostica cherry, bread from

Altamura, "soppressa" (kind of salami) from Vicenza and the Val di Non apple.

In August 2000, the Ministry for Agricultural and Forestry Policies published the first National List of Traditional Agri-food Products, originated by Legislative Decree 173/98, with the aim of exploiting Italy's gastronomic heritage. This first inventory of products, prepared by the regions and the autonomous provinces of Trento and Bolzano, numbers 2,188 commodities of which half are natural or processed vegetable products, pasta and bakery products. Tuscany stands out among the regions with the largest number of traditional products (over 300). The contribution of speciality foods to Italy's agri-food economy is far from marginal: according to a recent study by Nomisma 2000, PDO and PGI products, excluding wines, induce a turnover of 12,000 billion lire, pro-

vide employment for 300,000 employees and earn over 5,500 billion lire a year in VFO, which represents 7% of total VFO from agriculture. The importance of these products is even greater in certain regions and agri-food sectors. For example, almost 60% of dairy cows in regions in the North and over 30% of sheep in Sardinia contribute to the production of local PDO cheeses. The economic value of PDO and PGI products is mainly the result of the enormous commercial success of certain commodities such as Grana Padana, Parmigiano Reggiano, Gorgonzola, Pecorino Romano, Prosciutto di Parma, Provolone Valpadana, Prosciutto di San Daniele, Mozzarella di Bufala Campana, Asiago and Montasio, which confirm that PDO commodities are not just small productions for niches in the market but are a winning combination of tradition, quality and industrial entrepre-

neurship. The export value of speciality foods from Italy amounts to over 1,834 billion lire, with salamis and cheeses leading the way.

Agri-food products with a registered food name (PDO or PGI) in the EU ()*

Country	Total
France	122
Italy	111
Greece	77
Portugal	75
Germany	61
Spain	55
United Kingdom	25
Austria	10
Netherlands	5
Luxembourg	4
Belgium	3
Denmark	3
Ireland	3
Sweden	2
Finland	1
TOTAL	557

(*) Situation updated at Reg. (EC) 898/2001 dated 7 May 2001.

List of Italian agri-food products with a registered food name (PDO or PGI) ()*

Cheeses

PDO

Asiago (Veneto and Trentino)

Bitto (Lombardy)

Bra (Piemonte)

Caciocavallo Silano (Puglia, Calabria, Campania, Basilicata, Molise)

Canestrato Pugliese (Puglia)

Casciotta d'Urbino (Marche)

Castelmagno (Piemonte)

Fiore Sardo (Sardinia)

Fontina (Val d'Aosta)

Formai de Mut dell'alta Valle Brembana (Lombardy)

Gorgonzola (Lombardy, Piemonte)

Grana Padano (Lombardy, Piemonte, Veneto, Trentino, Emilia-Romagna)

Montasio (Veneto e Friuli-V.G.)

Monte Veronese (Veneto)

Mozzarella di Bufala Campana (Lazio, Campania)

Murazzano (Piemonte)

Parmigiano Reggiano (Emilia-Romagna)

Pecorino Romano (Lazio, Sardinia)

Pecorino Sardo (Sardinia)

Pecorino Siciliano (Sicily)

Pecorino Toscano (Tuscany, Umbria, Lazio)

Provolone Valpadana (Veneto, Trentino, Lombardy)

Quartiolo Lombardo (Lombardy)

Ragusano (Sicily)

Raschera (Piemonte)

Robiola di Roccaverano (Piemonte)

Taleggio (Piemonte, Lombardy, Veneto)

Toma Piemontese (Piemonte)

Valle d'Aosta Fromazzo (Valle d'Aosta)

Valtellina Casera (Lombardy)

Fruit, vegetables, pulses, cereals and bakery products

PDO

"Nocellara" olive from Belice (Sicily)

"La Bella" olive from Daunia (Puglia)

San Marzano tomatoes from Agro Sarnese-Nocerino (Campania)

IGP

Sicilian blood oranges (Sicily)

Pantelleria capers (Sicily)

Monte Amiata chestnuts (Tuscany)

Montella chestnuts (Campania)

Calabrian clementines (Calabria)

Vallata Bellunese Lamone beans (Veneto)

Sarconi beans (Basilicata)

Garfagnana spelt (Tuscany)

Borgotaro mushrooms (Tuscany, Emilia-Romagna)

Castelluccio di Norcia lentils (Umbria)

Sorrento lemons (Campania)

Castel del Rio chestnuts (Emilia-Romagna)

Mugello chestnuts (Tuscany)

Giffoni hazelnuts (Campania)

Piedmont hazelnuts (Piemonte)

Genzano home-made bread (Lazio)

Senise peppers (Basilicata)

Emilia-Romagna pears (Emilia-Romagna)

Mantua pears (Lombardy)

Romagna nectarines and peaches (Emilia-Romagna)

Red "radicchio" (kind of chicory) from Treviso (Veneto)

Variegated "radicchio" from Castelfranco (Veneto)

Nano Vialone Veronese rice (Veneto)

Romagna shallots (Emilia-Romagna)

Canicatti table grapes (Sicily)

Olive oils

PDO

Aprutino Pescarese (Abruzzo)

Brisighella (Emilia-Romagna)

Bruzio (Calabria)

Canino (Lazio)

continued

(*) Situation updated at Reg. (EC) 898/2001 dated 7 May 2001.

Chianti Classico (Tuscany)
Cilento (Campania)
Collina di Brindisi (Puglia)
Colline Salernitane (Campania)
Colline Teatine (Abruzzo)
Dauno (Puglia)
Garda (Lombardy, Veneto)
Laghi Lombardi (Lombardy)
Lametia (Calabria)
Monti Iblei (Sicily)
Penisola Sorrentina (Campania)
Riviera Ligure (Liguria)
Sabina (Lazio)
Terra di Bari (Puglia)
Terra d'Otranto (Puglia)
Terre di Siena (Tuscany)
Umbria (Umbria)
Valle di Mazara (Sicily)
Valli Trapanesi (Sicily)
IGP
Toscana (Tuscany)

Vinegars
PDO
Aceto balsamico tradizionale di Modena (Emilia-Romagna)
Aceto balsamico tradizionale di Reggio Emilia (Emilia-Romagna)
Non-food products
PDO
Bergamot from Reggio Calabria - Essential oil (Calabria)
Fresh and processed meats
PDO
Calabrian "capocollo" (kind of salami) (Calabria)
Piacenza "coppa" (cured neck of pork) (Emilia-Romagna)
Zibello "culatello" (kind of ham) (Emilia-Romagna)
Calabrian bacon (Calabria)
Piacenza bacon (Emilia-Romagna)
Carpegna ham (Marche)
Modena ham (Emilia-Romagna)
Parma ham (Emilia-Romagna)
San Daniele ham (Friuli-V.G.)
Tuscan ham (Tuscany)
Veneto Berico-Euganeo ham (Veneto)

Brianza salami
Piacenza salami (Emilia-Romagna)
Varzi salami (Lombardy)
Calabrian sausage (Calabria)
Calabrian "soppressata" (kind of salami) (Calabria)
Valle d'Aosta "Jambon de Bosses" (Valle d'Aosta)
Valle d'Aosta "Lard d'Arnad" (Valle d'Aosta)
IGP
Sardinian lamb (Sardinia)
Valtellina "bresaola" (cured beef) (Lombardy)
Modena "cotechino" (kind of porkmeat sausage) (Emilia-Romagna, Lombardy, Veneto)
Bologna "mortadella" (Emilia-Romagna, Piemonte, Lombardy, Veneto, Trentino, Marche, Lazio, Tuscany)
Norcia ham (Umbria)
Alto Adige "speck" (Trentino-Alto Adige)
Young white bovine meat from the Central Apennines (Emilia-Romagna, Tuscany, Lazio, Umbria, Marche, Abruzzo, Molise, Campania)
Modena "zampone" (Emilia-Romagna, Lombardy, Veneto)

Traditional agri-food products (*)

	Natural & processed vegetable products	Pasta & bakery products	Meat & processed meats	Cheeses	Distilled drinks & liqueurs	Products of animal origin	Fish & molluscs	Oils & fats	Condiments	Total
Piemonte	42	32	36	44	8	-	-	-	-	162
Valle d'Aosta	-	-	5	8	-	-	-	4	-	17
Lombardy	22	60	53	57	-	4	4	1	-	201
Aut. Prov. Bolzano	16	57	24	17	11	1	-	-	-	126
Aut. Prov. Trento	6	7	28	16	-	1	2	-	-	60
Veneto	65	35	51	30	1	11	12	-	-	205
Friuli-Venezia Giulia	12	6	36	12	6	-	1	2	1	76
Liguria	25	30	11	17	2	3	4	1	8	101
Emilia-Romagna	19	29	12	6	1	4	-	1	1	73
Tuscany	142	60	50	25	2	13	6	4	-	302
Umbria	11	31	13	5	-	-	-	-	2	62
Marche	24	33	22	10	3	-	-	-	1	93
Lazio	25	48	15	7	4	3	-	1	1	104
Abruzzo	23	14	16	15	1	1	1	2	-	73
Molise	4	43	28	10	-	-	1	-	-	86
Campania	28	23	16	16	11	9	5	3	-	111
Puglia	37	13	4	16	11	-	2	-	1	84
Basilicata	5	11	9	16	-	-	-	-	-	41
Calabria	34	25	11	18	6	-	10	-	-	104
Sicily	34	-	-	24	-	4	1	-	1	64
Sardinia	3	16	4	6	1	9	2	1	1	43
ITALY	577	573	444	375	68	63	51	20	17	2,188

Source: Processing of data from the National List of Traditional Agri-Food Products produced by the Ministry of Agricultural and Forestry Policies, published further to Ministerial Decree dated 18 July 2000.

(*) Products for which processing, preservation and ageing methods have been consolidated over time (at least 25 years).

DOC Wines

Law n. 164 dated 10 February 1992 sets out the rules for the designation of origin of wines. The term "designation of origin" refers to the use of the geographical name of a particularly specialized wine-growing area to indicate a well-known quality product that possesses characteristics related to the natural and human environment in which it is produced.

Wines may be classified as follows:

- controlled and guaranteed designation of origin (DOCG);
- controlled designation of origin (DOC);
- indication of geographical origin (IGT).

In 2000, 4 new DOC wines were registered - Merlara, Arcole and Vicenza from Veneto and Orcia from Tuscany - and one IGT, Grottino di Roccanova from Basilicata. The latest wine to be registered (May 2001) is Offida from Marche.

According to statistics updated in

1999, the production of DOC wines has reached approximately 11.3 million hectolitres or 19.3% of total wine production in Italy.

There are now 72 wine trails, regulated by Law n. 268/99, which promote and exploit quality wine-making areas. Thirteen regions and the Autonomous Province of Bolzano have adopted provisions for implementing national legislation whereas seven regions have still not done so. A recent decree by the Ministry for Agricultural and Forestry Policies (dated 29 May 2001) has entrusted the Consortia of DOC and DOCG wine producers with the role of inspecting all stages of grape growing and wine making in their areas up to the marketing of the wine. A consortium can only carry out this role, which is additional to the roles of supervision and protection, if 66% of the producers and operators using the local designation belong to it.

DOCG, DOC and IGT wines by region ()*

	DOCG	DOC	IGT
Piemonte	7	50	-
Valle d'Aosta	-	1	-
Lombardy	2	16	12
Trentino - Alto Adige	-	7	4
Veneto	1	24	10
Friuli - Venezia Giulia	-	9	3
Liguria	-	8	-
Emilia - Romagna	1	20	10
Tuscany	6	41	5
Umbria	2	13	6
Marche	-	12	1
Lazio	-	25	5
Abruzzo	-	3	9
Molise	-	3	2
Campania	1	20	8
Puglia	-	25	6
Basilicata	-	1	2
Calabria	-	12	13
Sicily	-	19	7
Sardinia	1	20	15
ITALY	21	322	113

(*) At 30 June 2001.

N.B. The national totals for DOC and IGT wines are lower than the sum of the regional totals for these wines because some of them are inter-regional.



RESEARCH AND DEVELOPMENT

Research

In 1999, financial resources in Italy for public research in the agricultural sector amounted to just over 700 billion lire, 6.7% less than the previous year. During the 1990s, resources spent on agricultural research varied between 0.9% and 1.4% of the value of output from agriculture, a fairly low proportion compared to many other European countries. The largest decreases in resources recorded in 1999 were for the CNR(*) and for experimental stations for the agricultural industry. The MURST(**) continued to spend the most on agricultural research, through its network of Agriculture Faculties and its specific research programmes. The Ministry for Agricultural and Forestry Policies also played an important role in research, through its network of experimental institutes and through the actions it carried out under the Multiregional Operational Programme (MOP) for "Activities Providing Support for

Agricultural Development Services" for Objective 1 regions, in particular Measure 2, which funds 79 research and information/advice projects for a total of almost 115 billion lire for the four-year period 1998-2001. The regions invested more on research in 1999 than the previous year, spending over 130 billion lire (+3.9% compared to 1998).

The total number of human resources employed in agricultural research remained much the same as in 1998, totalling 5,857 full-time equivalents which included 3,361 researchers.

There are important innovations in research policy: on 21 December 2000, the CIPE (Committee of Ministers for Economic Planning) approved the National Research Programme, concluding an important process of reform in Italian research that began with the Bassanini Law (n. 59/1997). In the Programme, which is valid for three years, MURST sets out the main lines

of research to be supported, ways of carrying them out and sources of funding. The principles on which the Programme is based can be summarised as follows:

- national research must create a favourable context for sustainable growth of the economy and of employment;
- financial resources for research projects will be allocated on the basis of the extent to which they meet the country's needs;
- the interaction between science and the market will be encouraged and supported by improving the scientific and technological capabilities of small and medium businesses;
- the Italian scientific system will be rejuvenated by making the labour market in the research sector more attractive and competitive;
- the system for managing research (planning, coordination and assessment) will be carried out in a more

(*) National Research Council.

(**) Ministry for Universities and Scientific Research.

integrated way and integration with higher education will also be increased;

- links with social and productive sectors of society and with the whole of the country will be improved by encouraging consultation between research bodies and social and economic parties and increasing coordination between central and regional government.

The programme is supported by a total budget of 5,039 billion lire, of which 3,193 billion for 2001. This funding will increase the percentage of GDP

spent on research to 1.15% in 2001, reversing the downward trend of the last few years.

As far as the agricultural sector in particular is concerned, it should be noted that reform of all the major Italian public research structures has been carried out further to legislative decrees for the restructuring of ENEA (National Council for Nuclear and Alternative Energy), of the CNR and of the research network belonging to the Ministry for Agricultural and Forestry Policies (Leg. Decree 454/99).

Funding for agricultural research and experimental activities by region, 1999

Region/Auton. Province	Expenditure on R. & Exp. Total (million lire)	% of agr.VFO
Piemonte	4,970	0.08
Valle d'Aosta	1,598	1.26
Lombardy	2,445	0.02
Aut. Prov. Bolzano	15,390	1.42
Aut. Prov. Trento	12,209	-
Veneto	8,889	0.11
Friuli-Venezia Giulia	380	0.02
Liguria	2,650	0.18
Emilia-Romagna	14,536	0.16
Tuscany	4,363	0.12
Umbria	200	0.01
Marche	2,130	0.09
Lazio	3,060	0.07
Abruzzo	840	0.04
Molise	-	0.00
Campania	1,629	0.03
Puglia	1,392	0.02
Basilicata	1,075	0.07
Calabria	6,744	0.21
Sicily	8,202	0.12
Sardinia	39,402	1.36
TOTAL	132,104	0.16

Source: INEA and ORA-CNR questionnaire, and NABS records of ISRD-CNR.

Development Services

A year after the expiry of the Multiregional Operational Programme (MOP) for "Activities Providing Support for Agricultural Development Services" for Objective 1 regions, all the budget allocated to the programme has been committed and 69% has actually been spent. For some of the measures in the programme, the percentage of spending is lower, varying between 33% and 59%. For Measure 2, for example, spending amounts to 37%; this figure, however, is partly the result of delays in the commencement of implementation of the measure and in disbursement of advance payments by the EU.

The measures in the programme have been implemented as follows:

- Measure 1: 622 advisers were employed in 2000, of which 81 were specialists and 541 general advisers; 51% of those employed worked in Agriculture Departments

MOP for "Activities Providing Support for Agricultural Development Services" 1994-1999 - Financial situation at 31/12/00

Measures	Commitments/ total budget (%)	Spending/ total budget (%)	Spending/ commitments (%)
1. Employment of advisers	100.0	87.1	87.1
2. Technological innovation & dissemination of results	100.0	37.7	37.7
3. Information system	99.8	33.5	33.6
4. Operational & educational support	-	-	-
5.1 Technical assistance, analysis & monitoring	99.0	58.7	59.1
5.2 Evaluation	100.0	79.2	79.2
6. Multi-regional Guarantee Fund	100.0	100.0	100.0
TOTAL	100.0	69.0	69.0

in the Regions and 30% in offices belonging to agricultural development agencies/bodies;

- Measure 2: at 30 September 2000, overall implementation of the 79 research projects was estimated to have reached an average of 46%. The projects announced in the first Public Notice and begun in July

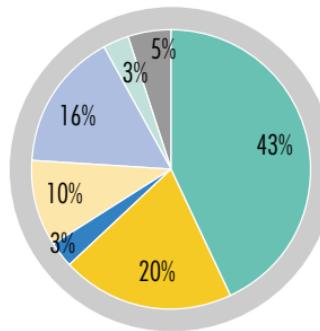
1998 show the highest level of implementation (59.2%), whereas the projects in the second Public Notice, which only started in September 1999, show a lower level of implementation (34%). The dissemination of information is the key aspect of this Measure; it does not represent the final stage of the

projects but proceeds along with the research itself and entails the constant and systematic participation of regional Agricultural Development Services. In fact, at 30 September 2000, 94 actions of dissemination (62% of the total) had been started or completed while 57 (the remaining 38%) had not yet been started.

- Measure 3: in 2000, the training courses begun in 1999 continued. At 31 December, 48% of planned training had been implemented: 263 courses had been held providing 2,882 days of education for 4,378 participants;
- Measure 5.1: support for the Ministry, Supervisory Board, MOP Implementation Board and Regions was continued, together with technical assistance and project monitoring.

The implementation of Measure 2

Innovations by type



Protocols and instructions	43%
Technical specifications	3%
Selections	20%
Database and software	10%
Manuals	16%
Maps	3%
Models and plans	5%

has reached its final stage as regards the production of innovations so the focus is now on transferring them to the regional Agricultural Development Services and from them to farmers. A large number of the innovations - 35% - are in the agro-economic sector and regard new ways of growing and fertilising crops and new

crop systems. Management innovations, regarding techniques for surveying, analysing and planning farm businesses, account for about 18% of the total and innovations regarding the organization of farm businesses and improvements in efficiency throughout the whole food chain account for 14%. Biological innova-

tions (regarding cultivars and animal breeds), chemical and mechanical innovations come last, ranging between 6% and 12% of the total. The innovations created by research are generally intangible products (specifications, sets of instructions, protocols) which aim at rationalizing processes and techniques in order to improve competitiveness in Southern agriculture and increase the income from farming as a result. The innovations are the result of strict scientific experiments and tests and provide farm businesses with useful instruments for managing production factors with greater efficiency.

Planning 2000-2006

In the new planning round for the Structural Funds (2000-06), less attention is paid to the role and devel-

opment of Agricultural Development Services than in the last two Community Support Frameworks (1988-93 and 1994-99). In fact, no funding has been allocated for a new multiregional operational programme for services, and services do not appear as a priority spending item in regional programmes. This situation is in blatant contrast with the methodological approach in the new Community Framework, which is meant to include and address the problems of Italian agriculture. The approach, based on an analysis of needs and verification of context, has led to the identification of two main categories of rural areas: those with dynamic growth trends and those experiencing difficulty in developing. The Regional Programmes (ROPs and RDPs) contain at most two specific measures for services: one for training and one for farm manage-

ment substitution and assistance services. Out of a total of 11.5 billion euro of public funding for regional programmes, only 2% have been allocated to support instruments for farm businesses.

Comparing Objective 1 and Centre-North regions, the percentage of total funding for services allocated to agriculture in the two groups is 2.7% and 1.6% respectively, showing a greater propensity to invest in agricultural services in the South. The figures are very different from the figures recorded in the last planning round (1994-99), when development services accounted for 7% of spending in the Regional Operational Programmes (ROPs) and 9% in the Single Programming Documents (SPDs), with total spending amounting to 5 billion ecu, i.e. a half of the total resources allocated for the new period 2000-06.

A few last details to be noted: both measures for services are totally absent from two regions, Valle d'Aosta and Molise; moreover, while training is planned in all other regions except for Puglia, only 12 regions consider support is needed to start up or manage farms.

*Funds allocated for training and services, 2000-2006
(million euro)*

	Measures for training	Measures for services	Total measures	Total public expenditure	Total measures/total public expenditure (%)
Piemonte	4,000	24,000	28,000	868,450	3.2
Valle d'Aosta	-	-	-	-	-
Lombardy	349	471	820	805,437	0.1
Aut. Prov. Bolzano	750	676	1,426	187,100	0.8
Aut. Prov. Trento	4,000	5,143	9,143	210,195	4.3
Veneto	5,760	12,200	17,960	666,640	2.7
Friuli-Venezia Giulia	1,040	-	1,040	212,984	0.5
Liguria	10,148	-	10,148	210,655	4.8
Emilia-Romagna	7,040	-	7,040	852,210	0.8
Tuscany	4,600	2,300	6,900	730,412	0.9
Umbria	1,056	5,721	6,777	402,614	1.7
Marche	2,970	690	3,660	450,830	0.8
Lazio	5,840	-	5,840	585,360	1.0
Abruzzo	3,019	-	3,019	292,582	1.0
TOTAL Centre-North	50,572	51,201	101,773	6,475,469	1.6
Molise	-	-	-	-	-
Campania	10,974	8,000	18,974	906,056	2.1
Puglia	-	2,133	2,133	711,986	0.3
Basilicata	4,000	-	4,000	302,350	1.3
Calabria	1,302	23,258	24,560	820,534	3.0
Sicily	40,000	30,000	70,000	1,375,409	5.1
Sardinia	12,000	-	12,000	812,156	1.5
TOTAL Obj. 1	68,276	63,391	131,667	4,928,491	2.7
TOTAL	118,848	114,592	233,440	11,403,960	2.0

INSTITUTIONS AND LEGISLATION

Agenda 2000 Reforms

CAP reform by sector

In 2000, reform of Agenda 2000 was carried further forward at both community and national levels.

Following the political agreement reached by the European Council in March 1999, new regulations have been adopted for important common market organizations for sectors such as arable crops, beef, milk and wine, but certain sectors have been excluded, including strategic sectors for Italy such as fruit and vegetables, olive oil and rice.

The evolution in the distribution of expenditure among the various market organizations and various types of intervention has highlighted the considerable effects produced by CAP reforms.

The distribution of funds among the various Member States appears to be consolidated, with each State's share of the total remaining more or less the

EAGGF Guarantee Section expenditure by country, 1996 - 2000 (million ecu/euro)

	1996		1998		2000 (*)	
		(%)		(%)		(%)
Belgium	1,145.6	2.9	851.3	2.2	954.6	2.4
Denmark	1,355.7	3.5	1,154.0	3.0	1,304.7	3.2
Germany	6,048.2	15.5	5,553.0	14.3	5,641.9	14.0
Greece	2,816.8	7.2	2,556.8	6.6	2,597.2	6.4
Spain	4,046.9	10.3	5,293.5	13.7	5,469.0	13.6
France	9,557.6	24.4	9,007.2	23.2	8,981.7	22.3
Ireland	1,699.5	4.3	1,632.6	4.2	1,678.3	4.2
Italy	4,219.9	10.8	4,129.2	10.7	5,031.3	12.5
Luxembourg	19.7	0.1	17.4	0.0	20.6	0.1
Netherlands	1,535.4	3.9	1,372.7	3.5	1,396.6	3.5
Austria	1,212.2	3.1	842.5	2.2	1,018.5	2.5
Portugal	645.4	1.7	637.4	1.6	652.0	1.6
Finland	647.5	1.7	575.7	1.5	727.6	1.8
Sweden	622.2	1.6	770.1	2.0	798.0	2.0
United Kingdom	3,468.2	8.9	4,314.2	11.1	4,058.7	10.1
TOTAL	39,107.8	100.0	38,747.9	100.0	40,348.6	100.0

(*) Provisional

Source: calculations by INEA on EU Commission data.

EAGGF Guarantee Section expenditure by country, 1996 - 2000 (million ecu/euro)

	1990			1995			1999		
	Expenditure/ VFO (%)	Expenditure/ AWU(*) ('000 ecu)	Expenditure/ UAA (ecu)	Expenditure/ VFO (%)	Expenditure/ AWU(*) ('000 ecu)	Expenditure/ UAA (ecu)	Expenditure/ VFO(**) (%)	Expenditure/ AWU(*) ('000 euro)	Expenditure/ UAA(***) (euro)
Belgium	14.4	9.3	641.0	24.5	19.3	1,187.5	17.0	14.3	838.7
Denmark	15.9	11.3	396.5	20.4	16.4	511.7	19.4	16.4	499.3
Germany	15.7	5.7	367.0	16.5	7.6	310.2	18.1	8.9	348.7
Greece	24.0	2.6	339.6	27.9	3.8	660.6	33.0	4.5	711.0
Spain	7.9	1.7	78.2	19.4	4.2	152.7	14.6	3.9	135.5
France	10.6	4.0	168.2	18.4	7.9	278.7	20.3	9.3	318.0
Ireland	39.8	6.5	292.9	32.3	6.4	321.6	38.1	7.6	385.6
Italy	11.4	1.9	241.1	10.7	1.9	200.9	11.9	2.5	252.0
Luxembourg	4.4	0.9	40.9	7.1	2.9	110.2	10.5	4.2	155.1
Netherlands	18.4	12.5	1,420.9	11.4	8.6	974.1	9.1	6.9	775.1
Austria	-	-	-	2.3	0.6	25.0	33.2	8.7	351.5
Portugal	5.9	0.3	47.3	15.9	1.2	177.6	13.3	1.2	162.4
Finland	-	-	-	2.6	0.5	28.6	28.3	5.0	299.6
Sweden	-	-	-	2.4	0.8	24.5	18.5	7.2	203.3
United Kingdom	10.5	4.5	107.1	16.0	7.4	186.3	18.9	8.8	218.8
EU	13.1	3.3	207.3	16.4	4.8	251.3	17.8	5.6	284.8

(*) Annual work units.

(**) In 1999, the value of final output was calculated at basic prices.

(***) Calculated on 1998 UAA figures.

Source: calculations by INEA on EU Commission data

same. The figure which stands out most is France's share of the total, which despite a slight decline still accounts for over one fifth of total spending under the Guarantee Section of the EAGGF, confirming France's position as the major beneficiary of the CAP.

Some interesting points on the different trends in EU expenditure among Member States emerge from the indicators listed in the table on expenditure under the Guidance Section of the EAGGF. These indicators compare EU expenditure in agriculture to the value of final output (VFO), to the number of employees (expressed in AWU) and to hectares of used agricultural area (UAA) in each country. Looking at the most recent figures available, the first aspect to emerge with clarity is the extreme variability of results among the different Member States. Expenditure per employee, for example, ranges from a maximum of

16,400 euro in Denmark down to a minimum of 1,200 euro in Portugal; between the two extremes, the figure for Belgium is also high (over 14,000 euro), followed by France, Germany, Austria and the United Kingdom (around 9,000 euro) while Italy receives only 2,500 euro per AWU. Expenditure per hectare also varies widely, ranging between 800 euro for Belgium and Holland and below 200 euro for Luxembourg, Portugal and Spain, with Italy receiving 250 euro/hectare. The ratio of expenditure to VFO is less varied among member countries, ranging from below 10% in one country only (Holland) to a maximum of 38% in Ireland, with most countries averaging around 20%; for this indicator too, Italy again shows one of the lowest values (under 12%).

Arable crops

For the common organization of the

market in this sector, the adoption of EU regulations reforming Agenda 2000 was completed in the course of 1999. The reform provides for a 15% reduction in the cereals intervention price spread over two phases of 7.5% each during the two marketing years 2000/01 and 2001/02 and for a parallel increase in area aid compensation for cereals amounting to 50% of the decrease in the intervention price.

At national level, however, an implementation decree for the reform was issued in 2000 for the 2000/01 marketing year, by which the Agriculture Ministry established the rate of voluntary set-aside (12%), decided on keeping the system of specific yields and separate base areas for maize and continued not to take up the option of adopting base sub-areas or of applying a separate regime to irrigated areas.

As far as transitional support for oilseeds is concerned, for the two mar-

ketting years 2000/01 and 2001/02 Italy has chosen to continue to pay aid on the basis of the cereal yield multiplied by the coefficient of 1.95 instead of the average cereal yield, on which payments will have to be calculated as from 2002/03.

Beef

The reform of the common organization of the market in beef planned by Agenda 2000 came into effect on 1 January 2000, based on the gradual dismantling of the intervention system and the introduction of new forms of direct support which will exist side by side with the direct aid payments already introduced in the 1992 reform.

New Italian legislation provides support for organic farming and for producer associations which guarantee quality production.

Milk and dairy products

As far as market intervention is concerned, the reform of Agenda 2000 leaves the system as it is until 2005, when institutional prices will be gradually reduced over a period of three years and, at the same time, a system of direct payments for producers will be introduced. The milk quota regime has been extended, with a few adjustments, until 2007/08. At national level, Italy is trying to complete arrangements for the application of the milk quota regime and consolidate the system for managing the regime, which up to 1999 was considered to be of an exceptional character. For this purpose Law 79/2000 was passed, which makes the system for checking and notifying quotas/production standard practice, and not of an extraordinary nature as it was in previous legislation. Thanks to this law, during 2000 it was possi-

ble to close the compensation operations for the 1997/98 and 1998/99 marketing years, in which there was still excess production. For 1998/99, the superlevy amounted to over 460 billion lire, distributed among over 14,000 producers.

Wine

The common organization of the market in the wine sector was only introduced into the Agenda 2000 reform package in the last stage of negotiations.

The reform, which became effective in August 2000, maintains the ban on planting new vineyards for 10 years but gives wine-producing countries the right to plant a certain area of new vineyards, which for Italy amounts to 12,933 hectares; the Commission may also assign a further 17,000 hectares, by 2003, to regions proving they have a specific

Percentage contribution of main products to total agricultural output (VFO) and their percentage share of EAGGF - Guarantee Section expenditure

	1990		1995		1998		1999	
	VFO	Expenditure	VFO	Expenditure	VFO	Expenditure	VFO	Expenditure
Cereals and oilseeds (1)	13.4	30.3	10.0	42.1	10.5	45.5	14.2	44.1
Olive oil (2)	1.0	5.0	1.4	3.8	2.0	5.6	2.0	5.5
Fruit and vegetables	14.4	4.6	14.8	5.1	15.8	3.8	14.9	3.6
Vine products	6.3	2.8	5.8	2.4	6.6	1.8	6.3	1.5
Tobacco	0.6	4.6	0.3	2.8	0.4	2.2	0.4	2.3
Milk and dairy produce (3)	18.1	18.5	18.5	11.3	18.0	6.6	13.9	6.2
Beef	13.1	10.6	11.1	11.3	10.0	13.1	10.2	11.3
Sheepmeat and goatmeat	1.5	5.4	1.7	5.0	2.0	3.9	2.3	4.7
Pigmeat	10.3	0.9	11.5	0.4	10.0	0.6	7.4	0.8
Eggs and poultry	7.0	0.7	6.5	0.6	7.7	0.2	5.3	0.3

(1) Protein crops are not included in the contribution to agricultural output but they are included in the share of expenditure.

(2) Two-yearly averages.

(3) Only milk has been considered for VFO.

Source: calculations by INEA on EU Commission data.

need. A system for regularizing unauthorized vineyards has also been introduced by which penalties are applied or planting rights have to be paid. Structural aid, for conversion

and improvement of the structure of vineyards, has been included again in the common organization of the market for the sector and therefore remains excluded from the regulation

on rural development.

Horizontal measures

The aim of the "horizontal measures"

in Regulation (EC) 1259/99 is to establish certain common conditions for direct payments in the various income support systems of the CAP, in an attempt to correct certain distributive imbalances created by the CAP and to use the funds thereby recovered to provide additional support for certain measures (agri-environment, woodland planting, early retirement and compensatory payments) operating under the regional rural development plans.

Through the horizontal measures, Member States may attach certain environmental conditions to the payment of premiums for each sector (cross compliance or ecoconditionality) or apply modulation. The latter can consist in reducing direct payments to farmers if the number of workers employed on their farms is below a certain minimum and/or the overall prosperity of the farms and/or

total amount of premiums paid to the farmers exceed certain ceilings.

The application of cross-compliance measures was set out in a decree of the Ministry for Agricultural and Forestry Policies dated 15 September 2000, published in the Official Gazette n. 248 dated 23/10/2000. In a subsequent decree dated 8 March 2001, published in the Official Gazette n. 97 dated 27/04/2001, the Ministry quantified the reduction in aid payments to farmers not respecting limits (between 2% and 7% of the amount).

Modulation has not yet been applied in Italy, but the possibility of it being introduced is being discussed.

Rural development

In Regulation 1257/99, the measures included in nine previous regulations were brought together as part of a simplification and concentration

process which also led to regions being given the possibility of drawing up a single programme of schemes for a seven-year period (2000-2006). For regions in the Centre-North, the Rural Development Programmes contain all the measures set out in the Regulation whereas for Objective 1 regions they only contain the three accompanying measures and compensatory payments, since the other measures for these regions are contained in the Operational Programmes.

Other aspects of the reform of rural development are:

- greater involvement of the Guarantee Section of the EAGGF, which now finances all rural development measures in non-Objective 1 regions as well as the traditional accompanying measures and compensatory payments;
- greater featuring of the environ-

ment in all measures;

- the extension of EU policy measures to the forestry sector.

The Ministry for Agricultural and Forestry Policies has played a guiding and coordinating role in rural development, having chosen not to manage financial resources directly. In order to supply the guidance necessary for the preparation and implementation of programmes, the Ministry has drawn up guidelines for the planning of rural development, and these have been approved by the State-Regions Conference. The new regulations on rural development in fact devolve on Member States the task of arranging certain aspects that are necessary for the implementation of the measures. For this purpose, in order to ensure a common, unified policy on aspects of a horizontal nature, six documents have been prepared providing methodological guidelines on: profitability; good farming practice; min-

imum requirements regarding the environment, hygiene and the well-being of animals; compatibility with the common organization of the market for each sector; implementation procedures; inspections and sanctions.

As far as financing is concerned, the Committee of Ministers for Economic Planning (CIPE) approved the distribution of EU resources among the programmes in a Resolution dated 21/12/1999. The Resolution also provided for a National Board to be set up to supervise the implementation of rural development programmes, with the aim of ensuring all actions are carried out efficiently. The sum of 4,165 million euro initially allocated to Italy was later increased, further to indexation, to 4,512 million euro.

Planning for rural development is carried out differently in Objective 1 regions (plus Molise, which is phasing out from Objective 1) and non-

Budget for implementation of the Rural Development Programmes (million euro), 2000-06 (*)

	Approximate budget 2000-06	%
Piemonte	335.1	8.1
Valle d'Aosta	40.5	1.0
Lombardy	311.0	7.5
Aut. Prov. Bolzano	109.7	2.6
Aut. Prov. Trento	83.2	2.0
Veneto	274.3	6.6
Friuli-Venezia Giulia	92.2	2.2
Liguria	80.3	1.9
Emilia-Romagna	356.9	8.6
Tuscany	303.8	7.3
Umbria	165.8	4.0
Marche	171.2	4.1
Lazio	235.7	5.7
Abruzzo	122.6	2.9
Molise	30.8	0.7
Campania	139.4	3.4
Puglia	269.4	6.5
Basilicata	169.3	4.1
Calabria	206.5	5.0
Sicily	387.9	9.3
Sardinia	279.5	6.7
ITALY	4,165.0	100.0

(*) Before indexation.

Regulations approved further to Agenda 2000 reforms ()*

ARABLE CROPS

Reg. 1251/1999 setting up support for certain arable crops

Reg. 1253/1999 regarding the common organization of the market for the cereals sector

Reg. 2316/1999 containing application procedures for Reg. 1251/1999

BEEF

Reg. 1254/1999 regarding the common organization of the market for the beef sector

Reg. 2342/1999 containing application procedures for Reg. 1254/1999

Reg. 1804/1999 (completes Reg. 2029/91) regarding the method of organic production

MILK AND DAIRY PRODUCTS

Reg. 1255/1999 regarding the common organization of the market for the milk and dairy sector

Reg. 1256/1999 containing amendments to Reg. 3950/92

WINE

Reg. 1493/1999 regarding the common organization of the market for the wine sector

Reg. 1227/2000 containing application procedures for Reg. 1493/1999

Direct support

Reg. 1259/1999 establishing common regulations for direct support regimes in the CAP

RURAL DEVELOPMENT

Reg. 1257/1999 regarding support for rural development by the EAGGF

Reg. 1750/1999 containing application procedures for Reg. 1257/1999

Reg. 2603/1999 containing transitional regulations for Reg. 1257/1999

Reg. 2075/2000 containing amendments to Reg. 1750/1999

FUNDING OF COMMON AGRICULTURAL POLICY

Reg. 1258/1999 regarding funding of the CAP

Objective 1 regions.

Objective 1 regions. These regions are beneficiaries of resources from both the Guarantee Section of the EAGGF and the Structural Funds, in particular the Guidance Section of the EAGGF. For schemes financed by the Guarantee Section, the regions have been required to draw up Rural Development Programmes (RDPs) containing the former, so-called accompanying measures and compensatory payments. The RDPs have all been approved except those for Sardinia and Basilicata.

The schemes co-financed by the Guidance Section of the EAGGF have been integrated into programmes for the other Structural Funds under the six priority intervention planks of the Community Support Framework (CSF) and Regional Operational Programmes (ROPs). The planks are:

(*) Further details on the regulations for each sector can be found on the EU website:
www.europa.eu.int/eur-lex/it/lif/ind/it_analytical_index_03.html

exploitation of natural and environmental resources; exploitation of cultural and historical resources; exploitation of human resources; improvement in the quality of towns and local institutions and in the quality of life connected with them; local development systems; networks and service centres. The CSF and ROPs were all approved in the course of 2000 but the schemes only became fully operative after the authorities approved the relevant programme complements, which form the "document for implementation of the strategy and of the priority intervention planks, containing details for each measure" (art. 9 of Reg. (EC) 1260/99).

Non-Objective 1 regions: Regions in the Centre-North have opted to include in their RSPs all the rural development measures that they have decided to implement, out of the twenty-two included in Regulations 1257/99 and 1750/99.

For these regions, the negotiating phase for the approval of the RDPs, which began in spring 2000, has now been concluded and a number of public notices have already been published for implementation of the various measures.

Community Initiative Programmes

With the reform of the CAP and of structural intervention, only four Community Initiative Programmes have been confirmed:

INTERREG: For cross-border, transnational and inter-regional cooperation, with a budget of 4,875 million euro from the ERDF.

URBAN: For urban areas, with a budget of 700 million euro from the ERDF.

EQUAL: For transnational coopera-

EAGGF funding for the LEADER+ Community Initiative (million euro)

	EU contribution
Molise	8.23
Campania	23.63
Puglia	25.76
Basilicata	17.03
Calabria	21.23
Sicily	29.31
Sardinia	26.89
Total Objective 1	152.09
Piemonte	11.32
Valle d'Aosta	2.14
Lombardy	7.22
Aut. Prov. Bolzano	7.75
Aut. Prov. Trento	3.69
Veneto	13.74
Friuli-Venezia Giulia	5.65
Liguria	5.30
Emilia-Romagna	9.78
Tuscany	13.34
Umbria	7.56
Marche	7.85
Lazio	13.55
Abruzzo	17.67
Total Centre-North	126.57
TOTAL regions	278.66
Network	5.44
TOTAL	284.10

Direct payments disbursed by AIMA in 2000 (million euro)

	Total	% Change 2000/98	Arable crops	% Change 2000/98	Beef	% Change 2000/98	Oil	% Change 2000/98	Reg. 2078/92	% Change 2000/98
Piemonte	502,524	7.08	232,620	-10.24	66,555	0.89	-	-	131,431	49.56
Valle d'Aosta	11,021	272.46	181	-2.16	1,333	-37.77	-	-	9,234	1,724.90
Lombardy	819,641	15.49	470,877	-7.33	19,635	-0.61	125	-90.55	172,800	205.20
Trentino-Alto Adige	152,248	90.54	1,604	5.74	2,294	-20.43	271	-28.68	75,483	559.47
Veneto	751,591	4.45	442,508	-9.25	22,262	24.65	2,702	4.36	74,565	132.81
Friuli-Venezia Giulia	168,451	-6.16	135,632	-11.83	1,677	-22.11	41	-10.87	11,659	-14.69
Liguria	55,915	-22.67	3,563	-11.89	2,113	-1.17	20,466	100.51	15,031	144.33
Emilia-Romagna	1,053,561	20.73	297,829	-7.57	11,685	-7.50	1,443	-34.59	142,784	33.89
Tuscany	565,292	47.96	238,712	-2.64	11,443	-9.91	44,125	12.90	118,605	1,216.96
Umbria	307,058	7.52	75,701	-15.24	7,995	-1.43	16,365	-11.28	53,716	48,292.79
Marche	346,921	44.17	216,430	11.65	11,465	1.48	10,126	-25.71	55,950	907.02
Lazio	493,039	32.18	178,088	-10.80	17,846	-2.42	60,840	61.59	106,701	355.71
Abruzzo	211,654	10.30	56,195	-15.93	7,343	-11.65	54,092	24.34	18,783	1,071.74
Molise	115,853	16.59	79,915	15.66	3,333	19.08	16,846	0.21	4,206	8.60
Campania	659,663	-7.81	96,507	-8.34	15,720	-19.14	124,856	63.75	32,206	356.63
Puglia	1,074,148	17.49	364,124	-7.57	7,850	-15.01	443,160	20.59	157,521	362.85
Basilicata	273,404	13.35	139,778	-20.56	7,561	-1.87	27,770	9.27	56,198	5,693.61
Calabria	828,571	158.20	45,586	-20.66	18,620	-23.88	318,870	128.84	153,754	614.70
Sicily	925,661	41.95	256,581	-7.13	58,613	-10.18	108,430	43.67	198,160	1,512.63
Sardinia	482,556	67.70	97,517	-4.70	36,702	-2.57	11,762	-6.63	169,837	4,842.87
TOTAL	9,798,772	25.46	3,429,948	-7.60	332,045	-5.35	1,262,290	43.05	1,758,624	301.70

tion in the fight against unemployment and inequality on the labour market, with a budget of 2,847 million euro from the ERDF.

LEADER+: For exploitation of resources in rural areas as part of an integrated national strategy for rural development to be implemented through regional programmes. The purpose of LEADER+ is to complete programmes with structural goals and to promote new ways of exploiting natural and cultural resources, of improving local economies and of incrementing the organizational abilities of local communities. The innovative feature of this initiative is “cooperation”, with the provision of support for inter-territorial and transnational cooperation.

Unlike in the past, LEADER+ will

involve all rural areas throughout the country. Its total budget for the whole of the next round of the Funds amounts to 2,148.9 million euro from the EAGGF, of which Italy has been allocated 284.1 million. In the State-Regions Conference held on 12/10/2000, the distribution of this sum among the regions was approved. Planning for LEADER+ is carried out by the single regions and autonomous provinces which are responsible for preparing regional LEADER programmes (RLPs); twenty of these were presented to the European Commission by June 2000 and are now under negotiation.

Transitional support

Transitional support for the period 2000-2005 will be guaranteed for former Objective 1, Objective 2 and Objective 5b regions so that conversion processes already under way can be completed and the results achieved by structural intervention up to 1999 will not be jeopardized. The overall sum allocated for this support under Rubric 2 in the EU Financial Perspective amounts to a total of 11,132 million euro.

Cohesion Fund

Support through the Cohesion Fund (18,000 million euro) is confirmed for Spain, Portugal, Greece and Ireland, who were already beneficiaries, because their per capita GDP per head is lower than 90% of the EU average.

Application of the CAP

Arable sector

In 2000/01, 593,561 claims for arable area payments were made in Italy in respect of a total area of over 4.5 million hectares. With the gradual introduction of the reform in this sector, there was a marked decrease in claims made under the main scheme compared to the previous year, which was not counterbalanced by the increase in claims made under the simplified scheme; the latter scheme, however, predominated as regards both number of claims (89%) and amount of area involved (58%), which was mostly planted to cereals. The decrease in claims for oilseeds under the main scheme continued, whereas there was an increase in claims for soya and sunflowers.

The maximum guaranteed area for maize, set at 1.2 million hectares, was overshot, leading to an abatement of the premium for maize growers by the

Areas of land under the main and simplified schemes (ha), 2000

	Main scheme (1)	Simplified scheme (2)	Total
Durum wheat	394,082	1,194,670	1,588,752
Corn	666,820	543,694	1,210,514
Other cereals	271,092	658,180	929,272
Other cereals	1,331,994	2,396,544	3,728,538
of which ensiled	62,863	47,178	110,041
Soya	164,345	81,132	245,477
Sunflowers	132,931	114,372	247,303
Rape	30,542	14,685	45,227
Total oilseeds	327,818	210,189	538,007
Total protein crops	20,134	46,002	66,136
Total non-textile flax	25	8	33
Obligatory set-aside	182,998	-	182,998
Voluntary set-aside	31,609	-	31,609
Uncompensated set-aside	1	-	1
Total set-aside	214,608	-	214,608
of which non-food	21,467	-	21,467
Forage areas for cattle premiums	-	-	-
Declared as arable crop areas	3,625	15,356	18,981
TOTAL AREAS	1,898,204	2,668,099	4,566,303

(1) Growers with production over 92 tonnes of cereals (total: 42,014).

(2) Growers with production under 92 tonnes of cereals (total: 530,220).

Source: Calculations by the Ministry for Agricultural and Forestry Policies on AGEA data.

*Application of the CAP in the arable sector in EU countries ('000 hectares),
1999/2000 marketing year*

Base area	Set-aside	Land planted to arable crops (1)			
		Simplified Scheme	(%)	Main scheme	(%)
Belgium	479	22	236	55.0	193 45.0
France	13,526	1,471	1,536	11.2	12,141 88.8
Germany	10,156	1,175	1,338	13.4	8,669 86.6
Italy	5,801	240	2,216	50.6	2,164 49.4
Luxembourg	43	2	18	46.2	21 53.8
Netherlands	437	17	281	71.5	112 28.5
Denmark	2,018	211	231	11.4	1,796 88.6
Ireland	346	30	86	26.7	236 73.3
United Kingdom	4,461	574	203	4.6	4,248 95.4
Greece	1,492	25	1,137	87.7	160 12.3
Portugal	1,035	55	356	43.7	458 56.3
Spain	9,220	1,342	1,363	15.7	7,315 84.3
Austria	1,203	106	345	30.4	790 69.6
Finland	1,591	201	378	27.3	1,008 72.7
Sweden	1,737	271	227	14.5	1,335 85.5
EU	53,545	5,742	9,951	19.7	40,646 80.3

(1) Excludes land planted to forage.

Source: European Commission, DG Agriculture.

same percentage as the overshoot (6.3%). This percentage includes land planted with fodder maize and set-aside.

Set-aside was set at 10% for "large growers" in 2000 under the obligatory scheme and constituted 4.6% of the total area of land for which payments were made.

Approximately one third of the area for which payments were received is concentrated in Objective 1 regions where durum wheat is the main crop, 70% of which is cultivated in the South of Italy.

In the EU, during the 1999/2000 marketing year, France, Germany and Spain presented almost 70% of the total area claimed for under the main scheme and the same percentage of set-aside, whereas the farms of "small growers" falling under the simplified scheme were more common in Greece, Netherlands, Belgium and Italy.

Beef sector

Most of the funding provided by the EU for the first year of the system of “national envelopes” (approximately 19 million euro) was allocated to slaughtered male bovines. One million euro were allocated to farms run by organic methods or rearing certified breeds and the rest was allocated to voluntary consortia and other producer associations which aim at improving quality by imposing rules on production. The additional resources can also be used to supple-

ment the suckler cow premium, at the request of farmers.

During 2000, there was a generalised, average increase in producer prices of 7.7% in the livestock sector in the EU; the increase in the beef sector was around 2%. The average increase in prices in the livestock sector in Italy (6.8%) was in line with the EU increase and was much higher than in 1999. With the discovery of new cases of BSE in the last three months of 2000 in France, Belgium, Germany and Italy, consumption fell again,

causing an average fall in prices of 16% for adult male bovines, 20% for calves and 24% for cows. At the end of the year, average prices in the Member States most affected by the crisis were below 60% of intervention prices. In Italy, in the first few months of 2000, prices stood at an average of 73% of the intervention price (category R3, young males). The Commission is putting together new measures and revising existing measures in order to cope with the new crisis.

Structural Policies for Agriculture

Rural development

Just over a year since the adoption of the EU regulations originating from Agenda 2000, the considerable effort put into planning for rural development at regional and national levels

in accordance with Regulations (EC) 1260/99 and 1257/99 has seen its first fruits. Planning activity has been intense: the Community Support Framework and the seven Objective 1 Regional Operational Programmes

with the attendant programme complements have been drawn up as well as the 21 Rural Development Programmes. In addition to these, 21 regional programmes that will shortly implement the LEADER+ initia-

Financial implementation of the Structural Funds 1994-99, Italy (euro)

	EAGGF budget (a)	Commitments at 1/5/2001 (b)	Payments at 1/5/2001 (c)	Progress (%) (b/a)	(c/a)	(c/b)
CSF Obj. 1 - Multiregional OPs	283,842,000	283,842,000	202,573,600	100.0	71.4	71.4
CSF Obj. 1 - Regional OPs	2,009,375,000	1,987,268,000	1,336,766,740	98.9	66.5	67.3
Obj. 5a - OP for Italy, former 2328/91	457,656,000	436,646,000	411,275,000	95.4	89.9	94.2
Obj. 5a - Multiregional OP 951/97	35,616,399	35,616,000	30,206,000	100.0	84.8	84.8
Obj. 5a - Regional OPs (1)	217,694,067	163,193,000	90,792,000	75.0	41.7	55.6
SPD Obj. 5b	508,609,557	508,130,000	350,605,000	99.9	68.9	69.0
LEADER II Obj. 1	98,965,000	98,965,000	38,131,000	100.0	38.5	38.5
LEADER II Obj. 5b	40,511,284	40,252,000	10,738,000	99.4	26.5	26.7
TOTAL	3,652,269,307	3,553,912,000	2,471,087,340	97.3	67.7	69.5

Source: European Commission.

(1) Includes Regulations 866/90 and 867/90 and Directives 159/72 and 160/72.

tive have also been prepared.

For the regions in the Centre-North, the RDPs, financed by the Guarantee Section of the EAGGF, contain all the 22 measures laid down in Regulation (EC) 1257/99 while in Objective 1 regions, they only contain the three accompanying measures and the compensatory payments; the other 18 structural measures are included in the ROPs and the relevant programme complements, which are financed by the Guidance Section of the EAGGF in accordance with Regulation (EC) 1260/99.

At the same time as the new programmes have been launched, the schemes co-financed by the Structural Funds for the 1994-99 period have been carried forward. Just a few months from the deadline for payments (31/12/01), there are still considerable delays in the spending of funds for these schemes in both Objective 1 and Objective 5b regions.

Rural Development

Programmes (RDPs), 2000-06

During 2000, over 1,640 billion lire were disbursed for RDPs in Italy, of which 944 billion lire came from the Guarantee Section of the EAGGF. This result put Italy in first place in the EU as a recipient of resources for rural development and was possible thanks to the modulation of resources approved by the State-Regions Conference, by which funding was transferred from regions with a low capacity for spending to those with a capacity for spending more than the sum allocated to them. This redistribution of resources has not, however, changed the ceiling laid down for each Region for the 2000-06 period: sums left unspent by regions in 2000 may be recuperated in the next few years and regions which spent more than they were allocated in 2000 will have to give back the extra sum

“lent” to them.

The overspending by Italy in respect of the sum allocated by the EU for 2000 (amounting to 601.4 million euro) was offset at community level by underspending by a number of Member States. Italy’s positive financial performance was mainly the result of spending to complete implementation of the accompanying measures in Regs. (EEC) 2078/92, 2079/92 and 2080/92.

Some regions succeeded in obtaining EU approval for their RDPs for 2000-06 in 2000 and were thus able to disburse sums for new structural and rural development measures. Most of these payments, which amounted to around 140 billion lire, were for young farmers setting up in business.

Regional Operational

Programmes (ROPs), 2000-06

The regions devoted the whole of the

Distribution of EAGGF resources for rural development among Regions and Autonomous Provinces, 2000-2006 (million euro)

	2000	2001	2002	2003	2004	2005	2006	Total 2000-2006
Piemonte	48.41	49.61	50.72	51.86	53.02	54.20	55.42	363.24
Valle d'Aosta	5.83	5.98	6.11	6.25	6.39	6.53	6.68	43.77
Lombardy	44.92	46.04	47.07	48.12	49.20	50.30	51.42	337.07
Aut. Prov. Bolzano	15.82	16.21	16.57	16.94	17.32	17.71	18.10	118.67
Aut. Prov. Trento	12.03	12.33	12.60	12.88	13.17	13.47	13.77	90.25
Veneto	39.63	40.61	41.52	42.45	43.40	44.37	45.37	297.35
Friuli - Venezia Giulia	13.29	13.62	13.94	14.24	14.56	14.88	15.21	99.74
Liguria	11.61	11.89	12.16	12.43	12.71	12.99	13.29	87.08
Emilia - Romagna	51.54	52.82	54.00	55.21	56.44	57.69	59.00	386.70
Tuscany	43.84	44.93	45.93	46.96	48.01	49.08	50.18	328.93
Umbria	23.94	24.53	25.09	25.64	26.21	26.80	27.40	179.61
Marche	24.72	25.33	25.90	26.48	27.07	27.67	28.29	185.46
Lazio	34.04	34.88	35.66	36.46	37.28	38.11	38.96	255.39
Abruzzo	17.68	18.12	18.52	18.94	19.36	19.80	20.24	132.66
Molise	4.45	4.56	4.66	4.77	4.87	4.98	5.09	33.38
Campania	20.15	20.65	21.11	21.58	22.06	22.56	23.07	151.18
Puglia	38.91	39.87	40.77	41.68	42.61	43.56	44.54	291.94
Basilicata	24.42	25.02	25.58	26.15	26.74	27.34	27.95	183.20
Calabria	29.83	30.57	31.25	31.95	32.67	33.40	34.14	223.81
Sicily	55.99	57.38	58.66	59.98	61.32	62.68	64.09	420.10
Sardinia	40.35	41.35	42.28	43.23	44.19	45.18	46.19	302.77
ITALY	601.40	616.30	630.10	644.20	658.60	673.30	688.40	4,512.30

Source: AGEA.

Financial implementation of the RDPs in 2000 (million lire)

N° beneficiaries	Sums spent further to modulation of resources	
	Total	of which EAGGF
Piemonte	27,178	147,986
Valle d'Aosta	2,321	8,887
Lombardy	22,152	128,607
Aut. Prov. Bolzano	9,839	29,070
Aut. Prov. Trento	4,017	18,345
Veneto	10,594	76,408
Friuli - Venezia Giulia	2,549	13,721
Liguria	5,579	15,214
Emilia - Romagna	16,933	191,985
Tuscany	16,156	197,947
Umbria	10,750	88,900
Marche	10,316	79,449
Lazio	10,976	92,630
Abruzzo	3,036	38,798
Molise	1,018	6,451
Campania	1,360	9,886
Puglia	2,432	29,370
Basilicata	7,453	62,165
Calabria	8,941	150,170
Sicily	22,987	150,929
Sardinia	7,650	103,513
TOTAL	204,237	1,640,431
		944,578

year 2000 to planning and drawing up operational programmes and to negotiating with the European Commission for approval for them. When EU approval was given in August 2000 and the programme complements were drawn up, the planning process was finally completed and in 2001 the operational phase of the programmes could actually begin.

The Community Support Framework is divided into six priority planks (natural and environmental resources, cultural and historical resources, human resources, local development systems, cities, networks and service centres); the schemes for agriculture financed by the Guidance Section of the EAGGF are included under the first plank (natural resources) and the fourth (local resources).

The EAGGF budget for the ROPs amounts to 2,982.6 million euro

overall and is divided among the seven Objective 1 regions with an average of 25% allocated to natural resources and 75% to local systems. Two years from the launch of the new round of Structural Funds, the main financial objective is to avoid having to give back to the EU any of the sum allocated to Italy through

the mechanism of automatic “decommitment” of funding. In fact, according to Reg. 1260/99, if any sums that the European Commission commits itself to pay are not claimed within two years through an application for reimbursement of sums spent, the sums concerned are automatically decommitted and they can-

not be recuperated in following years.

LEADER+

The objective of LEADER+ is to support rural operators in drawing up and implementing sustainable and integrated development strategies that show originality. Compared to previous programmes, the innovative nature required of schemes under LEADER+ is specified with greater precision than in the past, and the programme refers to all rural areas throughout the country, including those outside Objectives 1 and 2.

LEADER+ is structured differently from the previous LEADER programme, and is developed around three priority planks:

1. Integrated pilot rural development strategies;
2. Support for cooperation between rural areas;

EAGGF resources for the ROPs and distribution among priority planks of development (million euro)

	Molise	Campania	Puglia	Basilicata	Calabria	Sicily	Sardinia	Total
I - Natural Resources	14.4	240.0	166.4	30.0	84.7	143.0	24.6	703.1
II - Cultural Resources	-	-	30.0	-	-	-	-	30.0
III - Human Resources	-	-	-	-	-	-	-	-
IV - Local Systems	23.5	410.2	326.7	141.1	325.6	641.0	381.5	2,249.6
V - Cities	-	-	-	-	-	-	-	-
VI - Networks and Service Centres	-	-	-	-	-	-	-	-
Technical assistance	-	-	-	-	-	-	-	-
TOTAL EAGGF	37.9	650.2	523.1	171.1	410.3	784.0	406.1	2,982.7

Source: CSF Italy - Objective 1.

Distribution of funding for LEADER+ among Regions and Autonomous Provinces (million euro)

	2000	2001	2002	2003	2004	2005	2006	TOTAL 2000-2006
Piemonte	0	1.73	1.64	1.86	1.88	2.05	2.16	11.32
Valle d'Aosta	0	0.33	0.31	0.35	0.36	0.39	0.40	2.14
Lombardy	0	1.10	1.05	1.19	1.20	1.31	1.37	7.22
Aut. Prov. Bolzano	0	1.19	1.12	1.27	1.29	1.41	1.47	7.75
Aut. Prov. Trento	0	0.56	0.54	0.61	0.61	0.67	0.70	3.69
Veneto	0	2.11	1.99	2.26	2.28	2.49	2.61	13.74
Friuli - Venezia Giulia	0	0.87	0.81	0.93	0.94	1.02	1.08	5.65
Liguria	0	0.81	0.77	0.87	0.88	0.96	1.01	5.30
Emilia - Romagna	0	1.50	1.42	1.61	1.62	1.77	1.86	9.78
Tuscany	0	2.05	1.93	2.19	2.21	2.42	2.54	13.34
Umbria	0	1.15	1.10	1.24	1.25	1.37	1.46	7.57
Marche	0	1.19	1.14	1.29	1.30	1.44	1.49	7.85
Lazio	0	2.07	1.97	2.23	2.24	2.46	2.58	13.55
Abruzzo	0	2.71	2.56	2.91	2.92	3.20	3.37	17.67
Molise	0	1.27	1.19	1.35	1.37	1.49	1.57	8.24
Campania	0	3.62	3.43	3.88	3.92	4.28	4.50	23.63
Puglia	0	3.94	3.74	4.24	4.27	4.66	4.91	25.76
Basilicata	0	2.61	2.47	2.80	2.82	3.09	3.24	17.03
Calabria	0	3.25	3.08	3.49	3.52	3.85	4.04	21.23
Sicily	0	4.49	4.25	4.82	4.86	5.31	5.58	29.31
Sardinia	0	4.12	3.90	4.42	4.46	4.87	5.12	26.89
National network	0	0.74	0.76	0.78	0.79	0.81	0.83	5.44
TOTAL	0	43.50	41.20	46.70	47.10	51.50	54.10	284.71

Source: Ministry for Agricultural and Forestry Policies.

3. Creation of a network.

Regional planning has been rather slow compared to the exceptionally swift planning for the RDPs and ROPs, not only in Italy but throughout the EU. In June 2001, the Commission had only approved programmes for 3 Member States. This has led to remodulation of EU funding, with the sums allocated for 2000 being carried forward to successive financial years so that they are not lost.

The Ministry for Agricultural and Forestry Policies has drawn up a formal plan to distribute the new annual budget between the regions and autonomous provinces.

EAGGF - Guarantee Section

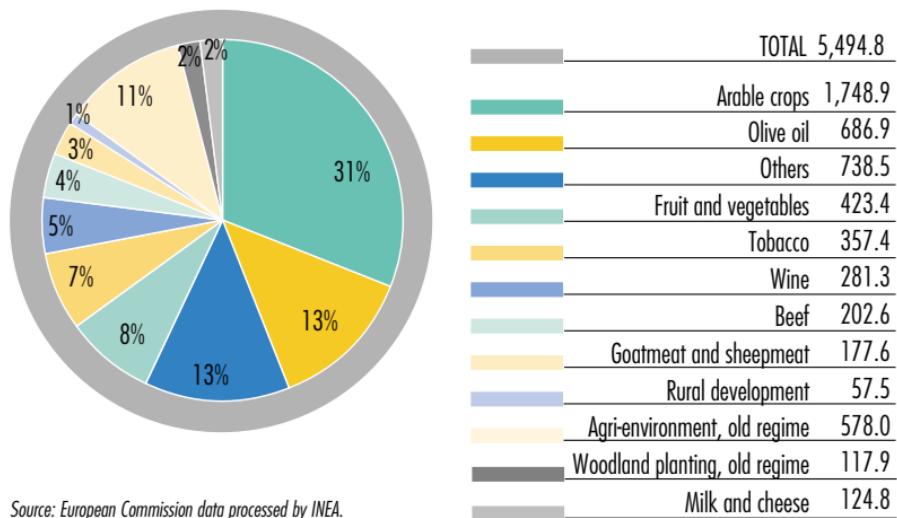
In 2000, expenditure in Italy by the Guarantee Section of the EAGGF amounted to nearly 5.5 billion euro, a 17% increase over 1999, although the sum should be reduced by approximately 8% because of financial adjustments chargeable to Italy from the closing of accounts for previous years. Most payments were for arable crops (31.8%), followed by payments for the accompanying measures of the old system included in Regs 2078/92, 2079/92 and 2080/92 (12.7%), for olive oil (12.5%), for fruit and vegetables (7.7%) and for tobacco (6.5%). It should be noted that further to Agenda 2000 reforms, the Guarantee Section of the EAGGF now finances rural development measures, which comprise agri-structural schemes and accompanying measures, including compensatory payments. In the past these were financed by the Guidance Section but they now come under the

Rural Development Programmes for 2000-2006 drawn up by the regions and autonomous provinces.

It should also be noted that approxi-

mately one third of payments in Italy are for Mediterranean products whereas the lion's share is still spent on continental products.

Expenditure by the EAGGF-Guarantee Section in Italy by sector (million euro), 2000



National Legislation

Main policies and provisions

The Agricultural, Agri-food, Agri-industrial and Forestry Planning Document (DPAF) for 2001-2003, set out in Law 499/99 and incorporated in the Economic and Financial Planning Document (DPEF) for 2001-2004, sets out the following priorities:

- improving environmental sustainability;
- defending and increasing employment, favouring labour-intensive activities, training and innovation;
- promoting the competitiveness of farms and agri-food businesses through structural measures aimed at increasing profitability and the food safety;
- improving processes of integration in food chains;
- improving the profitability of businesses through specific policies for tax, credit, social security and

insurance matters.

The guidelines and policies laid down by the DPAF were drawn up by the Agriculture Ministry with the agreement of the Regions and were approved by the Committee of Ministers for Economic Planning (CIPE) in a Resolution dated 3 May 2001. The document lays out the following plans and implementation schemes: national plans for production sectors such as citrus fruit, olives, flowers, sheep and goats, fruit and vegetables; rural development programmes (RDPs) and regional operational programmes (ROPs); inter-regional programmes managed by the Agriculture Ministry (research, genealogical registers, quality, etc); RIBS/Sviluppo Italia projects; general guidelines and coordination policies.

Law n. 79 dated 27 April 2000. Sets out urgent measures for the distribu-

tion of the increase in the national milk quota by the EU and for provisional regulations for the milk and dairy sector.

Law n. 92 dated 14 April 2000. Extends the special VAT regime for farmers.

Legislative decree n. 185 dated 21 April 2000: "Incentives for entrepreneurship and self-employment". This decree implements the measures set out in Law 144/99 on incentives for employment. In the agricultural sector, these include the development of entrepreneurship, the promotion of professionalism and special access to loans and investment capital. These objectives are pursued both through measures for helping young entrepreneurs to set up businesses in partnerships in the production and services sectors and through more specific measures for

supporting self-employed, individual entrepreneurs taking over the running of a farm from a relative.

Legislative decree n. 188 dated 15 June 2000: “Provisions correcting and integrating legislative decree n. 165 dated 27 May 1999 abolishing AIMA and setting up a new Payments Agency for Agriculture (AGEA)”. This decree launches AGEA in order to guarantee continuity of payments to farmers. The decree contains improvements to the way the agency works and it sets up officially recognized Agricultural Service Centres.

Law n. 340 dated 24 November 2000: “Provisions for deregulation and simplification of administrative procedures”. This law boosts the current process of reducing “red tape” by tasking the Government -

through its “Simplifications Team” - with deregulation of a large number of procedures regarding the environment and health and safety at work that specifically concern the agricultural sector.

Law n. 353 dated 21 November 2000: “Framework Law on forest fires”. This law makes provision for regional anticipatory plans and gives education a fundamental place in prevention and respect for the environment. The regions are asked to organize special technical and practical courses and to add environmental education to syllabuses of schools and educational institutions of every kind.

Law n. 388 dated 23 December 2000: “Provisions for the annual and multiannual State Budget” (Finance Act for 2001). This law includes

various measures for the agricultural sector:

- Young entrepreneurs: extension of certain tax breaks for young farmers set out in Law 441/98.
- Farm businesses: extension of the special rate for business income tax (IRAP); introduction of a flat-rate deduction from the taxable base for IRAP; extension to 31 December 2001 of the special VAT regime for agriculture. To encourage employers to declare their irregular workers, the deadline for “coming-out” employment contracts for undeclared workers has been extended by a year and five-year decreasing national insurance relief has been granted for undeclared workers who are given a “coming-out” contract by their employers. A programme has been set up with measures for saving and restructuring farms that have

been damaged by natural disasters or market crises.

- Farm machinery: extension by one year of financial support for scrapping old machinery in order to purchase safe and eco-compatible machinery (with a budget of 70 billion lire for the three-year period 2001-03).
- Cooperatives: extension of tax breaks for special forms of farming partnerships: the State stands surety for cooperatives in liquidation (with a budget of 230 billion lire).
- Employment: introduction of a tax credit for 800,000 lire for employers who increase the number of their paid workers on long-term contracts between 1 October 2000 and 31 December 2003. In Objective 1 regions and Abruzzo, the credit is raised to 1,200,000 lire. This aid is extended to workers on fixed-term contracts provid-

ed they are employed for over 230 days a year.

- Local development: authorization of financing for agricultural territorial pacts submitted by the deadline of 15 May 2000.
- Energy: exemption from excise duty on production of biodiesel for vehicles and heating up to 300,000 tonnes per year; abolition of excise duty on diesel oil for all glasshouse crops between 1 January - 30 June 2001; 22% reduction in excise duty on diesel oil for agricultural use and 49% reduction in excise duty on petrol.
- Environment: creation of the Sustainable Development Fund (250 billion lire for the three-year period 2001-03) to finance, among other things, multifunctional agricultural activities, woodland planting and renewable sources of energy. Establishment of an annual contribution of 2% for food

safety, levied on a wide range of plant health products, synthetic fertilisers and phyto-pharmaceuticals to fuel the Fund for the development of organic and quality agriculture.

- Health: Structural and prevention measures against BSE, avian influenza, flavesenza dorata and plum pox virus.

Law n. 422 dated 29 December 2000: "Provisions for fulfilling obligations deriving from Italy's membership of the EU - Community Law 2000". This law provides for implementation of 27 EU directives, by authorizing the Government to issue the relevant legislative decrees and specific implementation regulations. The subjects which affect agriculture include: the marketing of forestry propagation material (Dir. 1999/105/EC); criteria for banning the use of undesirable substances

and products in animal feed (Dir. 1999/29/EC); minimum standards for the protection of laying hens (Dir. 1999/74/EC); methods for testing animal feed (Dir. 1999/79/EC); rules on additives in animal feed (Dir. 1996/51/EC).

Law n. 3 dated 19 January 2001. This law sets out measures to increment epidemiological surveillance of Bovine Spongiform Encephalopathy (BSE).

Law n. 49 dated 9 March 2001: This law provides urgent aid for facing the BSE emergency, in particular payments for farmers who destroy and incinerate specific risk material and so-called animal meal. The law also gives the Ministry of Finance the faculty to suspend or defer deadlines for tax payments in order to help operators in the food chain.

Law n. 57 dated 5 March 2001: “Provisions for opening and regulating markets”. This law, which was attached to the financial measures for 2000, authorizes the Government to modernize the agriculture, forestry, fishing and aquaculture sectors. Its main objectives are to guarantee the multifunctionality of farms and to draw up regulations on the traceability of products. In the first application phase of the law, the following decrees offering guidance and providing for modernization have been passed: Legislative decree n. 228 dated 18 May 2001 (agriculture) aims to make the most of quality and speciality products with a view to the food chain, consumer protection and improved competitiveness of businesses. The most significant provisions are:

- Farmers and farms: introduction

of new definitions that replace art. 2135 of the Civil Code and extend the concept of agricultural activity to the processing and marketing of commodities and to the supply of goods and services; the title of agricultural entrepreneur (farmer) is extended to partnerships whose main business is farming; farms are allowed to sell their products to the public across the whole of the country; the range of farm tourism activities is widened.

- Agricultural contracts and the integrity of farm holdings: new regulations on the right of pre-emption (new rents, pre-emption over several neighbouring farm areas) and the use of State property for agriculture. Extension to the whole country of the provisions in Law n. 97/94 on mountain areas, in order to defend the integrity of farm holdings; creation of quality

agri-food and rural districts to be identified by the regions.

- Agreements with Government authorities: cooperation contracts and conventions for maintenance and restructuring of the hydrogeological set-up for the benefit of local farms.
- Food traceability and safety: establishment of a voluntary system for the traceability of foods, feed and livestock; creation of a Ministerial Committee for food safety; monitoring of crop products, seeds, pesticides, fertilisers and compounds made up of genetically modified organisms.
- Agri-food chain: extension of aid regime to processing businesses (art. 13, para 1, leg. decree n. 173/98); integration of provisions on inter-professional organizations to guarantee participation of categories; regulations for producer associations (conditions and requi-

sites for being officially recognized, representativeness, programmes of activity, aid and support); adjustment and updating of provisions on commodity exchanges.

- Concerted planning: regulations for the “agri-food table” set up in the Prime Minister’s Department; integration of negotiated planning in the agri-food planning document (DPAF) and the economic and planning document (DPEF).

Other provisions regard research financing procedures, regulations for payment agencies (AGEA) and the extension to the agricultural sector of the guarantees established for industry.

Legislative decree n. 227 dated 18 May 2001 (forestry) promotes the sustainable management of the nation’s forests by fostering the development of new business and employment opportunities, includ-

ing partnerships and cooperatives; the certification of activities; the protection of plant health; the fight against forest fires. References to the new EU regulation on rural development (Reg. (EC) 1257/99).

Legislative decree n. 226 dated 18 May 2001 (fishing and aquaculture) aims to develop activities that are compatible with the environment and to enhance the quality of products with a view to consumer protection and the multifunctionality of farm businesses.

Law n. 122 dated 27 March 2001: “Provisions which amend and integrate the regulations for the agricultural and forestry sectors”. This law, known as an omnibus law, contains provisions on various issues. Of particular significance is the provision authorizing the transfer of funds for counterbalancing the levies in the milk and dairy sector for 1989-1993

to AGEA, the new Italian Payments Agency. Another provision is for the renegotiation of loans for improvements to land and agriculture even before the 5 years of amortisation have elapsed. In another provision, spending is authorized to finance actions carried out by national farmers' unions for the benefit of products not regulated by market organizations. Other provisions include: an increase in the funding provided under Law 499/99 for co-financing agricultural actions and programmes; authorization for paying out credit owed by the State to the regions hit by natural disasters; authorization for continuing schemes in the Special Promotion Project for Inland Areas in the South (exploitation of speciality foods); planting productive woodlands in Campania; environmental improvements in Calabria.

Other legislation

CIPE Resolution n. 138 dated 21 December 2000: "Distribution of funds for depressed areas over the three-year period 2001-03". This

Resolution shares out the funds provided by the Finance Act for 2001, allocating 3,707 billion lire for negotiated planning, of which 1,616 billion for the 91 agricultural pacts identified in the same Resolution.

Main financial allocations under Law n. 122 dated 27 March 2001 (billion lire)

Measures	2000	2001	2002	2003
Transfer of funds to AGEA	750	362.2	-	-
Codex Alimentarius (1)	-	-	2.25	2.25
Exploitation of products (2)	-	80	80	-
Woodland planting (3)	-	116	50	-
Action against poaching	-	1.5	1.5	-
Farmers' unions	-	15	15	-
Programmes in Law 499/99	89	100	100	-
Natural disasters	436	-	-	-
Forest fires	-	15	40	40
OVERALL	1,275	689.7	288.75	40.25

(1) Includes other funds for food research.

(2) Special Promotional Project for Inland Areas in the South, CIPE Resolution n. 132/99.

(3) Special Project for areas at hydrogeological risk in Campania and for environmental improvements in Calabria (for 2001, 66 billion lire).

With the successive Resolution n. 48 dated 4 April 2001, CIPE increased the budget for negotiated planning to a total of 4,317.2 billion lire or

Distribution of financial resources for negotiated planning, 2001-2003
(*)

Measure	Billion lire	(%)
All territorial pacts	1,616	43.6
Agricultural territorial pacts (1)	1,451	39.1
Programme contracts	600	16.2
Unified service counter and protocols (2)	40	1.1
TOTAL	3,707	100

(*) CIPE Resolution n. 138/2000.

(1) Includes fishing.

(2) Refund at the unified service counter of sums paid in advance by farmers and safety protocol of the Interior Ministry.

22% of total resources for depressed areas.

Presidential Decree n. 450 dated 28 March 2000: "Regulations for the organization of the Ministry for Agricultural and Forestry Policies". The Ministry, for the exercise of its functions, is divided into two main departments: market policies and quality of agri-food products and services.

CIPE Resolution n. 42 dated 25 May 2000: "Reclassification of disadvantaged areas under Art. 2 of Legislative Decree n. 146/97 (Reform of national insurance in agriculture)". The definition of new boundaries for disadvantaged and mountain areas leaves the total amount of resources allocated to reducing national insurance contributions payable by employers in the agricultural sector essentially

unchanged. Reductions are by 70% for farms in mountain areas (particularly disadvantaged mountain areas) and 40% for farms in disadvantaged areas (other disadvantaged areas). The regions are given the power to enlarge and modify, in part, national boundaries.

The new, complete list of disadvantaged areas was approved by CIPE Resolution n. 13 dated 1 February 2001.

CIPE Resolution n. 90 dated 4 August 2000: "Framework Resolution on criteria and arrangements for former RIBS SpA projects which have been passed on to Sviluppo Italia SpA" sets out project criteria and arrangements so that the company Sviluppo Italia can begin performing its constitutive and promotional functions. The company has taken over the role and tasks carried out in the past by RIBS SpA in the process-

ing and marketing of agricultural, livestock and forestry commodities, in accordance with the guidelines and coordination policies laid down by Law 499/99.

Presidential Decree n. 314 dated 28 July 2000: “Regulations for simplifying procedures for projects promoting business enterprises run by women”. The decree issues new regulations on incentives for enterprises

run by women and starts up co-financing of investments with State and regional funds. Women running farm and farm tourism businesses are among the beneficiaries.

APPENDIX

Glossary

Agricultural contracting

The supply of machinery to farms, mainly by firms and contractors specialized in agricultural activities (ploughing, sowing, harvesting etc).

AWU - Annual Work Units

According to the EU definition for structural surveys, one AWU is equivalent to the labour input of a person who works at least 2,200 hours a year.

ESU - European Size Unit

It is a multiple of the ecu and is used to measure the standard gross margins (SGM) attributed to farms.

FADN has adopted the 1986 SGM since 1995, according to which 1 ESU = 1,200 ecu = 1,783,200 lire. ISTAT adopts the average SGM for 1993, 1994 and 1995, so that 1 ESU = 1,200 ecu = 2,308,608 lire.

FT - Farm Type

The classification of farms into types is based on the financial potential of the various agricultural activities of the farm and the combination of these activities.

In order to classify a farm, the standard gross margins (SGM) for the area in which the farm is situated are used. Hectares of crop area or number of livestock on the farm are multiplied by the appropriate SGM and the figure thus obtained is measured against a "farm type" table, which serves to identify the FT on the basis of criteria established by the EU. The classification is valid for all official statistics.

A farm is classified as "specialist" if the SGM of one of the farm's productive activities (or more than one if the activities are related) represents over two thirds of the total SGM of the farm.

Fixed costs

Costs for using long-term factors of production - depreciation, interest, land rent, wages for permanent hired labour - or all those costs that do not vary, in the short term, according to production.

Forms of Farm Management

- run directly by the owner
- run with hired labour and/or partners
- run under a share-cropping agreement

GDP - Gross Domestic Product

GDP is the net result of activities carried out by productive units operating on the economic territory of the country. It equates to the sum of the value of goods and services produced within that territory during a specified period of time (usually a calendar year). It does not include the value of

intermediate goods and services.

Intermediate consumption in agriculture

ESA 95 led to important changes in the calculation of total expenditure by farms on inputs (seeds, fertilisers, pesticides, feed, energy, irrigation water and various services). Thanks to the availability of FADN data, alongside traditional inputs it has been possible to identify other inputs previously excluded and to calculate the cost of others in a more complete manner. These newly-included or better-calculated inputs include: maintenance of and repairs to farm machinery and tools; veterinary services; processing and bottling of commodities; trials and technical tests; advertising, market studies and research services; producer organization membership, insurance, banking and financial services;

legal and accountancy services. The cost of transactions within the agricultural industry has also been added, including own use of products on farms and the sale of products between farms.

Net Income

Net income is the return on all factors belonging to the farm enterprise: land, labour and capital.

Normalized Balance

This is the ratio of the simple balance of trade (exports minus imports) to the overall volume of trade (exports plus imports); it varies between -100 (absence of exports) and +100 (absence of imports) and is used to compare the trade performance of aggregates of different products and of products of different absolute value.

Occupation of UAA

The relationship between a farm business and land capital (ownership or tenancy).

Output at basic prices

With ESA 95, the concept of a “local kind-of-activity unit” (KAU) is adopted in the agricultural account in order to describe production processes and the revenue obtained from them and to compare enterprises from a financial viewpoint and as regards their types of production. The “national farm” concept, which was used previously, has been superseded, replaced by the term “agricultural industry”, which embraces all KAUs involved in agriculture, classified according to their main productive activity. These units constitute together the “economic branch of the agricultural industry”, which includes not only the financial results

of agricultural activity in the strict sense but also the results of correlated secondary activities such as the processing of agricultural products by farms and/or certain services and other productive activities (forestry etc).

Related to the concept of the KAU is the concept of "output" which according to ESA 95 methodology does not only include products destined for the market at an economically significant price (saleable production) but also those used by producers as final consumption or investment (production for own final use). The new system therefore supersedes the old concept of "final output" by including in the concept of output not only production sold on the market or kept as stock or consumed on the farm, but also the part of production used as an intermediate input in the same year by the unit which produced it.

Another fundamental innovation concerns the system of prices and the value given to output. According to ESA 95, all output - whether destined for sale or for other uses - must be valued at basic prices, which include production-related subsidies and therefore measure the sum actually received by the producer; subsidies which are not directly related to the product but are of a more general support nature (e.g. accompanying measures, set-aside, national and regional aid), are, however, excluded.

Production-related subsidies

Premiums and grants paid out by public bodies in support of the agricultural sector.

SGM - Standard Gross Margin

The SGM is a financial measure established for each of a farm's agricultural activities by subtracting the

sum of certain specific costs (seeds, fertilisers, pesticides, feed, forage etc but not labour and machinery) from the value of saleable output. The gross margins calculated in this way are said to be "standard" in that the value of output and costs are calculated on average values from a three-year period and in relation to the altitude zone of the region. SGMs are expressed in ecu and are updated by INEA during structural surveys and ISTAT agricultural censuses.

The sum of the SGMs of all the farm's activities equates to the economic size of the farm, which is expressed in ESU.

Total Farm Area

For structural surveys of farms, total farm area includes UAA, cultivated woodland (woods and poplar groves), unused agricultural land and any other land within the farm perimeter.

It differs therefore from the definition used in current agricultural statistics, which also includes other unintended areas of land not belonging to any farm.

UAA - Used Agricultural Area

UAA comprises all arable land, permanent grass and pasture, tree crop land, household plots and land planted with (edible) chestnut trees.

VA - Value Added

Value added is the difference between the value of goods and services produced in each sector and the value of the intermediate goods and services consumed in producing them. It is

equivalent to the sum of income and depreciation in each sector.

With ESA 95, estimates of value added and output are no longer presented at factor cost because of the introduction of the concept of basic prices. Basic prices include all subsidies directly related to the value of products - and exclude, for example, compensatory aid not directly related to quantities produced - and they exclude specific taxes on products. Therefore, unlike value added at factor cost, value added at basic prices includes other taxes on production and excludes other production subsidies.

Output less intermediate consumption gives value added at basic prices.

Variable costs

Costs incurred for factors of production which are subject to total consumption - energy, hire of machinery, casual labour - or all those costs that vary according to production.

WU - Standard Work Unit

This is a national accounts term used to measure the total volume of work used for productive activities in the country, expressed in standard amounts of working time. The volume of labour expressed in work units (or "employee equivalents") includes labour by unofficial workers, undeclared employees, non-resident foreigners and workers with a second job.

Useful Addresses and Websites

A broader list of addresses, including other categories of organizations connected with agriculture, can be found on the web-site of this publication.

The same page provides direct access to ITAGRIWEB, the INEA service containing links to both Italian and other countries' agriculture sites, which can be consulted in either Italian or English.

Ministero delle Politiche Agricole

- MiPA (Ministry for Agricultural Policies)

Via XX Settembre, 20 - Roma

<http://www.politicheagricole.it>

REGIONAL DEPARTMENTS OF AGRICULTURE

Abruzzo

II Dipartimento

Via Catullo, 17 - Pescara

085/7672977

<http://www.regione.abruzzo.it/webarssa/default.htm>

Basilicata

Via Anzio, 44 - Potenza

0971/448710

<http://www.regione.basilicata.it/agri->

coltura/default.htm

Calabria

Via S. Nicola, 5 - Catanzaro

0961/744359

<http://www.regione.calabria.it/>

Campania

Centro direzionale isola A/6 - Napoli

081/7533510

<http://www.regione.campania.it/>

Emilia Romagna

Viale Silvani, 6 - Bologna

051/284516

<http://www.regione.emilia-romagna.it/giunta/agrd.htm>

Friuli-Venezia Giulia

Via Caccia, 17 - Udine - 0432/555111

<http://www.regione.fvg.it/sgricoltura/agricoltura.htm>

Lazio

Via Rosa Raimondi Garibaldi, 7 - Roma
06/5168130

<http://www.regionelazio.stm.it/regionelazionew/>

Liguria

Via D'Annunzio, 113 - Genova
010/5485722

http://www.regione.liguria.it/menu/0801_fr.htm

Lombardy

Piazza IV Novembre, 5 - Milano
02/67652505

<http://www.agricoltura.regione.lombardia.it/>

Marche

CORSO TIZIANO, 44 - ANCONA
071/8063661

<http://www.agri.marche.it/assessorato/Molise>

Via Nazario Sauro, 1 - Campobasso
0874/4291

<http://www.siar.molise.it>

Piemonte

Corso Stati Uniti, 21 - Torino
011/4321680

<http://www.regione.piemonte.it/agri/index.htm>

Puglia

Lungomare N. Sauro, 1 - Bari
080/5405202

<http://www.agripuglia.it/indexparametri.cfm?s.x=menu.htm&dx=struttura.htm>

Sardinia

Via Pessagno, 4 - Cagliari
070/302977

<http://www.regione.sardegna.it/ital/agricoltura/agricindenx.htm>

Sicily

Viale Regione Siciliana, 2675 ang.
Via Leonardo da Vinci - Palermo
091/6966066

<http://www.regione.sicilia.it/agricoltura/assessorato/>

Tuscany

Via di Novoli, 26 - Firenze
055/4383777

<http://www.rete.toscana.it/sett/agric/Provincia Autonoma di Trento>

Località Melta, 112 - Trento
0461/495111

<http://www.provincia.trento.it/agricoltura/>

Provincia Autonoma di Bolzano

Via Brennero, 6 - Bolzano
0471/992111

<http://www.provinz.bz.it/ambiente.htm>

Umbria

Centro direzionale Fontivegge - Perugia
075/5045130

<http://www.regione.umbria.it/agriforeste/default.htm>

Valle d'Aosta

Quart - loc. Amerique, 127/a - Aosta
0165/275411

<http://www.regione.vda.it/amministr>

azione/struttura/agricoltura_i.asp

Veneto

Palazzo Balbi - Dorsoduro 3901 - Mestre
041/2792832

<http://www.regione.veneto.it/home/agricoltura.htm>

NATIONAL RESEARCH BODIES

ANPA

Agenzia Nazionale per la Protezione dell'Ambiente

Via Vitaliano Brancati 48 Roma
<http://www.sinanet.anpa.it/novita/emasemas.asp>

CNR

Consiglio Nazionale delle Ricerche

Roma - Piazzale Aldo Moro, 1

<http://www.cnr.it/>

ENEA

Ente per le nuove tecnologie, l'energia e l'ambiente

Santa Maria di Galeria (RM) -Strada

Prov. Anguillarese, 301
<http://www.enea.it>

INFS
**Istituto Nazionale
per la Fauna Selvatica**
Ozzano Emilia - Bologna - Via Cà
Fornacetta, 9

INN
Istituto Nazionale della Nutrizione
Roma - Via Ardeatina, 546
<http://www.inn.ingrm.it/pageita.htm>

ISMEA
**Istituto per Studi Ricerche e
Informazioni sul Mercato Agricolo**
Roma - Via Nizza, 128
<http://www.ismea.it>

ISTAT
Istituto Nazionale di Statistica
Roma - Via Cesare Balbo, 16
<http://www.istat.it>

Istituto Nazionale di Apicoltura
Bologna - Via di Saliceto, 80
<http://www.inapicoltura.org/>

Istituto Superiore di Sanità
Roma - Viale Regina Margherita, 299
<http://www.iss.it>

NOMISMA
Bologna - Strada Maggiore, 44
<http://www.nomisma.it/new/home.htm>

UCEA
**Ufficio Centrale di Ecologia Agraria
e Difesa delle Piante Coltivate dalle
Avversità Meteoriche**
Roma - Via del Caravita, 7/a
<http://www.inea.it/ucea/uceaind.htm>

**AGRICULTURAL RESEARCH
AND EXPERIMENTATION INSTI-
TUTES**

Centro di Specializzazione e

**Ricerche Economico-Agrarie nel
Mezzogiorno**
Napoli - Via Università, 96
<http://www.depa.unina.it>

**Istituto Agronomico per
l'Oltremare**
Firenze - Via Cocchi, 4
<http://www.iao.florence.it>

**Istituto Centrale per la Ricerca
Scientifica e Tecnologica
Applicata al Mare**
Roma - Via Lorenzo Respighi, 5

Ist. Sper. Agronomico
Bari - Via Celso Ulpiani, 5
<http://www.inea.it/ids/ids.html>

Ist. Sper. Lattiero Caseario
Lodi (MI) - Via A. Lombardo, 11
<http://www.telware.it/ilclodi/>

Ist. Sper. per l'Agrumicoltura

Acireale (CT) - Corso Savoia, 190
<http://www.gte.it/piante/default.htm>

**Ist. Sper. per l'Assestamento
Forestale e l'Apicoltura - Trento**
(Villazzano) - P.zza Nicolini, 6
<http://www.isafa.it/>

Ist. Sper. per la Cerealicoltura
Roma - Via Cassia, 176
<http://www.cerealicoltura.it/>

Ist. Sper. per le Colture Foraggere
Lodi (MI) - Viale Piacenza, 29
<http://www.isnet.it/iscffg/>

**Ist. Sper. per le Colture
Industriali**
Bologna - Via di Corticella, 133
<http://www.inea.it/isci/index.html>

Ist. Sper. per la Elaiotecnica
Pescara - Via Cesare Battisti, 198
<http://www.inea.it/udi/ricerca/elaio/>

Ist. Sper. per l'Enologia
Asti - Via Pietro Micca, 35
<http://www.politicheagricole.it/mipa/servizi/ricerca/irsa/isenol.htm>

Ist. Sper. per la Floricoltura
Sanremo (IM) - Corso degli Inglesi, 508
<http://www.inea.it/istflo/menuiniz.htm>

Ist. Sper. per la Frutticoltura
Roma (Ciampino) - Via Fioranello, 52
<http://www.inea.it/isf/institute/italy.html>

**Ist. Sper. per la Meccanizzazione
Agricola**
Monterotondo (Roma) - Via della
Pascolare, 16 (Via Salaria, km. 29,200)
<http://www.inea.it/udi/collab/isma/index.html>

**Ist. Sper. per la Nutrizione delle
Piante**
Roma - Via della Navicella, 2
<http://www.isnp.it/>

Ist. Sper. per l'Olivicoltura
Rende (CS) - Contrada "Li Rocchi"
Vermicelli
<http://www.politicheagricole.it/mipa/servizi/ricerca/irsa/isoliv.htm>

Ist. Sper. per l'Orticoltura
Pontecagnano (SA) - Via dei
Cavalleggeri, 25
<http://www.inea.it/udi/ricerca/isor/>

**Ist. Sper. per la Patologia
Vegetale**
Roma - Via Carlo G. Bertero, 22
<http://www.inea.it/ispare/homeispare.html>

Ist. Sper. per la Selvicoltura
Arezzo - Viale Santa Margherita, 80
<http://www.selvicoltura.org/home.htm>

**Ist. Sper. per lo Studio e la
Difesa del Suolo**
Firenze - Piazza M. D'Azelio, 30
<http://www.inea.it/issds/index.htm>

Ist. Sper. per il Tabacco

Scafati (SA) - Via P. Vitiello, 66

<http://www.inea.it/ist/home.htm>

Ist. Sper. per la Valorizzazione**Tecnologica dei Prodotti agricoli**

Milano - G. Venezian, 26

<http://www.politicheagricole.it/mipa/servizi/ricerca/irsa/isvtpa.htm>

Ist. Sper. per la Viticoltura

Conegliano (TV) - Via 28 Aprile, 26

<http://www.inea.it/isv/isv.htm>

Ist. Sper. per la Zoologia Agraria

Firenze - Via Lanchiola, 12a

<http://www.inea.it/isza/sede/default.htm>

Ist. Sper. per la Zootecnia

Roma - Via O. Panvinio, 11

<http://www.politicheagricole.it/mipa/servizi/ricerca/irsa/isz.htm>

NATIONAL INSTITUTIONS**Ministry for the Environment**

<http://www.minambiente.it/home1.htm>

Senate of the Republic

<http://www.senato.it>

Chamber of Deputies

<http://www.camera.it>

Agriculture Committee, Chamber of Deputies

<http://www.camera.it/attivita/lavori/02commissioni/13.agricoltura.asp>

EUROPEAN UNION**European Union**

<http://www.europa.eu.int>

European Commission

http://www.europa.eu.int/comm/index_it.htm

DG VI - Agriculture

<http://europa.eu.int/comm/dg06/index.htm>

EUROSTAT

<http://www.europa.eu.int/eurostat.html>

EUR - Lex II European Union Law

<http://europa.eu.int/eur-lex/it>

INFOREGIO

<http://www.inforegio.org>

European Environment Agency

<http://www.eea.eu.int>

AGRICULTURAL BUSINESS ORGANIZATIONS**Confederazione italiana agricoltori (Confederation of Italian Farmers)**

<http://www.cia.it>

Confederazione nazionale coltivatori diretti (National Confederation of Direct Growers)
<http://www.coldiretti.it>

Confederazione generale dell'agricoltura (General Confederation of Agriculture)
<http://www.confagricoltura.it>

OTHER ITALIAN SITES

Cassa per la Formazione della Proprietà Contadina (Fund for Creation of Farming Property)
<http://www.cassacontadina.it>

ICE (Institute for Foreign Trade)
<http://www.ice.it>

Italian Chambers of Commerce
<http://www.unioncamere.it>

CENSIS Foundation
<http://www.censis.it>

INTERNATIONAL SITES

OECD
<http://www.oecd.org/agr>

FAO
<http://www.fao.org>

International Monetary Fund
<http://www.imf.org>

World Bank
<http://www.worldbank.org>

World Trade Organization
<http://www.wto.org>

Institut National de la Recherche Agronomique
<http://www.inra.fr>

United States Department of Agriculture
<http://www.usda.gov>

Board of editors

Alessandro Antimiani (coordinator), Sabrina Giuca, Francesca Marras & Roberta Sardone

Working group

Laura Aguglia, Alessandro Antimiani, Davide Bortolozzo, Stefano Dell'Acqua, Roberto Giordani, Sabrina Giuca, Franco Mari, Corrado La Moglie, Francesca Marras, Bruno Massoli, Franca Melillo, Roberto Murano, Maria Rosaria Pupo D'Andrea & Camillo Zaccarini Bonelli

Data processing

Fabio Iacobini

Graphic design

Sofia Mannozzi

Secretariat

Elisabetta Alteri & Claudia Pasiani

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Roberta Merlini

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Anita Krol

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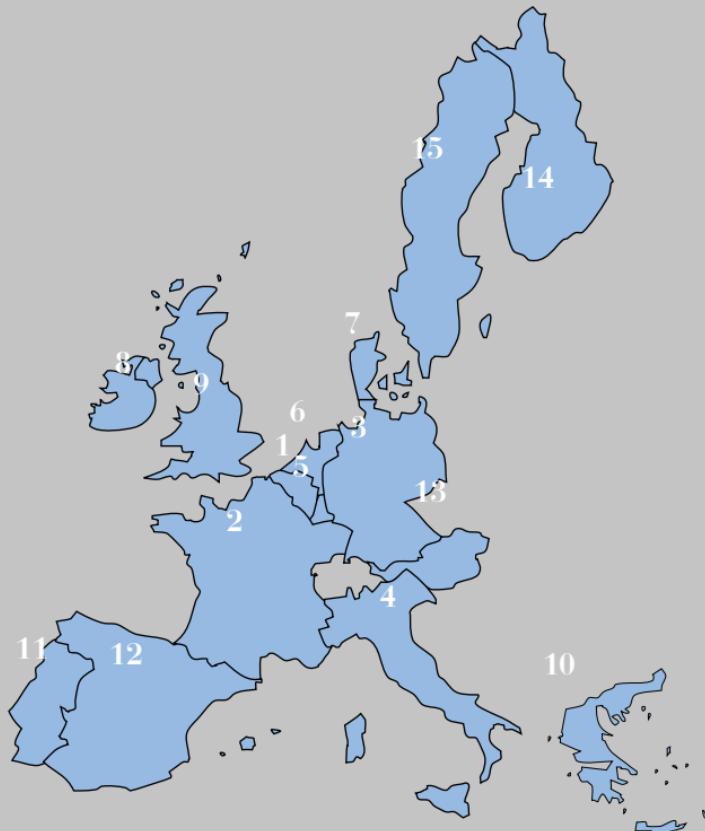
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