



ITALIAN AGRICULTURE IN FIGURES 2014



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Edition finalized in December 2014

Photos of Marina Marras and Giulio Tognazzi

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ROME, 2014

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Now in its 27th edition, the “Italian Agriculture in Figures”, edited by the National Institute of Agriculture Economics, represents a source of information on the trend of the Italian agro-food system, and it depicts a detailed picture of the main activities in the agricultural and agro-industrial sector, thus providing a support, also to the institutional stakeholders, aimed at understanding a strategic sector for the Italian economy.

The data highlight that the Italian agriculture has contributed to a greater extent to the development of the national value added, thus reaching 2.1% so much as to exceed the average of the EU countries. Even the value of the output in agriculture, forestry and fishing is increased by 3.3%, a result which has allowed, therefore, to reach 56.1 billion euro.

There is still so much to do, there is awareness of the critical points which require a targeted action as, for instance, the issues relating to the red tape, the

access to credit and the generational change. In order to cope with these issues, the Government has decided to intervene urgently through the Legislative Decree “Competitiveness” and, in particular, with the envisaged measures “Campolibero”. Many measures are expected in order to support the young people, such as the mortgages at zero rate, deductions of 19% to people aged less than 35 who are renting lands, and the reduction of 1/3 of the gross wage for more stable hiring. The young people are looking at the agricultural sector with ever more interest, from when they choose the type of study, this is why the agriculture should provide a concrete working possibility. Are then expected IRAP deductions, which can reach up to 10,500 euro for hiring young people and women in the southern regions. It has been also created the unique register of controls, it has been extended the use of the injunction before applying administrative sanctions, and it is expected the dem-

aterialization of the registers. In order to support the growth and the development of the agricultural firms, three tax credits have been established: two at 40% for investments up to 400 thousand euro, for innovation and networks of business, and another one at 40% up to 50 thousand euro for the e-commerce.

Furthermore, within the community agricultural policy, important choices have been taken for the future and the relaunch of the national agro-food sector. In the next seven years, 52 billion euro will be available for investments. It has been allocated a share equal to 11%, more than 426 million euro, for the coupled aid, by focusing resources mainly on those sectors most in need, such as the livestock sector for meat and milk, the arable, the protein plan, durum wheat and olive growing, with the aim of gaining margins of efficiency and boost the productions “made in Italy”. An amount of 80 million euro has been allocated to the farms run by young people,

by increasing of 25% the direct aid for 5 years. Conversely, aid will no longer assigned to banks, insurances, financial and real estate societies, in order to provide a concrete support to whom lives of agriculture and contributes to the real growth of the sector. Useful are also the data achieved on the international commerce and the comparison with the agro-food systems and the performance of the other European countries. The export represents one of the most important factor in which the Italian firms are investing, and the Government is providing a support strategy aimed at giving aid to the agro-food "Made in Italy". The declared aim is that one of increasing the exports of the Italian food and wines, from 33 billion in 2013 up to 50 billion in 2020, also by act-

ing on the structural gaps which characterize the Italian supply chain.

The survey also highlights the decrease in the food consumption at the national level. It represents an issue to be deepened and a first useful measure has been taken by the Government, by allocating 10 billion euro for the increases of 80 euro in the wages, but there are still so many measures to be taken and which have to be boosted. On the other side, it should not be underestimated the growth of purchasing in some sectors, which is ever more increasing, such as the selling of organic products.

The data shown in this volume have shown the importance of the food and wine sector in our culture, in our traditions and in many other aspects of our daily life.

The typical agro-food products represent, in fact, the main reason in the choice of touristic places to be visited, after art and culture. The importance of the relationship between food-culture and the deep vocation of the Italian regions do represent a further opportunity of development for our agro-food "Made in Italy", but we should, nonetheless, discuss and reflect on the difficult issues which relate to the food production. It is, therefore, interesting to analyze the section of the survey focused on the themes of nutrition, food habits and food waste. Let's start meditating, therefore, on important themes at the international level, which will represent the core of the world debate in the occasion of the universal Exposition in Milan.

The Minister of the Agricultural
Food and Forestry Policies
Maurizio Martina



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ECONOMY AND AGRICULTURE

LAND AND POPULATION

The extension of the national territory amounts to 302,071 square kilometers, of which 35.2% is represented by mountain, 41.6% by hill, whereas the remaining 23.2% is represented by plains.

In the period between 2008 and 2012, the Italian surface covered by protected areas is increased from 20.6% to 21.2% of the total. In the EU Countries this percentage is on average equal to 17.2%.

The available figures, calculated on the basis of geographical distribution, show a higher share of protected areas in the South (25.1%), whereas the North-West ranks in the last position with a value of 17.6%; the North-East and the Centre have respectively 18.7% and 19.0% of protected areas.

At the same time Italy has the highest percentage (7.8%) of artificial covering of the soil, if compared to the European countries (EU-15); followed, at a short distance, by Germany (7.7%).

At 31st December 2013 Italy counted 60.8 million people, of which 4.9 million (8.1%)

Use of agricultural land (000 ha), 2012-2013

	Italy	EU-28
Total surface	17,277	214,578
Utilised agricultural area	12,885	172,920
Arable crops	12,885.19	30,133.00
Cereals (%)	6,711	103,138
Dried legumes (%)	48.8	55.6
Potatoes, sugar beets, hoed fodder crops (%)	1.0	1.2
Industrial plants (%)	1.4	3.0
Fresh vegetables, melons and strawberries (%)	4.5	11.6
Flowers and ornamentals (%)	6.3	2.0
Rotating fodder crops (%)	0.2	0.1
Seeds (%)	29.6	19.2
Fallow land (%)	0.4	0.2
Permanent crops	7.8	7.1
Vineyards (%)		
Olive tree (%)	2,418	10,703
Fruit crops and other crops (%)	31.1	28.6
Kitchen gardens	46.5	40.8
Total permanent grasslands and pastures	22.4	30.5
Forested land annexed to farms		
Kitchen gardens	32	350
Total permanent grasslands and pastures	3,434	57,945
Forested land annexed to farms	3,003	30,379
Non-utilised agricultural area and other land	1,220	11,273
Energy crops	17	480

Source: processing on data Eurostat and ISTAT

were foreigners (ISTAT).

During 2013, the real increase of the inhabitants, triggered by the natural dynamic as well as by the immigration, has registered a very modest increase, equal to 30,000 units (+0.1%). The natural trend of the population has marked a negative balance of about 86,000 units and, for the first time, even the foreign births have decreased (-2,189 compared to 2012), although representing 15% of the total births.

According to a geographical distribution of the inhabitants, in the North-West live 16.1 million people (26.5% of the total), in the North-East 11.6 million (19.2%), in the Centre 12.1 million (19.9%), in the South 14.2 million (23.3%) and on the Islands 6.7 million (11.1%). The migratory trend, both inside and from abroad, in a downward trend compared to 2012, involves mainly the northern and central regions.

Emigrations are increasing, both those of the Italians and of the foreigners coming back to their country, amounting to almost 126,000 (2.1x1,000), against the 106,000

registered in 2012 (1.8x1,000). The foreign destination preferred by Italians is the UK, with almost 13,000 transfers, followed by Germany with 11,600. Many are the foreigners who leave our country to reach mainly Romania, more than 10,000 transfers in 2013 (+21% over 2012) and Albania, more than 2,000 transfers (+23%).

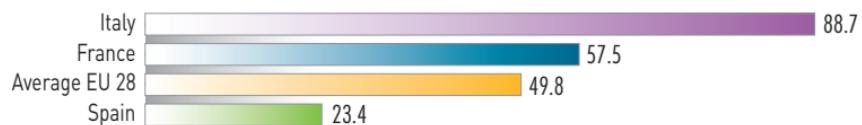
Italy is among the most populated countries in the EU, with an average of about 201 inhabitants per square Km (the EU average is of about 116 inhabitants per square Km). Only Malta, Netherlands, Belgium, UK, Germany and Luxembourg have higher density. The lowest density is, on the other hand, experienced by Sweden and

Finland, with values accounting for lesser than 25 inhabitants per square Km.

The statistics provided by Eurostat, regarding the rural development, reveal that in Italy only 20.3% of the population live in the countryside, against a European average of 22.6%; in the cities the gap is even higher with values reaching 36.5% in Italy and 42.3% in the EU. The highest share of the population live, therefore, in the intermediate areas, where the percentage reaches 43.1% compared to 35.1% of the European average.

The total agricultural area in Italy amounts to 17.1 million hectares, of which 12.9 million are ascribable to the UAA (utilized agricultural area).

Density of population mainly in the rural areas (inhabitants/square Km), 2012



GROSS DOMESTIC PRODUCT

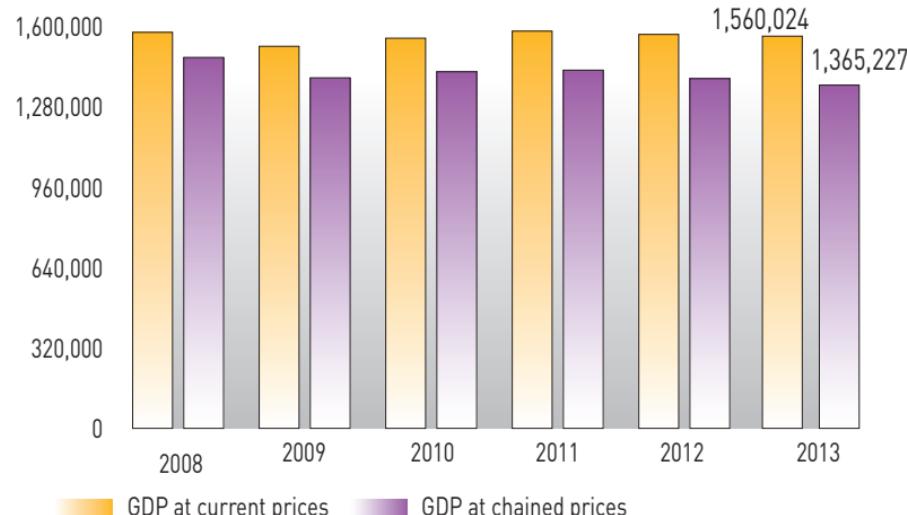
In 2013, the Italian economy experienced a further decrease in volume of the GDP equal to 1.9%, after having reached -2.4 in 2012. The recession, which started in the summer 2011, has ceased only in the last quarter of 2013, with an increase of +0.1% over the previous period. The lasting difficulties in the labor market and the uncertainties about the economic future have slowed down consumption as well as investments, thus triggering, once again, a contraction of the domestic demand. The net foreign

demand has provided the main push to the growth of the GDP, with a slight positive increase in the exports, counterbalanced by a reduction in the imports.

Also the EU has highlighted a deadlock in the

economy (+0.1%), with a total contraction of 0.4% in the euro zone. Germany and France are in a slightly upward trend with respectively +0.4% and 0.3%, whereas the GDP in Spain continues to decrease (-1.2%). The

Trend in GDP in Italy (million euro)



Trend in GDP per inhabitant (euro)

Years	GDP/inhabitant	
	Values at current prices	Chained values*
2008	26,326	24,659
2009	25,247	23,165
2010	25,658	23,451
2011	26,019	23,463
2012	25,727	22,839
2013	25,554	22,363

* The chained values express the real trend (in quantity) of the economic aggregate with reference to the year 2005

Source: ISTAT

Source: processing of ISTAT figures

situation in Greece and Portugal is improving, although always with negative values of the GDP (-3.9% and -1.4%, respectively).

In the rest of the world the trend of the economic activity of the main developed countries has been on the whole mediocre, although with signals of strengthening; in the emerging economies the growth has been contained compared to the five-year period prior to the world crisis.

In particular, the world product is increased by 3%, against 3.2% over the previous year, and the slowdown has affected both the advanced economies, whose growing rate has decreased from 1.4% to 1.3%, and the emerging economies, which experienced a decrease from 5% to 4.7%.

Compared to 2012, the growth of the GDP in Japan has been more contained (+1.6%), and it has been boosted by private consumption (+2%) as well as by a strong acceleration of public investments (+11.4%) and private residential investments (+8.9%). In the United States the growth has suffered a slow-down, reaching 1.9%, but it was

strengthened in the second part of 2013 thanks to private consumption and exports. In China the growth rate of the GDP has been the same of what registered in 2012, that is 7.7%, due both to cyclical factors and structural factors, mainly demographic, which affect the long-term prospects.

In India the economic growth rate is decreased to 4.4%, mainly due to the weakness in the investments. In Brazil, instead, GDP is increased by 2.3%, thanks to the recovery in the spending for investments, which increased by 6.3%, as well as to the good trend of domestic consumptions.

Trend in GDP in some main areas and countries (% changes over the previous year in real terms)

Country	Share of world GDP in 2012	2009	2010	2011	2012	2013
Industrialised countries						
United States	19.3	-2.8	2.5	1.8	2.8	1.9
Japon	5.4	-5.5	4.7	-0.5	1.4	1.6
Euro zone	13.7	-3.8	1.9	1.8	-0.6	-0.4
United Kingdom	2.7	-5.2	1.7	1.1	0.3	1.7
Canada	1.8	-2.7	3.4	2.5	1.7	2.0
Emerging and developing countries						
Brazil	2.8	-0.3	7.5	2.7	1.0	2.3
Mexico	2.1	-4.7	5.1	4.0	3.9	1.1
China	15.4	9.2	10.5	9.3	7.7	7.7
South Corea	1.9	0.7	6.5	3.6	2.3	3.0
India	5.8	6.6	9.3	7.7	4.8	4.6
Russia	2.9	-7.8	4.5	4.3	3.4	1.3
Turkey	1.3	-4.8	9.2	8.8	2.1	4.0

Source: Bank of Italy

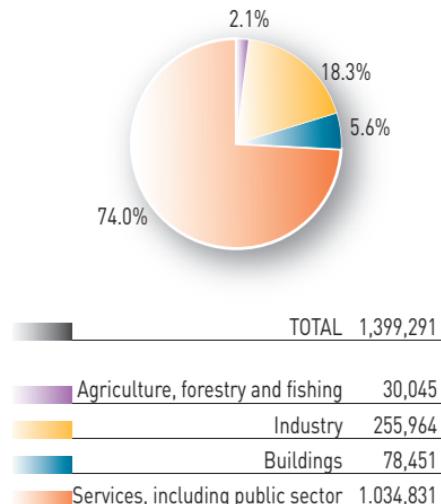
VALUE ADDED

In 2013, the total value added, in volume, has suffered a decrease of 1.6%, in slight rise compared to the decrease of 2.2% registered in 2012; at current values, the decrease has been more contained and equal to 0.2%. For the agricultural, forestry and fishing sector, the year 2013 has represented a recovery year, after the bad performance registered in 2012. In particular, the value added of the sector is slightly increased by 0.3% in real terms, whereas the variation of the same at current prices has amounted to +5.6%. Therefore, the production prices have registered again an increase, although in attenuation during the second semester of the year.

Worthy of note is the diversified trend of the primary sector among the various geographical areas: in a strong worsening are the northern-western regions (-3.4%), then the Islands (-2%) and, in a less measure, the central regions (-1.2%); in a clear recovery is, instead, the North-East (+4.7% from -7.5% in 2012) after the deep

decrease of the added value in the previous year; the South has shown a slight positive increase (+0.6%).

% share of the value added at basic prices by sector, 2013 - Values at current prices



Source: ISTAT

Differently from agriculture, all of the other productive sectors have experienced a strong decrease of the production: buildings (-5.9% in 2013, from -5.6% of the previous year) and industry, in its narrow sense¹, (-3.2% compared to -3.0% of 2012). Services, on the contrary, have registered a less marked decrease (-0.9% compared to -1.6% of 2012); in a downward trend is the IT & communication sectors (-4.3%), as well as for the wholesale and retail (-2.2%), whereas the real estate activities and the professional activities have remained stable, thus showing a growth in the value added equal to +0.4% compared to 2012.

In 2013 also the food industry has experienced a negative result, thus suspending the positive trend highlighted as from 2010, by registering a negative variation of the value added, in volume, equal to -1.5% compared to 2012.

¹ mining activities, manufacturing, energy, etc., excluding constructions.

The contribution of the Italian agriculture to the national value added is slightly increased, reaching 2.1%; it slightly exceeds the average of both the EU, and of the whole of the countries in the euro zone (1.7%).

% share of the agricultural value added* on the total value added of the EU countries, 2013

Country	%	Country	%
Romania	6.4	Portugal	2.4
Bulgaria	4.9	Czech Republic	2.4
Latvia	4.9	Italy	2.1
Hungary	4.8	Ireland	1.9
Croatia	4.4	France	1.8
Estonia	3.9	Netherlands	1.6
Lithuania	3.8	Malta	1.6
Poland	3.8	Austria	1.5
Greece	3.7	Sweden	1.5
Slovakia	3.0	Denmark	1.3
Slovenia	2.9	Belgium	0.8
Finland	2.8	Germany	0.8
Cyprus	2.7	UK	0.6
Spain	2.6	Luxembourg	0.3
Euro zone (18 countries)			1.7
EU - 28			1.7

* Value added at basic prices - current values

Source: Eurostat

EMPLOYMENT

In 2013, the employment in Italy has suffered the worst performance since 2008, year in which the crisis has begun. The people involved in agriculture are decreased by 4.2%, with a much stronger decrease for the employees (-4.7%) than for the self-employed (-3.6%). The decrease has mainly affected the North-East (-9.9%) and the South (-4.1%), except for the North-West, where the employment has been stable and where there has been an increase of the young people (+5.6% in the category of people aged between 15-34), thus increasing by 1 percentage point its incidence on the total, and reaching 20.6%. Conversely, in the whole situation of Italy, the youth employment has been affected by a strong downsizing (-8%), thus decreasing its incidence down to 19.2% compared to the 20% registered in 2012. On the whole, the number of the employees in agriculture reaches almost 814 thousand of units (of which 28.2% are

Workers in agriculture and in the total economy, by age group and geographical area (%), 2013

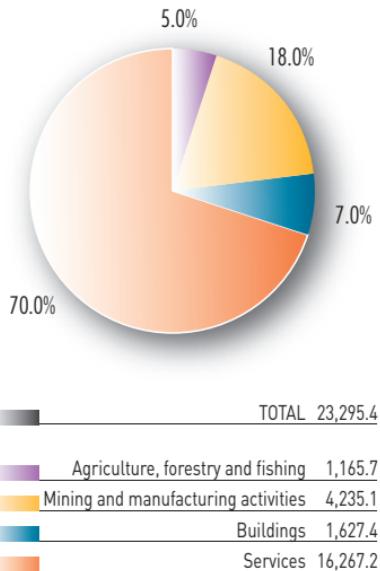
	Age 15-34	Age 35-64	65 and over	Total workers (000)	Employed (%)
North					
Agriculture, forestry and fishing	17,5	71,3	11,2	297	32,5
Total economy	23,8	74,1	2,1	11.776	76,5
Centre					
Agriculture, forestry and fishing	19,9	70,8	9,2	115	45,3
Total economy	23,1	74,8	2,1	4.746	74,7
South					
Agriculture, forestry and fishing	20,2	76,8	2,9	401	64,5
Total economy	23,8	74,7	1,4	5.899	73,3
Italy					
Agriculture, forestry and fishing	19,2	73,9	6,8	814	50,1
Total economy	23,7	74,4	1,9	22.420	75,3

Source: ISTAT, continuous survey on the workforce

women), and they are distributed as follows: 15.9% in the North-West, 20.6% in

the North-East, 14.2% in the Centre and the remaining share – almost the half – in

Total working units (000), 2013



Source: ISTAT, national accounting

Foreigners employed in agriculture by geographical area (000)

		2011	2012	2013
North	Males	30	34	31
	Females	7	7	9
	Total	37	41	39
Centre	Males	21	23	23
	Females	3	5	5
	Total	24	28	28
South	Males	30	33	31
	Females	12	12	12
	Total	42	45	43
n. of Foreigners on total Employed in agriculture				
Italy	Males	13,4	14,9	14,5
	Females	9,0	10,0	11,3
	Total	12,1	13,5	13,6

Source: Istat, Continuos survey on the workforce

the South. It is increased the share of the part-time employees, thus reaching 13.5% of the total employment in agriculture. The incidence of the foreign workers in agriculture, on the whole stable, seems

to be strongly increased in the North-East, where it reaches 16.7% (in 2012 it was 13.7%) and it persists in being very high in the Centre, where one employee on four is foreign.

The employed people in agriculture in the EU (%), 2013

Employed in agriculture/total employed		Employed in agriculture/total employed			
	[15 years and more]	woman's incidence ¹	[15 years and more]		
Austria	4.2	44.6	Luxembourg	1.4	26.5
Belgium	1.3	28.7	Malta	1.2	:
Bulgaria	6.5	31.5	Netherlands	1.9	27.9
Cyprus	2.5	23.9	Poland	11.7	40.5
Croatia	10.5	42.2	Portugal	6.5	37.7
Denmark	2.3	19.4	UK	0.9	27.0
Estonia	4.3	25.9	Czech Republic	3.0	29.2
Finland	3.8	27.8	Romania	25.7	44.5
France	3.0	28.7	Slovakia	3.3	22.4
Germany	1.3	32.8	Spain	4.2	23.8
Greece	13.3	39.9	Sweden	1.8	23.6
Ireland	4.8	12.5	Hungary	4.9	25.2
Italy	3.4	28.9	EU 28	4.5	35.6
Latvia	7.8	29.6	EU 27	4.5	35.5
Lithuania	8.4	37.0	Eurozone (18 countries)	3.1	30.5

¹On the total employed in agriculture

Source: Eurostat, Labour Force Survey

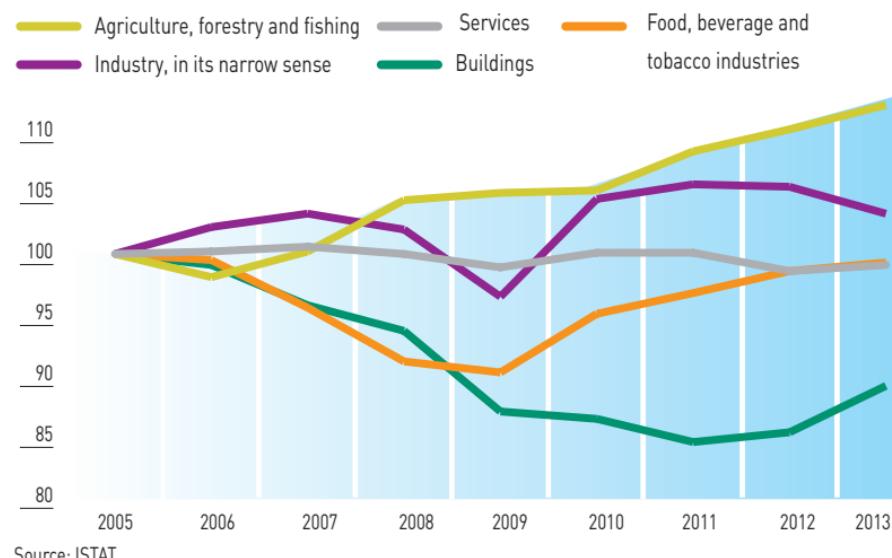
PRODUCTIVITY

The worsening of the recent economic conditions has led to a decrease in the employment and in the working-hours, thus affecting the dynamics of the value added and productivity. In 2013, the productivity for the whole of the economic activities is increased by 0.4% (-0.7% in 2012) if it is measured in terms of real value added per working hour, as a consequence of a decrease in industry (-2.1%), in its narrow sense, but nonetheless offset by an increase in the constructions (+4%) and in the agricultural sector (+1.9%). These dynamics are, nonetheless, the consequence of negative variations which have affected both the value added, and, to a greater extent, the use of the work factor with a sharp reduction of the worked hours for quite all the sectors of the economy. As for the agricultural sector, in particular, the reduction of the worked hours has amounted to 1.6%, in recovery after the sharp decrease of 2012 (-5.8%). As for the trend in these latest years, it should be pointed out that the agricultural sector shows, since 2010, an increase in productiv-

ity, which is ascribable to the substantial decrease of farms and employment, family-run or not used. Once again, therefore, the primary sector contrasts the trend detected in most of the productive sectors, thus showing its structural peculiarities. The food

industry, conversely, shows a productivity trend which is in line with the average of the industry, and the positive growing rate, registered since 2009, is ascribable to a recovery of the productive activity against a lesser loss of work.

Work productivity - value added at basic prices per worked hour - indices 2005=100





RECENT TRENDS IN THE SECTOR

LAND MARKET

In 2013, for the second year in a row, the land market has shown a decrease in prices (-0.4%), which reach an average value of about 20,000 euro per hectare. The most sizeable decreases have been registered in the northern-eastern regions (-1%), but this trend has nonetheless affected 11 regions out of 20. Taking into account the annual inflation, the prices of lands, in real terms, have highlighted an even more considerable decrease (-1.6%): the average land value, in real terms, amounts to 92%, compared to the same level registered in 2000, thus confirming a progressive loss in the value of the land heritage. The land market has experienced a moderate buying and selling activity, in the same way as experienced in the urban real estate market. The demand for lands has been negatively affected by the difficulties in accessing to credit, and by the unexciting economic expectations. The turnaround in the policy for the renewable energy sources has

Average land values (thousand euro/ha), 2013

	Altitude zone				Lowland	Total	% change 2013/12
	Inland mountain	Coastal mountain	Inland hill	Coastal hill			
North-West	6.1	16.3	24.4	84.3	34.1	26.5	0.2
North-East	30.2	-	42.0	30.9	46.0	41.6	-1.0
Centre	9.3	21.3	14.7	16.8	22.5	14.8	-0.1
South	6.5	10.0	12.2	17.1	17.6	12.9	-0.4
Islands	5.7	7.2	7.5	9.0	14.2	8.6	0.2
Total	11.8	9.0	15.5	14.8	32.3	20.1	-0.4

Figures presented in this table cannot be compared to those published in the previous volume because the land values data bank is being updated

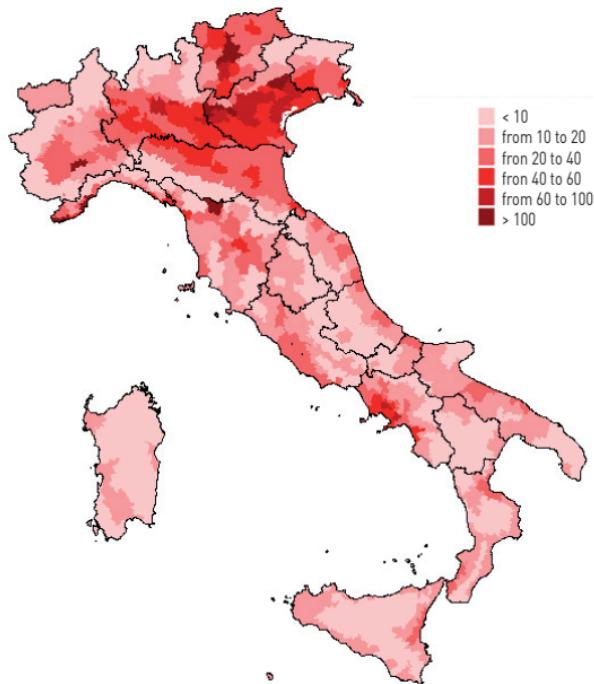
Source: INEA, Land values data bank

contributed furthermore to the reduction in the exchanges, being now the policy characterized by greater restraints for the photovoltaic systems on land, and by a reduction in the incentives. The demand for land is mainly boosted by the owners of the medium-large sized farms, who are interested in increasing the extension of their companies. They have also been pointed out cases of abandon of the activities by workers from extra-agricultural

sectors, who sell their lands in order to obtain cash, or because of management difficulties. In terms of territory, it is confirmed the gap in the land prices between the northern regions and the central-southern regions, as well as between the areas located in the plains and those in the mountains. The average land values hide an extreme variability, often linked to the quality productions which are located in delimited areas where the land

supply is very scarce compared to the high demand by the sector stakeholders. An example may concern the vineyards and the lands reserved to the specialized vegetable and fruit crops. On the other hand, it has been observed a greater use of the lease, as a mean to enlarge the farm area. This kind of ownership represents 38% of the national agricultural area (4.9 thousand hectares) and it seems mostly spread in the northern regions, where the demand is boosted by outside contractors and by the livestock farms that are looking for lands to discharge the animal waste. In the southern regions it has been noticed a greater dynamism than in the coastal areas, where the demand is tied to more intensive forms of agriculture.

Average land values by agricultural region for 2013, (thousand euro/ha)



Source: INEA land market data bank

The year 2013 continues to experience a decrease in the gross fixed investments in agriculture, in real terms, thus registering a decline of 4%, in addition to that one more considerable of the last year (-9.9%).

Compared to 2012, the incidence of the agricultural investments on the national total is slightly increased, reaching 3.8%, whereas it is decreased the ratio with the agricultural value added (from 37% in 2012, to 33.8% in 2013). These results arise from the missed investments in the sector, but also from the negative dynamic of the investments for the entire economic system (-4.7% at chained prices), and from the substantial positive change (+5.6%) of the agricultural value added at current prices, compared to 2012. Since 2007 the total investments are decreased by about 27%, with a decline of nearly 15% during the last three years; the propensity to invest is decreased by 4 percentage points, dropping down to 17.4% of the GDP. The uncertainties about the perspectives of the economic activity, the difficulties in access-

ing to credit, and the increase in quantities of unused production, all have led to a reduction in the accumulation of the different economic sectors. The investments per working unit in agriculture have reached a value equal to 7,314 euro, down by 2.4% compared to 2012. It should be pointed out that these values have been deeply affected by the dynamic of the use of work in the

agricultural sector; the last five years have experienced a decrease of 7.1% in the working units employed in agriculture, against a variation of the gross fixed investments in the sector equal to -6.9%.

The allocation by type of goods, referred to as the whole of the economic activities, has shown a negative variation for the investments (in terms of volume), in crops

Trend in gross fixed investments in agriculture

Years	Current values	Chained values *	% in ¹	
	million euro	million euro	tot. Invest.	agricultural VA
2007	11,897	11,193	3,6	41,4
2008	11,841	10,779	3,6	41,0
2009	10,353	9,159	3,5	39,3
2010	11,060	9,686	3,7	42,0
2011	11,476	9,865	3,8	40,8
2012	10,517	8,884	3,7	37,0
2013	10,163	8,526	3,8	33,8

* Chained values: express the real dynamic (in volume) of the economic aggregate with reference to 2005.

¹ Incidence on the values expressed at current prices; agricultural VA at basic prices

Source: ISTAT

Gross fixed investments: characteristic relationships by main sector, 2013 *

	Agriculture	Industry in the narrow sense	Constructions	Services ¹	Total
Investments per working unit					
euro	7.314	12.260	5.048	10.046	9.963
% change 2013/12	-2,4	-4,2	6,8	-3,3	-2,9
Net capital stock per worker²					
000 euro	165,1	157,8	73,5	245,6	213,6
% change 2013/12	-0,4	-0,6	8,7	1,5	1,7

* Chained values, reference year 2005

¹ Including investments in housing

² Net of depreciation

Source: ISTAT

and in livestock (-6.1%), compared to 2012, which unfortunately joins the negative results registered in the previous two years. In the same way, also the other categories have registered a downward trend with a decrease of 6.3% for plants and machineries, 7.8% for the non-residential buildings and works, 6.7% for buildings, 6.2% for housing; the only exception has been registered for the transport means with a positive variation of 12.9%. Regard-

ing the dynamic of the capital stock in agriculture, expressed in volume and at net of amortizations, it should be highlighted a further decline of 2.0%, compared to 2012. Conversely, the variation in the net capital stock per worker in agriculture has been lower (-0.4%), as a consequence of the concomitant decrease in the number of employees in the sector. Actually, the issue of investments in agriculture is very thorny, and from the relative figures arise peculi-

arities that represent also the critical issues of the sector. The main remark concerns the incidence of the amortizations on the agricultural value added, which in 2013 has amounted to 48%, which is much higher than the European average (about 38%). It seems that on the high incidence of the amortizations have influenced years of policies aimed at favoring the fulfilment of firm investments, besides the natural evolution of the sector.

The bank loans to agriculture, forestry and fishing have reached, by the end of 2013, an amount of 44.1 billion euro, with an incidence of the agricultural loans on the total economy equal to 4.9%. It should be noticed that, on the whole, the uses for the agricultural sector have suffered in 2013 a slight decrease over 2012 (-0.3%), compared to a lasting negative variation of the same distributed for the whole of the industries (-5.5%).

The breakdown of the uses, by geographical macro-area, shows that the northern regions own most of the loans, with a share of 61.7% on the total uses for the agricultural sector. In particular, the North-West has shown a very light upward trend compared to 2012, with a variation of +0.6%, whereas the North-East has registered a -0.1%. Similarly, the central and southern regions, along with the Islands, have registered negative variations of the loans for the agricultural sector, amounting respectively to -0.3%, -1.2% and -2.5%.

Bank lending for agriculture, December 2013

	Agriculture ¹ (million €)	% of total lending	% of agricultural production ²
North-West	12,424	3.9	103.4
North-East	14,786	6.1	96.3
Centre	8,535	4.2	106.2
South	5,188	5.5	39.9
Islands	3,163	7.5	47.5
Total	44,096	4.9	80.1

¹ Including forestry and fishing

² Production, at basic prices, for agriculture, forestry and fishing, at current values

Source: Bank of Italy and ISTAT

Lending to agriculture beyond the short term, December 2013*

Type	(million €)	2013/2012 (%)	Easy-term loans to tot (%)
Machinery and equipment	5,087	-5.9	4.5
Construction and rural buildings	6,261	-8.4	1.8
Other rural structures	2,722	-2.0	6.4
Total	14,071	-6.3	3.7

*Outstanding loans with maturity of over one year

Source: Bank of Italy

The ratio between the bank uses and the agricultural output amounts to 80.1%, down by about 3 percentage points compared to the value in 2012; the financial credit of the sector remains high, and the information released by the Bank of Italy show that, also in 2013, the trend in the short-term loans has suffered a smaller decrease than the medium-term loans, due to the need to cope with the current expenses.

In particular, the uses for the loans beyond the short-term have decreased by 6.3% over 2012. This result is the consequence of a general decrease in the loans, with a still strongly negative variation for the loans in buildings and rural constructions (-8.4%), followed by the loans for machineries and equipment (-5.9%), and those for other rural assets (-2%).

Regarding the offer there is, as from the fourth quarter of 2013, a softening of the restraints for accessing to credit.

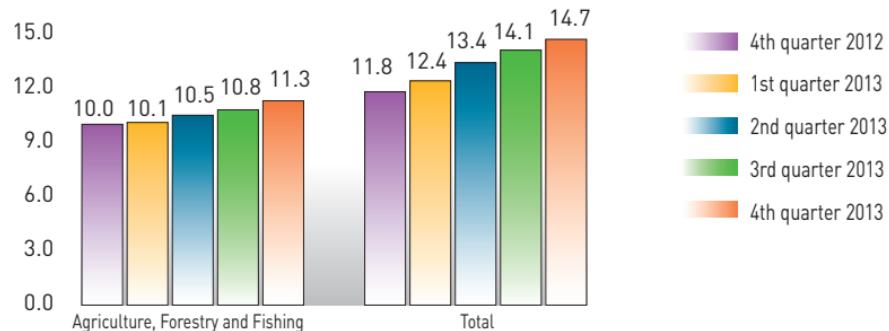
The increase in the credit risk (measured from the ratio between gross suffering /

uses) has been remarkable also for the agricultural sector, amounting to 11.3%, although less than what calculated for the whole of the economic activities (14.7%), thus leading to a growth of the share of secured loans equal to +22.8% over 2012. On the whole, they have been increased the real warranties and those provided by those who manage public resources, thus

ensuring to the intermediaries a greater chance in recovering credit in case of insolvency.

At last, It should be highlighted that, in the 4th quarter 2013, the agricultural, forestry and fishing sectors have registered a real cost for the loans (Italian TAE) equal to 4.90%, down compared to the same period of the previous year (5.10%).

Ratio of non-performing loans to the agricultural sector and total economy (%)



Source: Bank of Italy

INTERMEDIATE CONSUMPTION

In 2013, the spending for intermediate consumption for the entire sector of agriculture, forestry and fishing has reached 25,029 thousand euro, thus showing an increase in value of 0.7% compared to 2012, as a result of an increase in prices (+2%) and a decrease in the quantities used (-1.3%).

In relation exclusively to the agricultural sector, excluding therefore forestry and fishing, the main categories of intermediate consumptions have registered a decrease in the quantities used, as never happened in the previous years. In particular, down are the re-uses (-5.4%), fertilizers (-1.9%), motive energy (-1.8%), animal feed (-2.1%), seeds (-1.6%), credit and insurance (-1.5%), commercial mediation both financial and credit (SIFIM) (-2.3%). The only item in increase is that relating to the plant protection products (+1.8%).

Conversely, the increase in prices has affected not only the plant protection products (+3.8%), but also other categories of intermediate consumptions: first of all the ani-

mal feed (+4.8%) and the re-uses (+4.8%), as well as the prices of the SIFIM (+2.9%), seeds (+2.5%), and the expenditures for the stables of the animals (+1.7%).

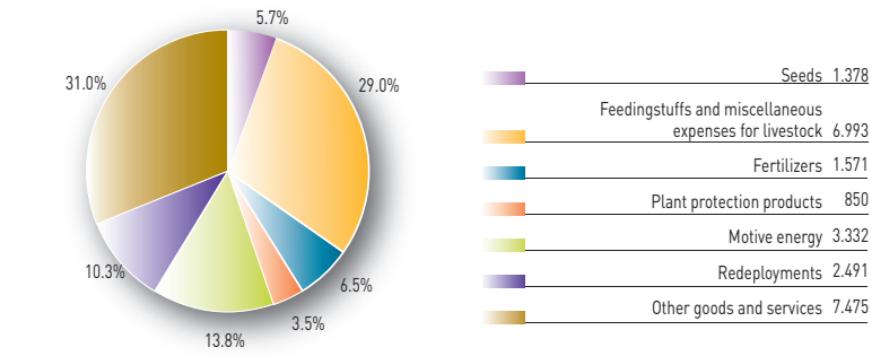
The forestry intermediate consumptions have amounted to 90.5 thousand euro with a reduction in the quantities used of 1.3% and of the value of 1.4%; those for fishing and aquaculture have reached a value of 850 thousand euro with a decrease, in terms of

volume, equal to 2.3%, and a slight increase in prices (+1.1%).

The incidence of the intermediate consumptions on the agricultural output, including forestry and fishing, is decreased, at current prices, from 46.6% in 2012, to 45.4% in 2013.

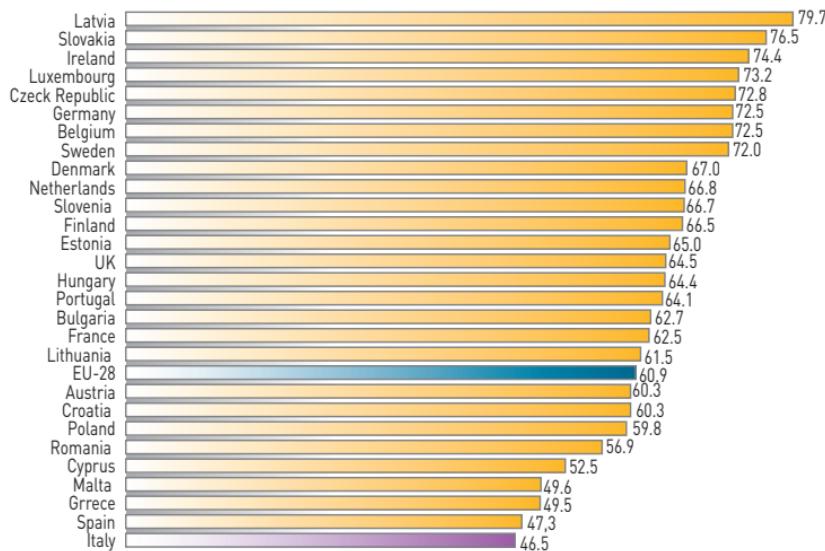
At a European level this index has registered an average value of 60.1%, essentially stable compared to 2012. Italy brings up

Percentage breakdown of intermediate consumption in agriculture (million euro), 2013



Source: ISTAT

Incidence of intermediate consumption on the agricultural production in the EU-28*



* Agricultural production of goods and services at basic prices and intermediate consumption evaluated at current prices

Source: Eurostat

the rear, with a value substantially inferior than the European average, and similar to that one of the Mediterranean countries, such as Spain and Greece. This reflects the

different kind of agriculture performed in the EU, as well as the different structure of costs. To better understand, it is interesting analyzing, separately, the incidence

of the intermediate consumptions used for the vegetable production, and those used for the animal production. In 2013, the average European incidence for the vegetable production has amounted to 20.1%, against the 14.1% of Italy, whereas for the livestock production the incidence has amounted to 61.3%, on average for the EU-28, against the 56.7% of Italy. The trend, during the years, is characterized by a general increase in the incidence of the intermediate consumptions on the production, in all the countries, with an higher rhythm for the inputs used in the animal production: in Italy there has been an increase from 51.7% of 2005, to 56.7% of 2013, as a consequence, essentially, of the increase in the costs for livestock feed.

The comparison between the trend in the use of the intermediate consumptions in Italy and in the average of the EU-28, doesn't show remarkable divergences up until 2010, year during which it is experienced a gap and a decrease in the used inputs and of the production.

CLIMATE AND WATER AVAILABILITY¹

The year 2013, from the point of view of the weather conditions, has been characterized by frequent anomalies, both in temperature and in rain, which have triggered on our country serious problems to the agricultural sector.

The beginning of the year has suffered a surplus in rainfalls, ranging between +120% and +180%, mainly in March and in the North. This has hampered and slowed down the spring plantings and the related procedures of weeding and top-dressing of the wheat. The snow, which has affected some of the central-northern regions (Liguria, Lombardy, Piedmont, Friuli, Emilia, Tuscany and Lazio), has hampered the distribution on the fresh products (vegetables and milk). The increase in the costs for the heating of nurseries and stables has burdened the farm's balance sheet, triggering, furthermore, problems related to asphyxiation conditions and unexpected drops in temperature on

the crops planted. Especially March has suffered, more than the other months, of the weather conditions, in terms of damage to the sector, thus highlighting a widespread scaremongering by the producers of the first fruits of spring (strawberries, asparagus, broad beans, artichokes) that have suffered the frost periods in the same way as the fruit trees.

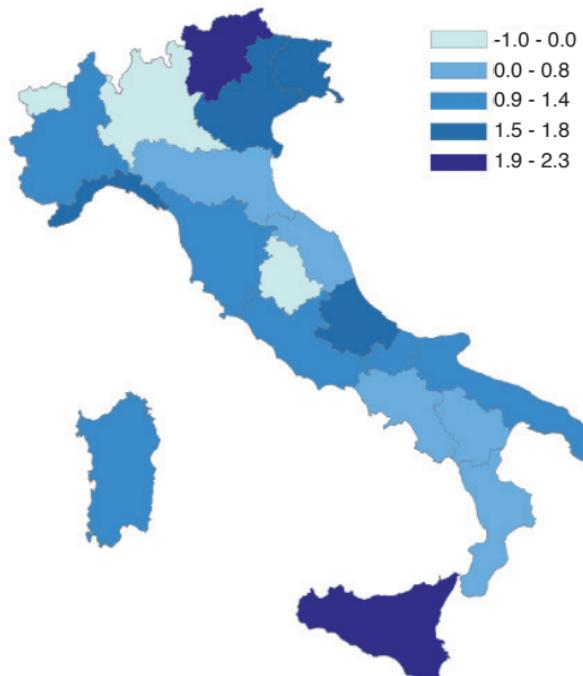
The weather's instability has continued also during the spring, mainly in May, with intense rainfalls and temperatures inferior to the average in the North of Italy, in addition to the hails that have engendered difficulties during the procedures of weeding and topdressing of the wheat, but also during the production of the typically spring-crops (peas, radish, potatoes, carrots), as well as for the crops cultivated in the nurseries. Those which have advantaged from this trend have been the aquifers and the main Italian water-sources. A first monitoring, carried

out at the end of May in the North of Italy, has pointed out a complex hydrogeological situation with widespread overflows and inundations, with damages reaching -50% for hay, -40% for maize, -50% for the vineyards and -75% for vegetables. The last phase of the hail of the season has affected Pescara, Teramo and Ascoli Piceno, where vineyards, nurseries and fields of wheat, fruit and grapevine have been destroyed.

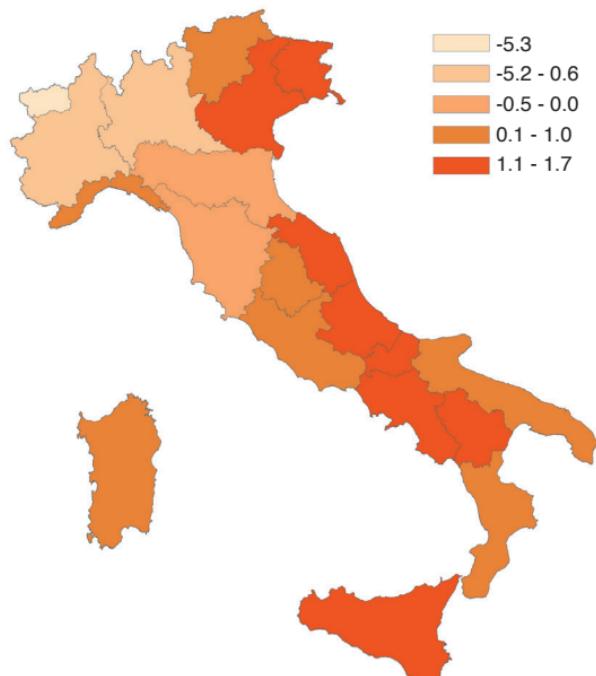
The heat waves, that on several occasions have hit the peninsula during the summer, have been nonetheless interrupted by instability phenomena, causing storms and damage to the crops in Piedmont, Lombardy, Liguria and some areas of Tuscany and Umbria. September, usually hot and rarely rainy, has jeopardized again the agricultural sector for the weather alerts relating to the risk of hail. Another negative year for maize that has undergone a late seeding, thus registering unsatisfac-

¹ Information and figures are taken from the technical report "Quarterly national note on climate trends and the implications for agriculture", issued by INEA as part of the project "Support and technical assistance to natural disaster fund planning".

Minimum average regional temperatures – deviation of 2013 values from average 1971-2000 – in °C



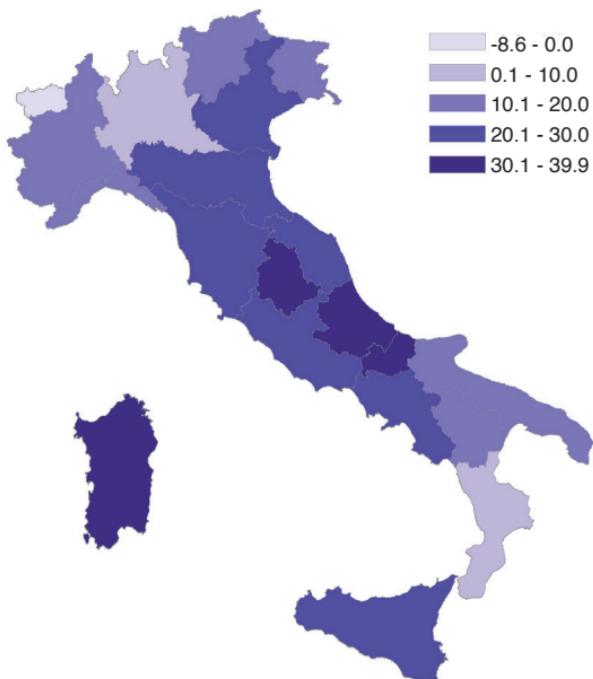
Maximum average regional temperatures – deviation of 2013 values from average 1971-2000 – in °C



Source: INEA processing of CRA-CMA figures

Source: INEA processing of CRA-CMA figures

Average regional precipitation – deviation of 2013 figures from average 1971-2000 – in %



Source: INEA processing of CRA-CMA figures

tory results in quality and quantity; even the barley has suffered damages with the onset of pathologies. Tomatoes have suffered the delay in the soil preparation, due to the strong rainfalls and to the devastation of hundreds of hectares in the areas of Cremona, Mantua, Reggio Emilia, after the first half of July. The closing of the year, with the Autumn, has suffered many anomalies both in temperatures and in rains, responsible of "extreme" phenomena, mainly concerning temperature above the climate average. October is appeared to be a continuation of the summer season, whereas November has suffered temperature leaps, thus having a first period exceptionally hot, and the second period cold. December is appeared to be on the whole temperate, although with rainy periods in many regions, and very snowy in the medium-high mountainous areas. Storms have been registered in Puglia and Basilicata, between Taranto and the provinces of Brindisi and Metaponto. In

the North, the damages have concerned the rice-fields in Lombardy, next to the harvesting; vineyards and apple-trees in the area of Valtellina, due to the snowfalls and to the unexpected temperature leaps; the grape harvesting of the red wines in Piedmont, between Biella and Vercelli, that suffered hails in the area of Gattinara; the lemons "Interdonato" in Sicily, near Messina, due to an hail that has affected also internal roads and retaining

walls. Floods have also affected delimited areas in Sardinia, Abruzzo, Veneto, Lombardy, Campania and Calabria. In the Marche region the damages to the crops, as well as to the buildings flooded by water, because of landslides and inundations on the fields, have represented the main item of the declaration of natural disaster. In Abruzzo there has been the overflowing of many rivers and streams, in the surroundings of Pescara and Teramo. In

Umbria the most damaged areas, affected by landslides, were Gubbio, Todi, the upper area of Tiber, Foligno, Spoleto, Valnerina, where there have been damages to the provisions and to the breeding animals. In the second half of November, the Sardinia region has suffered an event which has obliged to declare the state of emergency, due to inundations and isolations of the agricultural structures, in addition to the losses of flocks and livestock.

PRODUCTION LEVELS

In 2013, the Italian primary sector has experienced a slight decrease in production (-0.4%), over the previous year, and an increase in prices by 3.7%. Therefore, the value of the output for agriculture,

forestry and fishing, measured at current prices, is increased by 3.3%, thus reaching 56.1 billion euro, including secondary activities. The vegetable crops have influenced on the total output value by 49.5%,

livestock breeding by 31.3%, the activities supporting agriculture by 12%, and the production of forestry and fishing for 5%. By analyzing the trend of each single sector, the value of the vegetable production is increased by 5.4%, thanks to the great performance of the woody crops (+12.9%). In a slight upward trend is the production value of the livestock sector (+1%), with a stable production value of meat (-0.5%), and an increase in that one of the dairy production (+2.5%). Still in increase is the value of the agriculture-related services (+3.5%), as well as secondary activities, such as farm holidays and the processing sector (+2.8%), more seesawing during the last five years.

Almost all of the main herbaceous vegetable crops experience a decrease in quantities, whereas tree crops have pointed out a recovery by 3.9% compared to the negative results registered in the past years. In particular, it seems to be in a downward trend the production of: beet sugar (-18.4%), potatoes (-14.2%), to-

Value of output and services at basic prices by main category, 2013

Economic activities	Current values		% change 2013/2012		
	million euro	%	value	quantity	price
Herbaceous crops	14,193	25.3	0.1	-2.8	3.0
Fodder crops	1,710	3.0	4.1	-4.5	9.0
Tree crops	11,827	21.1	12.9	3.9	8.6
Livestock	17,557	31.3	1.0	-1.1	2.1
Support activities to agriculture ¹	6,665	11.9	3.5	1.2	2.2
Secondary activities ²	1,583	2.8	2.8	1.2	1.6
Forestry	654	1.2	-0.1	-1.6	1.4
Fishing	1,880	3.4	-3.0	-4.3	1.3
Total³	56,068	100.0	3.3	-0.4	3.7

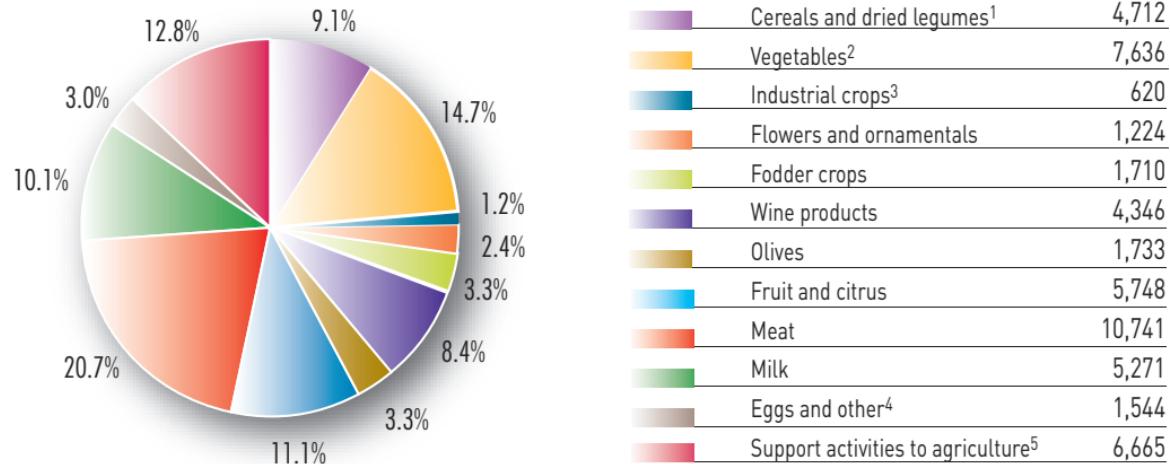
¹ Includes active and passive agricultural contract work, packaging of agricultural products, maintenance of parks and gardens, services connected to livestock farming, artificial insemination, new productive facilities

² Activities carried out in agriculture, such as farm stays, processing of milk, fruit, meat, etc.

³ Including secondary activities performed by other branches of the economy

Source: ISTAT.

Output of goods and services in agriculture at basic prices - values at current prices (million euro), 2013



¹Dried legumes (95 million euro)

²of which potatoes (775 million euro) and fresh beans (310 million euro)

³Sugar beets (100 million euro), tobacco (164 million euro) sunflowers (87 million euro), soybeans (236 million euro)

⁴of which honey (37 million euro)

Source: ISTAT

Main vegetable output, 2013

	Quantity		Value ¹	
	000 t,	% change 2013/12	000 euro	% change 2013/12
Wine (000 hl) ²	18,999	12.0	2,827,280	29.2
Fodder	137,091	- 4.6	1,710,054	4.1
Hybrid maize	7,403.8	- 5.9	1,601,979	- 10.5
Oil	452	- 2.8	1,481,593	4.3
Durum wheat	3,917	- 5.8	1,345,653	- 3.2
Nurseries	103,075	- 2.6	1,262,725	- 0.9
Flowers	124,104	- 3.6	1,224,180	- 8.0
Tomatoes	5,322	- 9.4	1,061,519	0.3
Apples	2,268	10.3	1,027,441	24.4
Sold wine grapes	3,792	8.8	920,678	- 1.8
Potatoes	1,305	- 14.2	774,803	14.7
Soft wheat	3,240	- 7.3	750,684	- 11.8
Family gardens	1,834	- 1.6	724,231	3.7
Oranges	1,740	- 5.3	652,396	1.0
Table wine grape	1,119	5.8	584,937	9.5
Fennels	499	- 2.2	552,247	9.4
Pears	767	15.0	534,690	15.2

¹ Output at basic prices at current prices

² According to SEC95 methodology, the agricultural output includes wine and olive oil produced from the farm's own grapes and olives, excluding those produced by coops and the food industry

Source: ISTAT

mattoes (-9.4%), soft wheat (-7.3%), hybrid corn (-5.9%), durum wheat (-5.8%), flowers (-3.6%); in an upward trend is, instead, the production of: minor cereals (+76.1%), soya (+49.3%) and the sunflower (+40%). Concerning the wooded production, good performances have been registered by cherries (+22.5%), hazelnuts (+17.7%), kiwi (+15.6%) and wine (+12.0%); in decrease is the production of walnuts (-2.6%), oil (-2.8%) and oranges (-5.3%).

In 2013, the livestock sector has shown a decrease in the overall quantity of meat produced (-1.5%), with increases only for pork and equine meat, respectively of +2.3% and +1.3%. Also the milk production is decreased, both in cow milk and in buffalo milk (-1.1%), as well as in sheep and goat milk (-0.8%). In a slight decrease is also the egg production (-0.9%), as a consequence of an increase in the quantities produced (+1.8%) and a decrease in prices (-2.7%), unlike the honey produc-

Main livestock output, 2013

	Quantity ¹		Value ²	
	000 t.	% change 2013/12	000 euro	% change 2013/12
Beef	1,333	- 4.5	3,373,095	- 5.8
Horsemeat	39	1.3	84,765	6.5
Pigmeat	2,064	2.3	3,077,592	3.6
Sheepmeat and goatmeat	59	- 3.4	187,678	- 4.0
Poultry	1,737	- 1.0	3,020,311	4.9
Rabbits and game	396	- 3.2	997,982	1.9
Cow milk and buffalo milk (000 hl)	111,281	- 1.1	4,813,890	2.2
Sheep and goat milk (000 hl)	5,369	- 0.8	457,477	6.4
Eggs (millions)	13,009	1.8	1,495,376	- 0.9
Honey	10	- 5.0	37,138	3.2

¹ Live weight

² Output at basic prices at current prices

Fonte: ISTAT.

tion which has instead registered a further decrease in quantities (-5%), offset by the increase in price by 8.5%.

Also the value of the forestry production is in slight decrease (-0.1%), whereas the

reduction has been more remarkable for fishing and aquaculture (-3%). In particular, these results have been triggered by the negative variation in the quantities produced and by the average increase in

prices (+1.4% for forestry and +1.3% for fishing), which has managed only partially to weaken the negative performance. In particular, the fishing sector has shown, between 2012 and 2013, a downward trend for all of the best species. In 2013, the total fished volume of the Italian fleet has amounted to about 171,000 tons in seafood, with a value amounting to 1,048 thousand euro. The total value of the unloading is decreased by 5% between 2012 and 2013. In the same period, the total volume of the unloading is decreased by 25%. At European level, the agricultural year 2013 has been characterized by a positive variation in the value of production, at basic prices (+1.1% compared to 2012), as a consequence of a slight decrease in prices (-0.9%) and an increase in the quantities produced (+2%). The increase in production, in terms of volume, has concerned most of the crops, and mainly the olive tree (+56.5%), vineyard (+14.8%), barley (+13.7%), cereals (+9.9%), wine (+7.3%)

and dried fruit (+7.3%). Conversely, among the productions that suffered the most a decrease in the output, there is the rice (-5.5%) and the beet sugar (-4.6%). Compared to 2012, the value of production

for the livestock sector is increased, but such result is mainly ascribable to the increase in the average prices of production (+3.3%), considering the slight decrease in the quantities produced (-0.1%). The de-

crease, in volume, has concerned mainly the meat (-0.8%), whereas the production of milk and eggs have registered an increase equal to +1% and +2.6%, respectively.

Support activities and secondary activities in agriculture

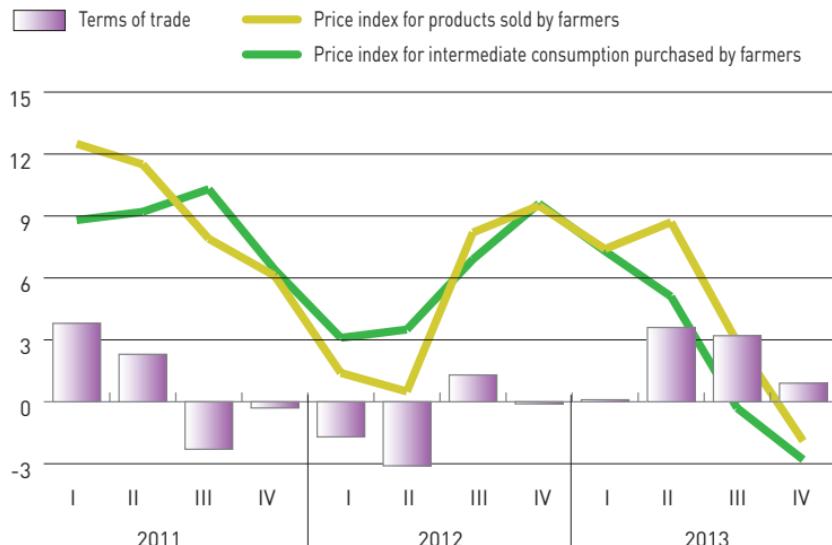
	2013 million €	% share on total 2013	Current values % change 2013/12	Chained values % change 2013/12
Support activities				
Outside contracts and rental of agricultural equipment	2,820.8	42.3	4.2	2.3
Harvesting, first processing	2,223.9	33.4	1.5	-0.7
Seed saving	275.6	4.1	16.4	3.4
Maintenance of the lands	892.4	13.4	4.8	2.0
New crops and plantations	247.1	3.7	-1.7	4.0
Support activity to the livestock breeding	204.8	3.1	0.2	-1.3
Total	6,664.6	100.0	3.5	1.2
Secondary activities				
Meat processing	323.8	20.5	2.7	-0.3
Fruit processing	52.9	3.3	14.5	5.4
Milk processing	303.7	19.2	2.9	-1.1
Farm stays	902.5	57.0	2.2	2.3
Total	1,582.9	100.0	2.8	1.2

Source: ISTAT.

PRICES AND COSTS

By measuring the comparison between the variation of the index for the production costs and that one of the index for the prices of intermediate consumption, in 2013, the agricultural sector, in terms of trade, is improved (+1.6%) after six quarters, included between the half of 2011 and the beginning of 2013, during which there has been a worsening of the profit margins for the primary activity. Nonetheless, the annual figures hide a trend in prices that is constantly decreased during the second half of the year, with a more accentuated rhythm during the last quarter. On the whole, in 2013, the annual average variation of the index for the prices of the products purchased by the farmers (such as technical inputs, services and investment goods) is increased by 2.1%, against a variation of 3.9% of the index for the prices of the products sold. Among the purchased products, the prices for goods and intermediate services have registered an increase of 2.3%, compared to 2012, whereas the investment goods have registered a more

Annual change of price index and terms of trade on quartely basis



Source: ISTAT

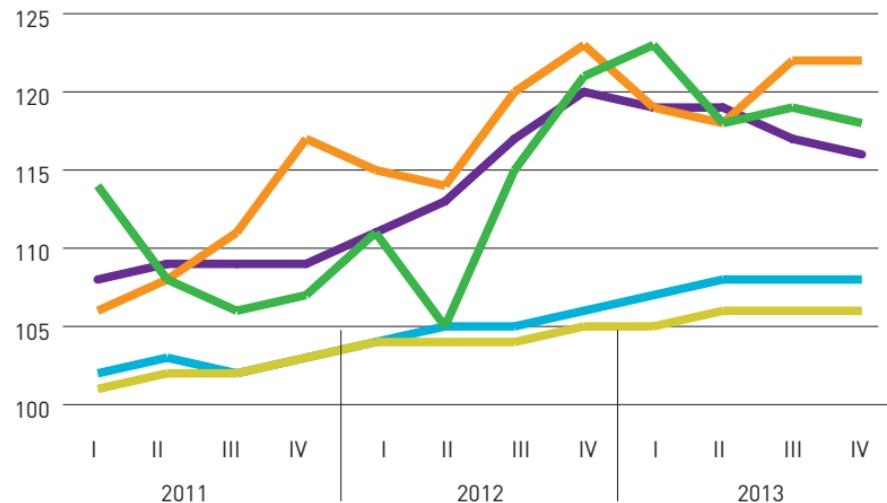
contained growth, equal to 1.2%. The highest increases have been experienced by animal feed (+5%), pesticide (+3.8%), seeds (+2.9%) and veterinary expenses (+1.9%). The price index for the vegetable products

sold by farmers, despite the very negative variations at the end of 2012, have improved in 2013, thus registering higher margins compared to those experienced by the livestock products; the first reached

+5.3%, the other +1.9%. Compared to 2012, the most remarkable increases, concerning the vegetable crops, have been registered by potatoes (+31.9%) and wine (+13.8%); down the price for cereals (-3%). At last, it should be highlighted the trend in the index of the consumption prices for the food products and soft drinks which, compared to 2012, have registered an increase by 2.4%. Also in this case, the annual average hide a different trend between the first and the second half of the year, as well as among the different kinds of foods, which are subjected to the periodicity of crops. In the specific, both the food goods processed (+2.1%) and those unprocessed (+3%) have increased. Among the processed foods, it should be noticed the annual increase by +3.9% for chocolate, and +2.8% for jams and honey, whereas for the unprocessed foods there has been an increase in prices for potatoes (+12.1%), fresh or frozen fruit (+5.9%) and fresh or frozen vegetables (+3.8%).

Index of farm prices and consumer prices for the entire collective - index numbers (2010=100)

- Price index for intermediate consumption
- Price index for investments
- Producer price index of the vegetable products sold by farmers
- Consumer price index NIC for foodstuff and soft drinks
- Producer price index for animals and animal products

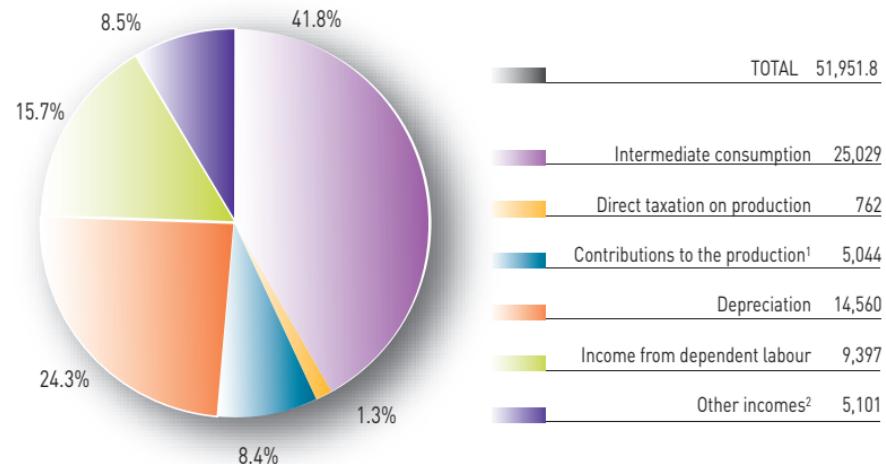


Source: ISTAT.

AGRICULTURAL INCOME

To better understand the peculiarity of the agricultural sector, it may be useful to divide the value of the production for agriculture, forestry and fishing into its main components. The incidence of intermediate consumption (seeds, fertilizers, animal feed, energy, services and other services) has amounted to 41.8%. The subsidies and grants allocated to the products and to the other activities, at a national and European level, have had an incidence of 8.4%, in increase compared to 8.1% of 2012. The incomes from dependent labour have had an incidence of 15.7%, whereas depreciation, equal to 24.3%, have experienced a slight decrease, compared to 25.6% of 2012. Taking into account the value added, at factor costs, without considering output, the incidence of the depreciation reaches about 43% for the whole sector, thus representing a very critical point for the sector which, also for this reason, has a remuneration for the self-employed work-

Breakdown of the value of the agricultural output (million euro), 2013*



* Including forestry and fishing

¹ New CAP aid, interest subsidies (rural development, natural disasters, etc.), aid to extra-agricultural sectors (tobacco, wine, etc.)

² Self employment, capital and business, to the net of depreciation and subsidies to the production

ers (such as farmers, family workers, business men and other professional agricultural roles), for the capital and for the business, which is very low and equal

to 8.5% of the output for 2013. Compared to the previous year, the share of indirect taxes on production is decreased (from 2% to 1.3%), mainly as a consequence of

the fiscal innovations relating to the payment of the IMU tax, which is expected to be paid for the lands.

At European level, according to the Eurostat estimate, the real agricultural income per working unit is decreased

(-1.2%) over 2012. The highest increases have been observed in the Netherlands (+11.4%), Malta (+10.3%) and in Spain (+9.9%). The strongest decreases instead have affected Estonia (-17.6%), France (-15.7%) and Croatia (-12.6%). Italy, com-

pared to 2012, has registered a remarkable increase by 7.9%, thus bringing the index almost at the same value as in 2005. This result is essentially a consequence of the decrease in the working units registered in the last years.



AGRO-INDUSTRIAL SYSTEM

COMPONENTS OF THE SYSTEM

The agro-food system consists of all the activities tied up by commercial relationships, and which contribute in creating the value of the food product, in the same way as it reaches the consumers: it plays an important role in the economy of our country. The food-chain involves all of the three sectors of the economic activity: agriculture with the production of raw materials, industry through the processing activity and the providing of machineries, the service sector mainly with distribution and marketing. This three sectors are directly or indirectly related through the presence of a great number of economic players, and the phases are supported by stakeholders external to the supply-chain, whose job is important in order to ensure the right logical operations, such as the providing of technical means for agriculture, transport, logistics, marketing, networking, survey, etc...

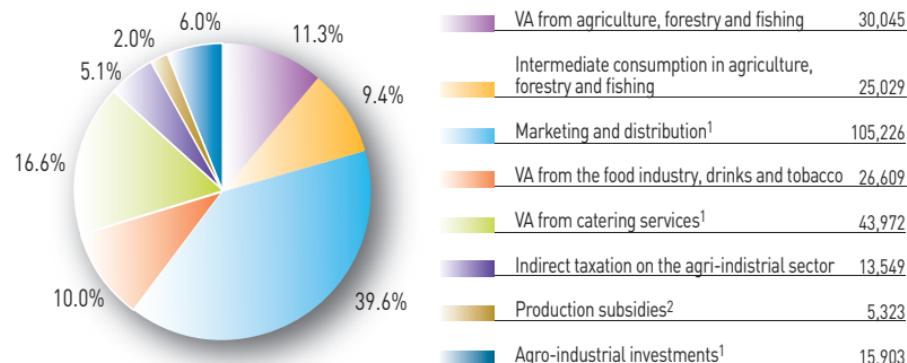
The whole of these activities, considering also the subsidies received, the indirect taxes paid and the investments made,

amounts to about 266 billion euro, with an incidence of 17% on the GDP.

The main items are represented by about 30 billion in agricultural value added, 25 billion in agricultural intermediate con-

sumption, 15.9 billion in agro-industrial investments, 26.6 billion of value added in the food-industry, 44 billion of value added in the food services, and about 105.2 billion of value in marketing and distribution.

Main components of the agri-industrial system at basic prices (million euro), 2013

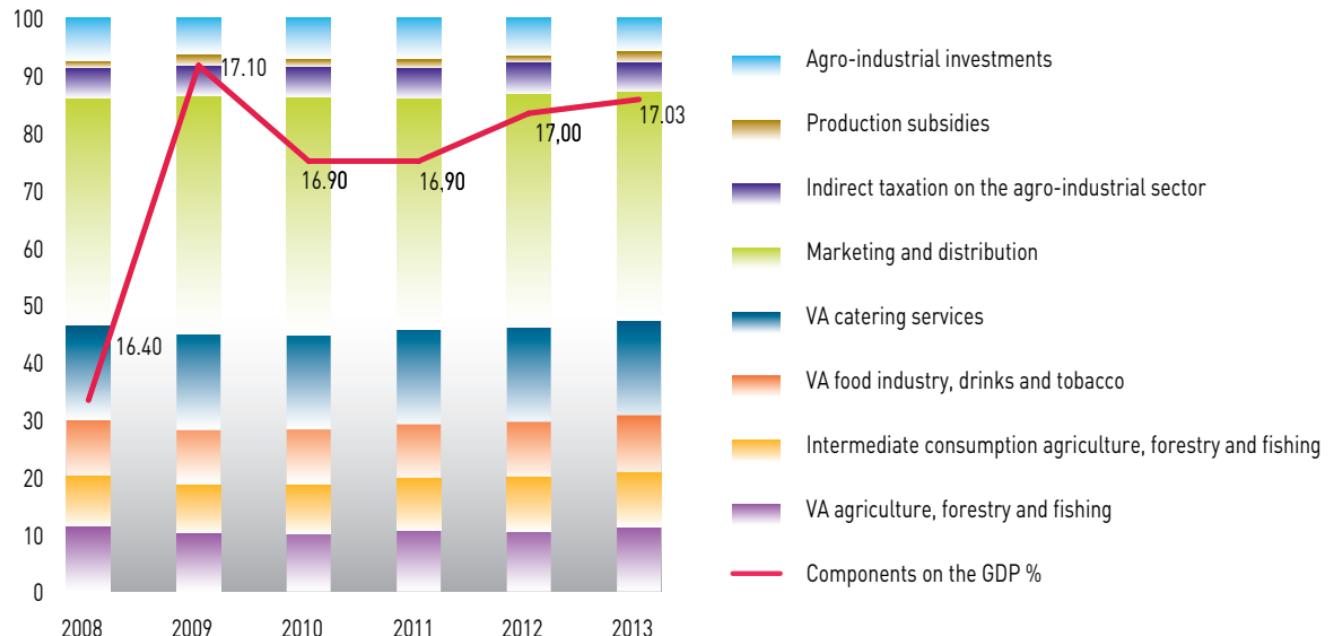


¹ estimate

² Single Farm Payment (SFP), aid for rural development, natural disaster relief, national and regional aid, premiums for tobacco, wine, warehousing, export rebates, etc.; production subsidies (new CAP aid) of 1,356 million euro are included in VA from agriculture at basic prices

Source: ISTAT

Trend in the main components of the agro-industrial system and incidence on the national GDP



Source: provisional estimates 2013 on ISTAT data

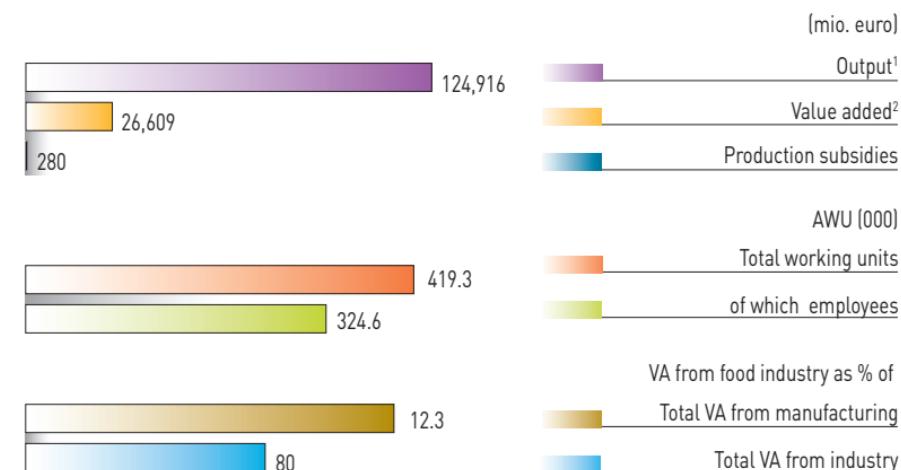
The food and drink industries, along with the tobacco industry, have acquired during time an ever more important role in the national manufacturing sector: in 1971 the food industry had an incidence of 10.5%, in terms of companies, and of 8.8% , in the number of employees; in 2011 the share has increased respectively to 13.6% and 11.0%. Within the sector, only the food processing industry represents 95% of companies and 91.6% of employees. At the territorial level, the figures released by ISTAT on the firm's structure (2011), have showed that Lombardy is the first region for the number of local units employed in the food sector (12.7%, equal to 7,020 firms), followed by Sicily and Campania (respectively with 6,840 and 6,701 local units, and an incidence of about 12% on the national total). In terms of employees, the regional placement changes. Among the first four positions there are some northern regions of Italy: Lombardy (16.4%, 64,932); Emilia-Romagna (14.6%,

57,806), Veneto (9.1%, 36,086) and Piedmont (8.1%, 32,084).

According to the national accounting data,

updated to 2013, the working units in the food and drink industries, and in the tobacco industry, amount to 419 thousand

Food industry*: main macroeconomic aggregates, 2013



* Including drinks and tobacco

¹ Value of production at basic prices, in current values, estimated from ISTAT figures

² Value added at basic prices in current values

Source: ISTAT

Turnover in the food industry by sector (million euro), 2013

	mio. euro	% Change 2013/12
Miscellaneous	27,421	9.0
Milk and dairy	14,900	0.0
Confectionery	13,382	2.4
Wine	10,120	0.4
Cold cuts	7,944	-0.6
Animal feed	7,350	-5.0
Beef	5,850	-0.8
Poultry	5,750	0.0
Tinned vegetables	5,200	4.5
Pasta	4,642	0.8
Frozen foods	4,050	-4.9
Olive and seed oils	4,000	-4.8
Milling	3,601	-0.5
Baby food, diet food and food supplements	3,250	1.6
Coffee	3,100	2.6
Beer	2,700	-1.8
Mineral waters	2,400	4.3
Fizzy drinks	1,830	-1.1
Fish	1,480	0.0
Rice	1,030	-2.8
Range IV prepared foods using fresh or powdered ingredients	1,025	-2.4
Fruit juices and fruit-based drinks	975	-7.1
Total	132,000	1.5

Source: FEDERALIMENTARE

units, with a decrease of 1% over 2012, and an incidence of 10.6% on the total working units in the manufacturing industry.

The production value, at current prices, for the food and drink industries, and for the tobacco industry, has decreased by about 1.9% in 2013, compared to 2012.

Some of the important categories of the Italian agro-food sector have shown a negative index of production in 2013: the production of sugar and mainly the processing of the beet pulp (-15.8%); the production of prepackaged foods, with a greater decrease for pasta (-8.6%); the production of oils and fats, such as crude soybean oil (-22.5%), and the refined olive oil (-8.8%).

In an upward trend is, instead, the production of rusks, toasted bread (+31.1%), biscuits and bakery products, along with the processing of tea and coffee (+3.4%).

The value added of the entire sector, at basic prices, is increased by 2.4%, in current terms, essentially due to the increase in prices (+3.9%), as a consequence of the

slight decrease in the quantities produced. On the whole, the value added of the food industry has represented, in 2013, 12.3% of the manufacturing industry and 7.9% of the total of the industrial sector, buildings included.

At European level, there are 265,600 firms operating in the food industry, with 4.1 thousands of employees, equal to 13.6% of the manufacturing sector. The total value of production has amounted to about 806 billion euro, and the value added of the sector, at factor costs, has reached about 169 billion euro in 2011.

If compared with the main European countries, the incidence of the national food industry seems to be among the lowest levels. In terms of farms, only the UK shows a very restrained share (5.9%), whereas France shows a decisive higher incidence compared to the European average (28 firms out of 100 belong to the food sector). In terms of employees, Italy brings up the rear (10.8%), France has only a fifth of the employees in the food industry, where-

Change in volume of food production by category

	% change 2013/12
Sugar	-15.8
Prepared meals	-10.2
Manufacturing of oils and animal and vegetable fats	-7.5
Soft drinks, mineral water and other bottled water	-6.0
Ice-cream	-5.8
Processing and preserving of fish products	-5.0
Wine from non-self-produced grapes	-4.8
Milling and starch products	-1.8
Milk and dairy industry	-1.8
Baby food and diet food	-1.6
Beer	-1.5
Bread and fresh pastry products	-0.6
Condiments and spices	0.2
Processing and preserving of fruit and vegetables	0.3
Pasta, couscous and similar farinaceous products	1.7
Cocoa, chocolate, candies and confectionery	1.8
Distillation, rectification and mixing of alcoholic drinks	2.0
Fruit juices and vegetables	2.0
Meat based products (including meat of winged animals)	2.5
Processing of tea and coffee	3.4
Rusks and biscuits; preserved pastry products	5.6
Total food industry, drinks and tobacco	-0.7

Source: FEDERALIMENTARE

Value added and employees in the food industry, drinks and tobacco by main sectors in the EU-28, 2011

	Value added*			Employees		
	million €	% to total industry ¹	% Italy to EU	000 units	% to total industry ¹	% Italy to EU
Manufacturing of food products	168,731	10.2	11.1	4.131	13.6	9.6
of which:						
Processing and preserving of meat and production of meat based products	30,100	1.8	8.9	942	3.1	6.3
Processing and preserving of fish products	4,019	0.2	7.3	113	0.4	4.9
Processing and preserving of fruit and vegetables	13,351	0.8	12.6	260	0.9	11.4
Manufacturing of oils and vegetable and animal fats	4,000	0.2	15.6	61	0.2	17.6
Manufacturing of milk and dairy products	19,513	1.2	14.0	371	1.2	11.9
Processing of milled and starch products	7,397	0.4	9.9	110	0.4	8.0
Manufacturing of bread, biscuits and pasta	39,895	2.4	12.3	1.548	5.1	11.2
Production of other food products ²	41,177	2.5	10.9	601	2.0	9.6
Manufacturing of pet foods	9,300	0.6	6.5	126	0.4	6.1
Drink industry	38,246	2.3	10.5	431	1.4	8.3
Tobacco industry	7,101	0.4	0.7	43	0.1	1.0

* to the cost of the factors

¹ Manufacturing industry

² Sugar, sweets, tea, coffee, condiments, diet food, etc.

Source: EUROSTAT

as the average of the EU-28 is of 13.5%. Then, by considering the incidence of the

value added produced, Spain ranks first, with about a fifth in the manufacturing

sector, followed by France (18.6%). Italy ranks next to last, after Germany.

Main indicators of the food industry in the EU-28 countries, 2011

	N. of firms (000 units)	Employees	Output (million €)	Value added ¹	Turnover		
Belgium	7.5	85.6	35,882	5,449	38,151		
Bulgaria	4.8	84.7	3,447	635	3,868		
Czech Republic	7.1	100.1	9,876	2,013	11,747		
Denmark	1.5	60.2	18,256	3,702	20,859		
Germany	30.2	817.0	147,113	29,600	160,298		
Estonia	0.4	12.6	1,139	217	1,268		
Ireland	0.6	35.3	19,867	5,968	22,800		
Greece	14.9	79.9	10,227	3,058	11,312		
Spain	23.2	318.1	80,626	15,992	85,752		
France	56.4	560.2	132,275	27,801	143,800		
Croatia	2.8	56.3	3,735	982	4,518		
Italy	55.2	396.6	101,950	18,703	106,497		
Cyprus	0.8	11.2	1,170	299	1,289		
Latvia	0.7	23.1	1,313	251	1,352		
Lithuania	1.2	38.4	3,074	527	3,215		

	N. of firms (000 units)	Employees	Output (million €)	Value added ¹	Turnover		
Luxembourg	0.1	-	-	-	-		
Hungary	4.4	88.4	7,893	1,471	9,050		
Malta	-	-	-	-	-		
Netherlands	4.3	118.3	51,963	8,795	58,184		
Austria	3.5	68.6	13,106	3,517	14,445		
Poland	13.2	387.5	38,689	7,522	42,369		
Portugal	9.6	94.8	10,584	2,040	11,791		
Romania	7.5	165.6	7,527	1,513	8,388		
Slovenia	1.2	14.1	1,570	383	1,853		
Slovakia	2.6	36.8	2,906	703	3,622		
Finland	1.7	34.4	8,593	1,928	9,181		
Sweden	3.4	59.4	14,273	3,369	16,141		
UK	6.5	376.3	78,356	22,027	84,497		
EU-28	265.6	4,130.8	806,216	168,731	877,124		

¹ The cost of the factors corresponds to the VA at basic prices, to the net of the taxes on the production, including grants

Source: EUROSTAT

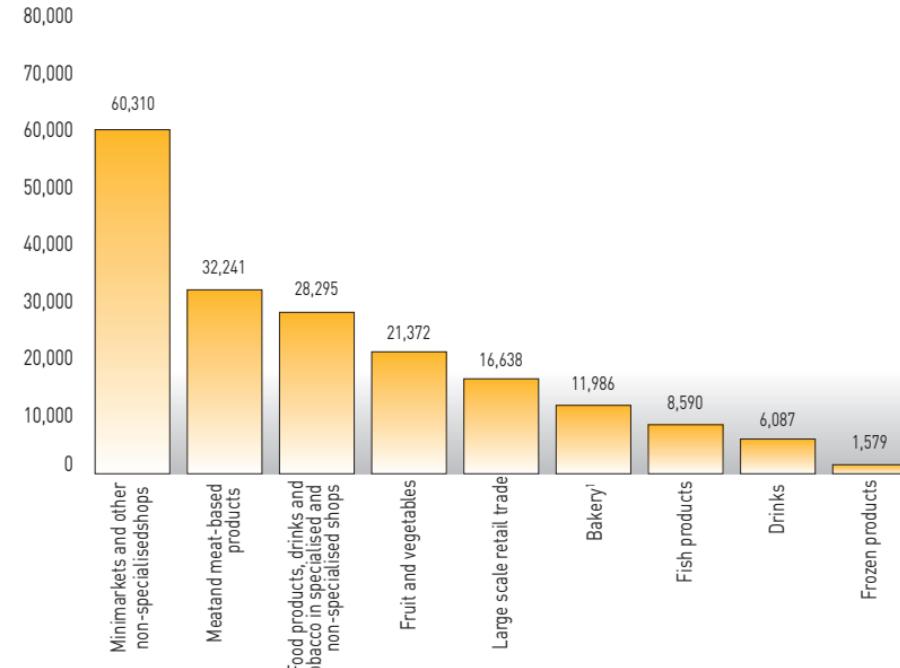
DISTRIBUTION

In 2013, the number of the fixed shops, operating in the food sector, at the net of the monopoly retail stores (such as tobacco shops), has experienced a slight increase (+0.4%) over 2012, thus accounting 187,098 shops. In particular, the non-specialized type of selling (hypermarkets, supermarkets, minimarkets, discounts, etc.) have amounted, on the whole, to 94,527, registering a decrease (-0.9%) over 2012.

In an upward trend is the number of the food discounts (+6.2%), of the supermarkets (+5.6%), and of the shops selling frozen products (+3.3%), against a decrease of the minimarkets (-0.9%) and mainly of other shops selling food and drink products, but without a specific classification (-7.3%).

The specialized food retails, including the most traditional selling points, are 92,571, thus showing a substantial increase (+1.7%) compared to 2012. Noteworthy is the particular negative variation in the selling of bread, cakes, sweets and confectionery (-4.2%), along with the shops

Food retail shops in fixed-location, 2013



¹ Including the selling of sweets and sugared almonds

Source: National Observatory of Trade, Ministry for the economic development

selling meat and meat-based products (-1.1%), which nonetheless represent the most numerous category, with 32,241 retails. Compared to 2012, it is in increase the number of retails specialized in drinks (6,087 units, +3.6%), fruit and vegetables (21,372 units, +2.9%), and in fish products (8,590 units, +0.8%).

The figures of the Observatory on Trade, released by the Ministry of the Economic

Development, continue to show the Campania region as the region in which there is the greater selling network of food products (wholesale, intermediary, retails, street merchants), with 48,210 of retail selling, and Lombardy with 40,619 activities, which is characterized by the greater presence of supermarkets (1,871 units in 2013) and hypermarkets (173 in 2013).

The gap among the various areas of the

country is highlighted by examining the ratio of territorial density, which in the southern regions shows an higher value, equal to about 5 fixed shops per 1,000 inhabitants, compared to the northern regions where the same value decreases on average to 3 shops per 1,000 inhabitants. In 2013, the ISTAT index of the total retail selling has shown a decrease of 2.1% compared to 2012, as a consequence of a

Large-scale distribution: indexes of the sale values, current prices (base 2010=100) by type of business

	Index			% change		
	Oct '13	Nov '13	Dec '13	Oct '13/Oct '12	Nov '13/Nov '12	Dec '13/Dec '12
non-specialised large-scale distribution	100.5	99.1	123.4	0.0	2.5	-2.7
Food	101.0	99.5	119.9	-0.2	2.4	-2.7
non-food	95.6	95.3	153.1	0.5	2.3	-2.7
Hypermarkets ¹	100.3	99.9	130.1	0.2	1.9	-2.2
Supermarkets ²	101.6	99.3	114.7	-1.0	2.3	-3.5
Discount ²	111.6	107.0	118.5	2.4	4.4	0.8
Specialised large-scale distribution ²	109.7	106.4	144.2	-0.4	2.9	-2.5
Total food	103.8	101.6	120.6	0.3	2.6	-2.1

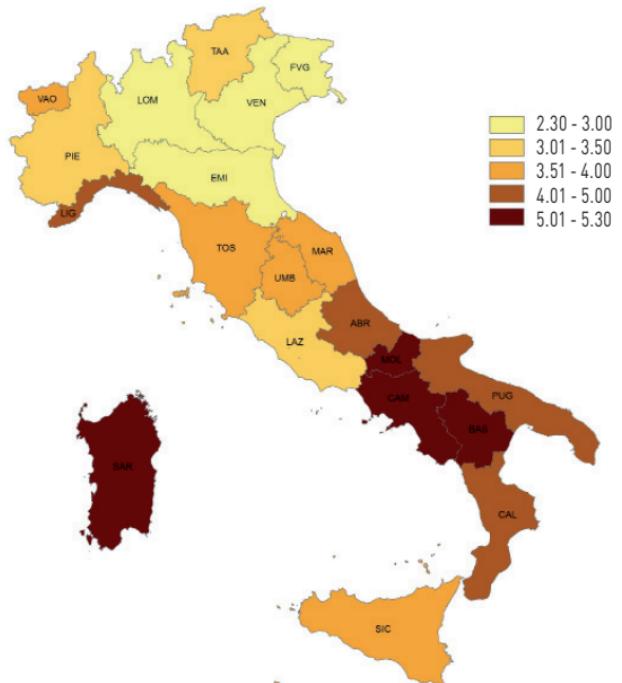
¹ FOOD

² Food and non-food

Source: ISTAT

decrease of 1.1% for the food products, and of 2.7% for the no-food products. In the sector of the food shops, in the large-scale distribution, the selling is decreased by 0.4%, over the previous year, whereas, in the firms operating on small areas, the selling has decreased by 3%. Even more in the detail, it is increased, compared to 2012, the selling activity for the discounts (+1.6%), whereas it is decreased the selling activity for supermarkets (-1.3%) and hypermarkets (-1.9%).

Food shops in fixed-location per 1,000 inhabitants, 2013



Source: National Observatory of Trade, Ministry for Economic Development

Territorial breakdown of the large-scale retail trade surface, December 2012

	Supermarkets		Hypermarkets		Minimarkets	
	(sqm)	%	(sqm)	%	(sqm)	%
North-West	2,655,009	29.3	1,563,394	43.2	389,808	23.8
North-East	2,385,720	26.4	736,541	20.4	321,963	19.7
Centre	1,711,099	18.9	459,844	12.7	239,449	14.6
South and Islands	2,300,435	25.4	855,459	23.7	684,859	41.9
Italy	9,052,263	100.0	3,615,238	100.0	1,636,076	100.0

Source: Ministry for the economic development

FOOD CONSUMPTION

In 2013, the household consumption is decreased by 2.6%, at constant prices, but the decline has progressively softened during the year, and it stopped in the last quarter, in conjunction with the improvement in the confidence attitude by consumers. Nonetheless, it seems to be still below 8%, compared to that observed before the starting of the global financial crisis.

The decrease in consumption has affected all of the main items, being most remarkable in the buying activity of the lasting goods and semi-lasting goods (-5.2%). The consumption for non-lasting goods, whose almost half is represented by food stuffs, is decreased by 3.4%; the contraction of the spending in services has been more contained (-1.2%).

The household consumption for the food-stuffs and drinks, excluding alcoholic drinks, has amounted to about 138 billion euro, at current values, with a decrease of 0.7% over 2012. In real terms, the overall level of the food consumption is decreased (-3.1%), thus showing an increase of 2.4%

in prices.

On the total household spending, the one related to the foodstuffs, drinks and tobacco represents the most important share (17.3%), after that one for the housing, gas, electricity and other fuels.

The spending for the foodstuffs has been essentially stable in 2013, decreasing from 468 to 461 euro per month, despite the most remarkable decrease in meat (-3.2%). As in 2012, families continue in maintaining a spending-containment at-

Breakdown of consumption by main category of expenditure, 2013

Category of expenditure	% of total expenditure	change 2013/2012 (%)	
		at chained values	implicit prices
Food, drinks and tobacco	17.3	-3.1	2.3
of which food and soft drinks	14.5	-3.1	2.4
Clothing and shoes	6.8	-5.2	0.8
Housing, gas, electricity and other fuels	24.0	0.0	1.8
Furniture, electrical appliances and home maintenance	6.8	-4.0	0.9
Health	2.8	-5.7	0.4
Transport	12.4	-3.3	1.2
Communications	2.1	-3.2	-5.2
Recreation, culture and education	8.0	-3.0	0.6
Hotels and restaurants	10.2	-2.1	1.5
Other goods and services	9.7	-2.7	2.1
Total	100	-2.5	1.4

Source: ISTAT.

Food consumption in Europe*

Country	% on total expenditure	change 2012/2011 (%)		Country	% on total expenditure	change 2012/2011 (%)	
		quantity ¹	prices ²			quantity ¹	prices ²
Austria	9.5	-0.4	3.6	Malta	13.0	-3.4	2.8
Belgium	13.0	0.6	3.3	Netherlands	11.3	0.6	2.0
Bulgaria	-	-	-	Poland	17.3	-2.0	3.5
Cyprus	12.5	4.2	1.0	Portugal	18.0	0.2	3.5
Denmark	-	-2.5	4.4	UK	8.1	1.6	10.4
Estonia	17.3	2.4	3.6	Czech Republic	14.4	-0.6	4.1
Finland	12.1	-0.2	4.9	Romania	-	-	-
France	13.4	0.7	3.1	Slovakia	17.4	-0.3	4.4
Germany	10.8	1.0	3.3	Slovenia	13.3	-5.8	3.9
Greece	-	-	-	Spain	14.3	-0.6	2.3
Ireland	9.0	-0.4	1.2	Sweden	11.5	1.9	5.4
Italy	14.2	-2.9	2.6	Hungary	15.7	-0.5	3.6
Latvia	17.6	4.4	3.5	EU-28	12.2	-0.6	4.1
Lithuania	19.9	4.7	2.5	Euro zone	12.6	-0.9	3.2
Luxembourg	8.1	0.5	2.4				

* Foodstuffs and soft drinks

¹ Million euro, chained values, reference year 2005

² Change of price index

Source: Eurostat

titude: the share of those who reduce the quality or the quantity of at least one of the foodstuffs acquired is increased from 62.3% in 2012, to 65% in 2013, and in the South this share has quite reached 77% (in the past it was 73%). Also the share of families choosing the hard discount to acquire foodstuffs is increasing (from 10.5% in 2011, to 12.3% in 2012, up to 14.4% in 2013), mainly at the expense of supermarkets, hypermarkets and the

more traditional shops. In the South, the share of families who buy at least one kind of foodstuff at the hard discount reaches 16% (it was 13.1% in 2011 and 14.6% in 2012), but it is mainly in the Centre that it is experienced the strongest increase (from 12% to 15%).

At the European level the reduction in the domestic demand has weakened (-1.1%). The drop in the household spending has halved (-0.7%), thanks to a moderate re-

covery at the beginning of the Spring. The trend in consumption has been, nonetheless, heterogeneous among the main countries: the slight increases observed in Germany and France (respectively of 0.9% and 0.3%), have been counterbalanced by the decreases in Spain (-2.1%) and in Italy. These dynamics have obviously affected also the purchasing of foodstuffs, with a different incidence among the main countries in the area.

In 2013, it continues the positive trend of the latest years for the agro-industrial system, boosted by the positive performance of the production (+3%), with an ever more intense dynamic compared to 2012.

As for the foreign trade, exports have increased by almost 5%, whereas imports by 3%, thus triggering a trade balance of -6,1 thousand euro, which although still negative, it shows an improvement of almost 7% compared to 2012. The normalized balance, equal to -8.3%, gains a percentage point over the previous year.

Compared to 2012, the volume in trade has increased by 3.7%, and even the apparent consumption has increased by 2.3%, thanks to the equilibrium in the growth of the different elements.

Both the propensity in exporting and the ability of self-provision have increased by 0.7%. The degree of commercial coverage gains 1.6%. Almost stable (0.2%) is, instead, the propensity to import. Also in

2013, the agro-food sector shows to be a strong key-point in the overall exchanges

of our country: the share of agro-food imports on the commercial total respective is

The agro-industrial balance and the agro-industrial system*

MACROECONOMIC AGGREGATES		2000	2012	2013
Total agro-industrial output ¹	(P)	67,899	79,285	81,683
Imports	(I)	25,358	38,690	39,756
Exports	(E)	16,867	32,132	33,645
Balance	(E-I)	-8,491	-6,558	-6,111
Volume of trade ²	(E+I)	42,225	70,822	73,401
Apparent consumption ³	(C = P+I-E)	76,390	85,843	87,794

INDICATORS (%)

Degree of self-sufficiency ⁴	(P/C)	88.9	92.4	93.0
Propensity to import ⁵	(I/C)	33.2	45.1	45.3
Propensity to export ⁶	(E/P)	24.8	40.5	41.2
Degree of commercial coverage ⁷	(E/I)	66.5	83.0	84.6

* Million of current euro, the data relating to the agro-industrial output and to the marketing, have also included the item "processed tobacco"

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

² Sum of exports and imports

³ Agro-industrial output plus imports minus exports

⁴ Output-consumption ratio

⁵ Imports-consumption ratio

⁶ Exports-output ratio

⁷ Exports-Imports ratio

Source: ISTAT

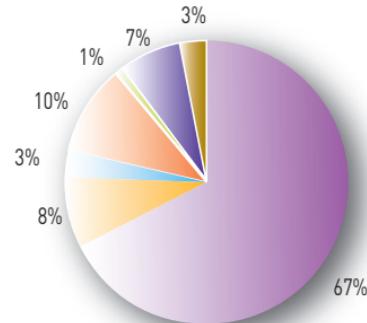
increased of almost one percentage point, and regarding the exports, the share of the agro-food is increased by 0.4%. In terms of dynamic, the positive trend in the exports has been experienced mainly in the first half of the year, whereas in the second half of the year the exports have decreased; imports, on the contrary, have increased unexpectedly in the central period of the year, reaching again, at the end of the year, the same initial growth-levels. In 2013, also the increase in the value of the euro has affected the trade-trend, thus producing a loss in competitiveness of the Italian products in the total exchanges, although it does not seem to affect so much the agro-food sector. If the agro-food imports have increased thanks to the quantity, exports have increased mainly thanks to the prices, in addition to the quantitative element.

In terms of exchange, in increase are both the selling activities (+3.7% compared to 2012), and the purchasing activities

(2.7%) from the EU-28 countries. Among the other destinations, a share of 10% is addressed to North America, mainly the United States (-1% compared to 2012); a share of 8% towards the other non-Mediterranean European countries, and another share of 7% towards the non-

Mediterranean Asian countries. Concerning the provision markets, the 8% derives from the non-Mediterranean Asian countries, and 7% from the South-America, with Brazil as our first provider. In terms of single country, our main providers, belonging to the European zone,

Destination of the Italian agro-food exports, 2013



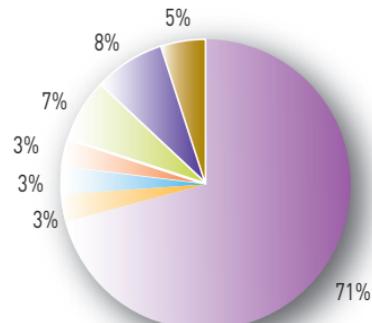
Source: ISTAT

	[million of current euro]
TOTAL	33,645
EU 28	22,497
(Germany)	6,294
Other non-Med. European countries	2,556
(Swiss)	1,328
TMC (Third Mediterranean Countries)	1,192
(Turkey)	227
North America	3,514
(United States of America)	2,859
Centre-South America	481
non-Mediterranean Asia	2,399
(Japon)	710
Others	1,006

are represented, once again, by France, Germany, Spain, Netherlands and Austria, with stable shares compared to 2012, ranging between 15% and 4%. Our most important recipients are Germany and France, followed by the US, the UK and Switzerland, with stable shares swinging between 19% and 4%.

In 2013, the primary sector has shown a better performance than in the previous year, highlighting a value of the normalized balance equal to -35.7%. This result is the consequence of an increase both in imports (+2.6%), and in exports (+2.2%). Even more remarkable is the increase registered by the food industry, whose normalized balance improves once again in 2013, reaching -9.8%, driven by both the increase in the exports (4.5%) and in the imports (3.4%). Considering the total of the agro-food balance, the primary sector shows an incidence of the imports equal to 32%, against 63% of the industry, whereas for the exports the ratio is 15%

Origin of the Italian agro-food imports, 2013



Source: ISTAT

against 52%.

Our “made in Italy” confirms the competitive benefit of the typical high-quality products, even if in 2013 it still shows a general weak dynamic, mainly for the processed products, main strength of our agro-food sector, where the value of the

	(million of current euro)
TOTAL	39,756
EU 28	28,250
France	5,976
Other non-Med. European countries	1,273
TMC (Third Mediterranean Countries)	1,350
Turkey	476
United States of America	1,114
South America	806
Brazil	2,700
non-Mediterranean Asia	915
Indonesia	3,049
Others	933

normalized balance amounts to 65.2% (-11.6%). This result is also due to the increase in imports by 5.3%, almost equal to the exports (+5.7%), in addition to a “price” element more incisive, compared to the “quantity” element. Also for the typical agricultural products of our country,

Foreign trade in "Made in Italy" agro-food products

	2013 (million €)			Change (%) 2013/2012	
	Import	Export	Sn (%)	Import	Export
Cereals	1.0	3.4	53.2	45.7	-49.7
Fresh fruit	572.1	2,450.5	62.1	21.3	1.9
Fresh vegetables	302.1	949.1	51.7	-5.0	9.4
Flowers and plants	135.1	509.1	58.1	-6.2	-2.2
AGRICULTURAL "MADE IN ITALY"	1,010.3	3,912.1	59.0	8.1	3.0
Rice	80.6	493.3	71.9	24.6	0.3
Processed tomatoe	126.6	1,578.2	85.1	4.8	6.2
Other vegetables and prepared or preserved fruit	477.6	913.5	31.3	0.2	2.5
Cold cuts	254.1	1,241.0	66.0	1.3	6.4
Cheese	172.8	1,503.0	79.4	11.5	2.2
Olive oil	1,137.7	1,337.0	8.1	8.7	7.8
Other processed products	284.8	765.0	45.7	5.7	9.6
Fruit juices anc cider	233.4	575.9	42.3	-5.7	-4.3
Vinegar	17.2	237.7	86.5	-12.6	5.8
Packaged wine	57.7	4,599.2	97.5	-4.0	7.1
Bulk wine	101.1	478.8	65.1	24.2	10.3
Mineral waters	6.9	368.8	96.3	3.1	8.4
Essences	34.6	81.3	40.2	-3.0	10.9
PROCESSED "MADE IN ITALY"	2,985.2	14,172.6	65.2	5.3	5.7
Pasta	73.1	2,141.8	93.4	8.4	3.5
Bakery products	796.1	1,546.2	32.0	9.3	4.6
cocoa-based sweets	669.4	1,256.8	30.5	1.3	-3.1
Other derivatives from cereals	20.1	126.6	72.6	-29.1	15.7
Ice creams	120.9	207.5	26.4	-8.0	-9.8
Coffee	129.5	997.9	77.0	5.2	5.7
Spirit and liqueurs	173.0	633.3	57.1	-7.9	6.8
"MADE IN ITALY" of the food industry	1,982.1	6,910.1	55.4	2.8	2.8
TOTAL MADE IN ITALY	5,977.6	24,994.8	61.4	4.9	4.4

Source: ISTAT

Foreign trade by main agro-food categories (million €), 2013

	Import	Export	Sn (%)		Import	Export	Sn (%)
Seeds	501.9	251.1	-33.3	Sugar	1,110.2	198.1	-69.7
Cereals	2,422.9	79.4	-93.7	Sweet products	798.8	1,408.4	27.6
Fresh legumes and vegetables	739.9	1,135.5	21.1	Fresh and frozen meats	4,558.9	1,086.2	-61.5
Dried legumes and vegetables	238.5	42.7	-69.6	Prepared meat	347.6	1,320.0	58.3
Citrus	313.7	180.2	-27.0	Fish products	3,289.7	343.3	-81.1
Tropical fruit	543.8	64.6	-78.8	Processed vegetables	926.2	2,169.1	40.2
Other fresh fruit	558.8	2,408.4	62.3	Processed fruit	549.2	1,017.4	29.9
Dried fruit	906.1	310.5	-49.0	Milk and dairy products	4,022.8	2,601.1	-21.5
Stringy vegetables	83.7	11.0	-76.8	of which milk	921.3	18.4	-96.1
Oil seeds and oleaginous fruits	854.1	30.4	-93.1	of which cheese	1,814.2	2,059.0	6.3
Cocoa, coffee, tea and spices C	1,335.8	66.9	-90.5	Oils and fats	3,077.1	1,967.8	-22.0
Flowers and plants	456.9	664.2	18.5	of which olive oil	1,223.9	1,374.8	5.8
Raw tobacco	33.4	240.3	75.6	Oilcakes and feedingstuffs	1,957.9	760.5	-44.0
Live animals	1,361.9	61.0	-91.4	Other products from the food industry	1,730.5	2,879.7	24.9
of which for breeding	157.8	26.4	-71.3	Other food products	1,461.0	411.6	-56.0
of which for rearing and slaughtering	1,181.5	21.2	-96.5	TOTAL FOOD INDUSTRY	25,102.7	20,627.8	-9.8
Other livestock products	492.2	74.4	-73.7	Wine	313.6	5,190.3	88.6
Forestry products	668.4	130.5	-67.3	of which quality sparkling	110.5	599.6	68.9
Fishing products	973.2	216.4	-63.6	of which liqueurs and aromatic spirits	5.1	242.7	95.9
Game products	178.3	31.8	-69.8	of which quality bottled wine	38.8	3,164.0	97.6
TOTAL PRIMARY SECTOR	12,663.5	5,999.2	-35.7	of which quality bulk wine	47.4	171.6	56.7
Rice	80.6	493.3	71.9	Other alcoholic drinks	947.4	909.0	-2.1
Cereal derivatives	1,192.2	3,971.1	53.8	Soft drinks	189.2	628.2	53.7
of which pasta	73.1	2,141.8	93.4	TOTAL FOOD AND DRINKS INDUSTRY	26,562.2	27,388.8	1.5
of which baked goods	796.1	1,546.2	32.0	TOTAL AGRO-FOOD BALANCE	39,755.7	33,645.1	-8.3

Source: ISTAT

the normalized balance has lost three percentage points, thus falling down to 59%. Therefore, the total value of the “made in Italy”, always in terms of normalized balance, has suffered a loss of more than 5%. The products with the most sizeable dynamic for the agricultural sector are the fresh vegetables (+9.4%), thanks to the “price” element and, conversely, the cere-

als, which have lost almost 50 percentage points, due to a strong reduction in the quantities sold; whereas the most sizeable dynamic for the processed products has concerned the cask wine (+10.3%), thanks to the “price” element, and the oils (+10.9%) in terms of quantity. Among the processed products, noteworthy are the other derivatives from the cereals

(+15.7%), for the “quantitative” element and, in negative, the ice-cream (-9.8%), because of the joined effect of both the elements. In absolute terms, the highest values for the selling activity, for the whole sector of “made in Italy” (agricultural, processed and industry), are represented, also in 2013, by respectively fresh fruit, packaged wine and pasta.



FOOD AND THE EATING HABITS OF ITALIANS

THE EATING HABITS OF ITALIANS¹

REGALIM survey

The REGALIM survey, carried out by CRA-NUT, provides a general frame on the Italian feeding during 2011.

The REGALIM Project (Monitoring of the eating habits of each single Italian region: characterization of the territory and of the social structure for a responsible food consumption, in order to preserve culture and local traditions)² is targeted to the monitoring of the type and quality in the daily eating, taking into account a sample of 3,004 people, over the age of 18 years, representing the Italian population, this survey also aims at analyzing the reasons of the food choices. The survey was based on a questionnaire, divided into two broad sections: one section aimed at evaluating the consumer's inclination, the other section aimed at estimating the eating habits represented by the frequency in the con-

sumption of the various foodstuffs.

The frequency in the consumption of foodstuffs

The consumption of the main groups of foodstuffs shows a prevalence, in the daily consumption, of the following categories: fruit, bread, pasta, rice, leafy vegetables, other vegetables and milk.

Cheeses, despite showing a daily consumption, introduce, at the same time, the category of foodstuffs eaten mainly per week. The other foodstuffs, with a most remarkable weekly consumption (some times per week) are represented by white meats, potatoes, beef, fish, eggs and cold cuts.

The foodstuffs eaten less than once a week, or never, are represented by dried legumes, fresh pork meat, sweets, salted snacks.

In particular, the portions of fruits and

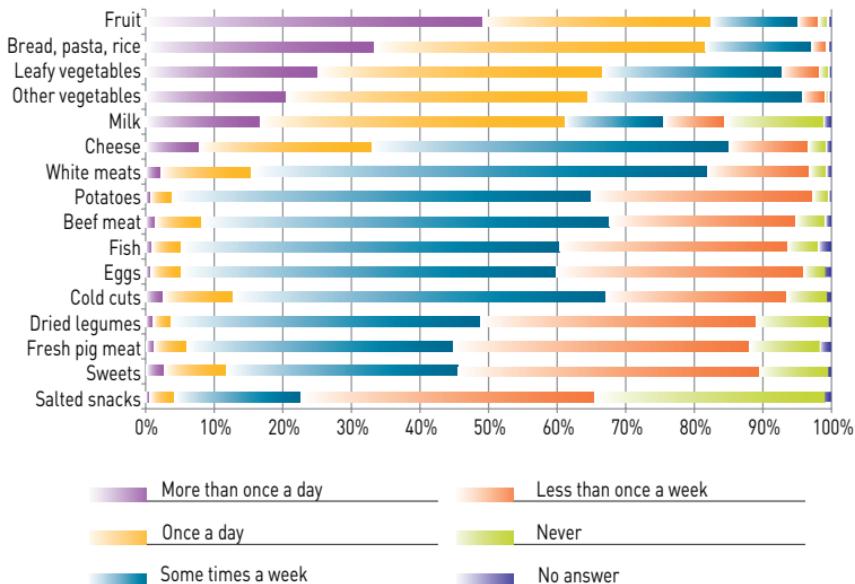
vegetables, eaten daily, have amounted roughly to 3.1. Taking into account the distribution of the average values per region, the portions of fruit and vegetables, eaten daily, have shown a minimum value of 1.9 in Basilicata, and a maximum value of 3.5 in Trentino-Alto Adige. Under the threshold of the three daily portions, there are, besides Basilicata, also Campania, Calabria, Liguria, Marche, Puglia and Molise. All of the other regions are above this threshold. The average number of portions for fruits exceeds always the number of portions for vegetables.

Considering that the threshold of 5 daily portions represents a target for an healthy eating, the percentage of the interviewed, eating five or more daily portions of fruit and vegetables, has amounted to just 12%, with an highest incidence in the North-East (15%) and a lowest incidence in the

¹ in collaboration with the Council for the research and experimentation in agriculture (CRA) – Research Centre for the foodstuffs and nutrition (CRA-NUT), edited by Aida Turrini, Laura D'Addezio, Anna Saba. Project financed by the Ministry for Agriculture, Food and Forestry.

² http://sito.enteera.it/portale/cra_progetto_dettaglio.php?id_progetto=%2211831622-65a2-82a7-0609-52974fffel18e%22&lingua=IT&opz_menu=

Frequency in the consumption of the main foodstuffs by category, 2011



Source: REGALIM Study, 2011.

South (7%).

The survey has taken into account also the frequency in the consumption of drinks. The results show a decisively opposite

trend between the sparkling water and the other alcoholic or not alcoholic drinks, for which the statement "I do not drink them absolutely" represents most of the

answers, except for wine for which the most spread assertion is "less of a glass per day" and "1/2 glasses per day".

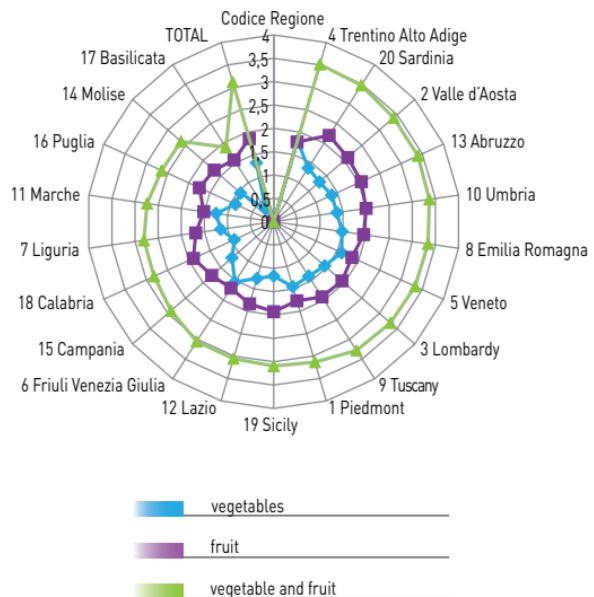
Buying channels

The most popular distribution channels are represented by supermarkets, traditional shops, craft stores for the selling of prepared foods, along with the street markets, but also the purchasing at producer is a very appreciated way of buying foodstuffs. Conversely, the shops specialized in the selling of organic products seem to be less frequented, even though they reach, nonetheless, 19%, followed by the doorstep selling, and by the fair and sustainable shops. Under the threshold of 10% there are the machines vending food, the ethical purchasing groups and, at last, the drugstores.

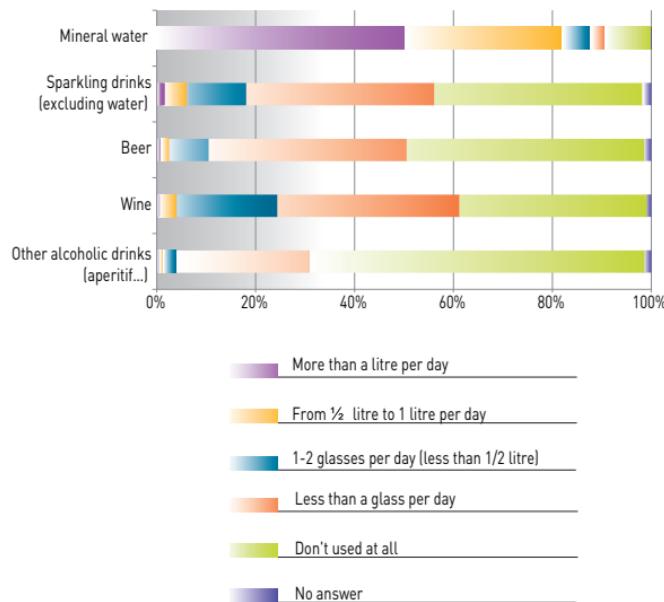
Consumption places

Most of the interviewed have asserted that the most spread consumption places for eating are represented by the restaurants and friends' houses, followed

Average number of daily portion for vegetables and fruit, 2011



Frequency in the consumption of drinks by volume, 2011



Source: REGALIM study, 2011

Source: REGALIM study, 2011

Places for buying foodstuffs¹, 2011

	%	Minimum		Maximum	
		%	geographical distribution	%	geographical distribution
Traditional shop (grocery, burcher, greengrocer, fishmonger)	84	78	North-West and North-East	93	South
Supermarket/Hypermarket	95	92	Islands	97	North-West and North-East
Shop specialised in the selling of organic foodstuffs	19	17	North-West and South	23	North-East
Craft store selling prepared or semi-prepared foodstuffs (ex. Baker, handmade fresh pasta, rotisserie, etc.)	53	47	North-West	58	Centre and Islands
Local market	49	43	North-East	54	South
Drugstore open H24	2	1	North-West	4	Sentre
Food distributors	8	7	North-East and South	9	Noerth-West and Centre
Shops of fair trade	10	7	South	14	North-East
Ethical purchasing groups	4	2	South	5	North-East and Islands
Directly at the producer (kitchen garde, winery, oil mill, etc.)	43	36	North-West	49	North-East
Sale at home of foodstuffs (frozen products, wines, oil, ...)	11	7	Centre	16	Islands

¹ Used at least once in the month previous to the survey

Source: REGALIM study, 2011

by bar, ethnical organic and health food restaurants. Many of them have stated of having eaten at the open air, in the occasion of fairs and festivals, both carrying their foodstuffs or purchasing them at canteens, but also while travel-

ling in their cars.

Quality care

In the 96% of cases, the interviewed have asserted to respect a way of eating traditionally Mediterranean. If it is true or not,

it doesn't matter, because it represents, nonetheless, the model to which most of them would like to adhere and this is indeed an index of interest, that shows a favorable cultural ground.

The quality care is testified by the great

Places where to eat meals, 2011

Place where to eat at least one meal ¹	%	Minimum		Maximum	
		%	geographical distribution	%	geographical distribution
Traditional/Mediterranean restaurant	67	61	North-Esat and South	76	Centre
Restaurant using organic ingredients	8	7	North-West	11	Centre
Macrobiotic restaurant	2	1	North-West and South	5	Centre
Ethnic restaurant (typical cooking of other countries)	17	8	South	22	North-West
Canteen /firm's canteens	14	7	Islands	20	North-East
Fairs and festivals	29	17	Islands	41	North-East
Places celebrating holidays, marriages, baptisms, ...	36	26	North-West	50	South
Bar	52	43	North-East	54	South
At home through phone order or via internet	12	10	Centre and Islands	14	Islands
Transport means (pullman, train, airplane, ship,...)	8	7	North-East and Islands	8	North-West, centre and Islands
at the open air	37	31	South	43	Centre
At office/school/university bringing meals from home	25	22	South	27	Centre
at friends' home	64	61	North-West	69	Centre

¹ Used at least once in the month previous to the survey

Source: REGALIM study, 2011

number of people who has purchased traditional or certified products.

Therefore, the survey depicts an adult Italian consumer who cares of the eating,

quality and tradition, without neglecting the aspects of conviviality and social relations. The consumer could improve his consumption in fruit and vegetables but,

on the whole, the percentages of declarations show a tendency towards a certain equilibrium.

Purchasing of certified or traditional foodstuffs, 2011

Purchasing in the latest year of:	YES	Minimum		Maximum	
	%	% geographical distribution		%	geographical distribution
PDO products	59	46	Islands	67	North-East
Typical food products with designation of origin guaranteed (DOCG)	44	33	South	54	North-West
PGI products	44	37	South and Islands	53	North-East
Traditional food preparations	24	20	Centre	27	Islands

Source: REGALIM study, 2011

FOOD WASTE

In a global situation of foodstuff shortage, a sustainable food system, against the wastefulness, represents a crucial theme in the international programs. The EU, which has declared the year 2014 as the European year against the food waste, aims to reduce the wastes of foodstuffs by 50% within 2025.

The Food Losses and Waste – FLW – in the entire agro-food chain affects 1/3 of the world edible production, equal to 1.6 billion tons of food (FAO, 2014); the Food Losses are mainly ascribable to climate, technical and environmental factors, whereas the Food Waste is much more ascribable to economic reasons or to the external aspect and the deterioration of the product, or to the imminence of the expiry date.

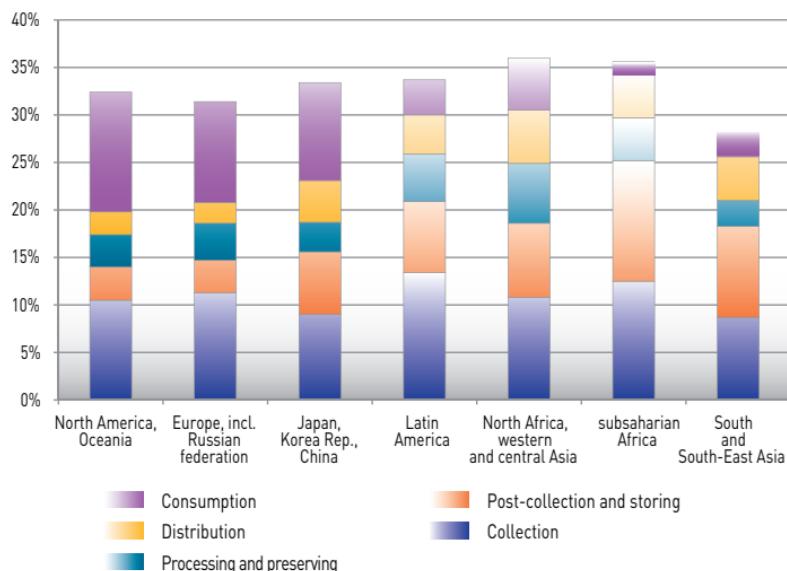
In the 80% of cases, the products are perfectly edible and potentially addressed to human consumption, exceeding four times the quantity necessary to feed almost 868 thousand of people suffering hunger all over the world. According to the FAO, the total food waste in the developed countries,

equal to 222 thousand tons (of which almost 90 in Europe), is amounted paradoxically to the total of the food production in the area of Africa under the Sahara desert

(230 thousand tons).

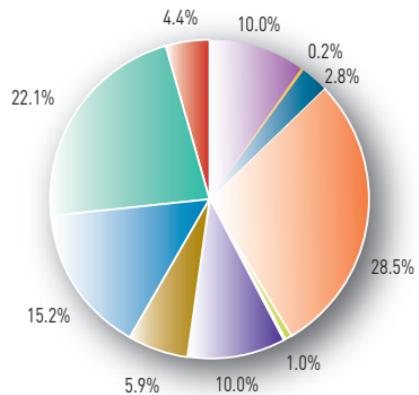
At the global level, the phases of agricultural production, of post-harvesting and storage have an incidence, respectively,

Incidence of the losses and wastefulness in the food production for human consumption through phases of the supply-chain



Source: FAO, 2011

Agricultural output left on the field, by sector in Italy



Source: processing on ISTAT data, 2011

of 32% and 22% on the total Food Losses and Waste (FLW); the phases of the food industry and distribution 11% and 13%; the final phase of consumption, with 345 thousand tons of food waste, has an incidence of 22% on the total. In the developed

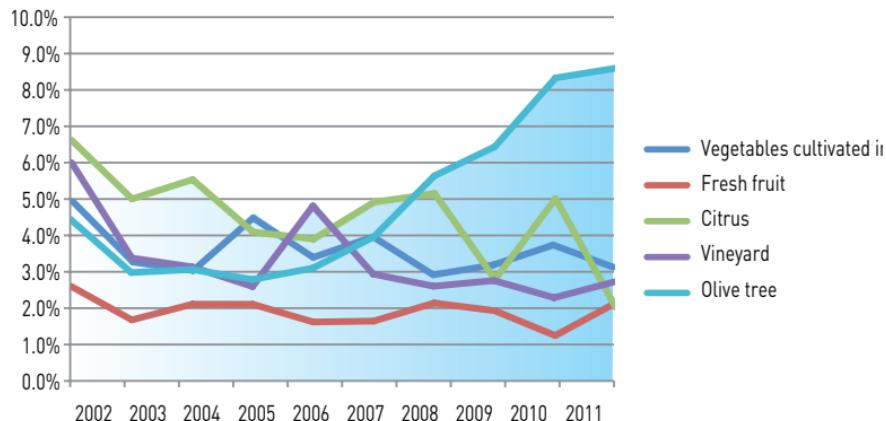
TOTAL	13,403,789
Cereals	1,343,589
Dried legumes	23,252
Tuber plants	368,929
Vegetables at the open-air	3,826,437
Industrial crops	128,169
Fresh fruit	1,335,058
Citrus	785,135
Vineyard	2,039,428
Olive tree	2,967,664
Vegetables cultivated in the nursery	586,128

countries more than 40% of the FLW take place during the distribution, as well as at the consumers' level; this same percentage occurs, instead, after the harvesting and during the processing in the developing countries.

The wasted water, necessary to produce food, amounts to 250 billion liters per year; the necessary ground is equal to 1.4 billion hectares (30% of the worldwide UAA); the quantity of carbon dioxide radiated by production, processing, storage and transport is equal to 3.3 billion tons, a volume of emissions that ranks 3rd place after those produced by China (7.3 thousand tons) and US (6.9 thousand tons); the cost of the wasted food amounts to 750 billion euro, as the GDP of a country like Switzerland. The food waste per capita in the European countries amounts roughly to 720 Kcal/day, 18 cubic meters of water and 334 square meters of arable land; if these values are compared to the countries in the North-America, they double.

The value of the food waste during consumption, in Italy, is equal to 8.1 billion euro (Waste Watcher, 2014). The food waste during the phases of production, harvesting and storage is, instead, still little examined. According to the figures at 2011, released by ISTAT, what remains in the fields,

Evolution of the agricultural output left on the field, by some sectors in Italy (%)



Source: processing on ISTAT data

that is to say the difference between the total output and what has been effectively taken away from the place of production, amounts to almost 13.5 thousand quintals (2.4% of the total output). The FLW show an higher incidence in the vegetables cultivated in the open-air (28.5%), in the olive-

tree (22.1%) and in the grapevine (15.2%). The 7th October, 2013 our country has put in place the National Plan of waste prevention, in accordance with the Directive 2008/98/CE. More than 500 Italian municipalities have underwritten the "Chart for a network of territorial districts at zero

waste" sponsored by the "Last Minute Market", academic spin-off of the University of Bologna, and in December 2013 it has been established the National network of municipalities "Sprecozero.net". The 5th February 2014, in occasion of the first national Day against the food waste, The Ministry for the Environment has presented the national Plan on the prevention of the food waste. Furthermore, from a decade now, the Law 155/2003, known as "Legge del buon samaritano", establishes the recovery of the foodstuffs, next to their expiry date, from hypermarkets, food industries and canteens, thus offering these products to the no-profit organizations, for the more disadvantaged people. Thanks to this Law, some recovery projects have been launched, such as "Siticibo" that in 9 years, through the onlus associations "Food bank" of 18 regions, has allowed to recovery 2.5 thousand portions and allocate these foodstuffs to the canteens of some institutes, and some charity organizations.

WINE AND FOOD TOURISM IN ITALY

The last annual survey "Customer care touristi", carried out by the national Institute of touristic research for Unioncamere, in collaboration with the National Observatory of Tourism, has pointed out that the *made in Italy* of our wine and food productions represents, after art and culture, the main reason for the choice of Italy as a tourist destination by the 8.7% of foreign people.

In the last four years, the wine and food tourism seems to have experienced an upward trend, in a progressive way for the Italian tourists and in an irregular way for foreign people, who are showing a de-

Wine and food products tasted by tourists (%), 2013

	Italians	Foreigners	Total
Wine	42.0	44.4	43.1
Oil	21.8	22.9	22.3
Pasta	38.0	42.1	39.8
Sweets	27.6	34.4	30.7
Vegetables	16.5	16.3	16.4
Bakery products	22.0	22.2	22.1
Cheese	25.7	27.4	26.5
Cold cuts	17.2	13.3	15.5
Meat	21.1	22.5	21.7
Fish	17.4	12.8	15.3

Source: National Observatory on Tourism - Unioncamere data

Wine and food tourism in Italy (%)

	Italians	Foreigners	Total
2010	3.3	7.0	5.0
2011	4.2	6.9	5.4
2012	4.7	8.6	6.6
2013	9.7	7.7	8.7

Source: National Observatory on Tourism - Unioncamere data

crease, from 2012 to 2013, although, in general, the foreign tourism in Italy represents 51.3% of the total demand, in growth compared to 47% of 2012.

The survey, carried out by the national Observatory of Tourism, about the Italian and foreign guests who have visited Italy during 2013, shows that the food and wine aspect ranks second place after the rich

artistic heritage, which assumes a relevant incidence, thus confirming the link between food and culture, on which the Italian municipalities should focus in order to better express their touristic vocation. The interest for food and wine represents one of the reasons for a stay in Italy for 24.7% of the Italians and 25.1% of foreign people, with an higher incidence for the

Tourists' expenditure (000 €), 2013

	Italians	Foreigners	Total
Accommodation	8,490,164	8,551,644	17,041,808
Restaurants, pizzerie	5,093,451	3,732,000	8,825,451
Bar, pastry shops	1,903,616	1,370,539	3,274,155
Total housing and food service	15,487,231	13,654,183	29,141,414
Recreational, cultural activities	8,280,963	5,353,760	13,634,723
Agro-food	7,218,370	4,517,109	11,735,479
Clothing and shoes	4,170,419	3,452,739	7,623,158
Other manufacturing industries	4,375,179	3,247,922	7,623,101
Journals, guidebooks, publishing	1,023,037	663,088	1,686,125
Transports	783,679	776,133	1,559,812
TOTAL	41,338,878	31,664,934	73,003,812

Source: National Observatory on Tourism - Unioncamere data

Europeans (25.6%) compared to the extra-Europeans (20.8%).

The concise judgment of the food-and wine tourists about their stay (7.9 compared to a scale of values ranging from 1 to 10) is perfectly in line with the average judgment expressed by the tourists in Italy, whereas the average spending per person

exceeds the average of those people who do not make use of tourist packages (about 85 euro/day, against little more than 75 euro), and it is inferior to the sum of 99.35 euro/day paid by the tourist who chooses the all-inclusive package.

The most tasted product is wine, followed by pasta, sweets and cheese, even though

with some differences, even important, between the Italian tourists and the foreign people, and regarding these, the difference is between the European and not-European people.

The economic impact of the tourism, both the Italian one and foreign, on the agro-food sector is amounted to 11 billion euro in 2013, that is 16% of the 73 billion euro spent by tourist during his stay, and it is growing compared to 2012 (+14%). During the Italian stay, 32.3% of tourists has tasted local wine and food products, mainly wine, pasta, sweets, oil and cheese.

Among the most important aspects during the stay, concerning the destination chosen, almost 10% of the surveyed tourists has mentioned the offer of local food and wine, whereas regarding restaurants, they have mainly pointed out the quality aspect (by 39% of tourists), even more frequently than the costs.

Thanks to the data gathered through the sample survey on the international tour-

Breakdown of the tourists' expenditure for food and wine products, by visited region - 2013

	Expenditure (euro)
Piedmont	386,643
Lombardy	140,445
Trentino-Alto Adige	2,105,251
Veneto	353,884
Friuli-Venezia Giulia	695,726
Tuscany	266,885
Lazio	468,606
Campania	210,677
Sicily	142,388
Sardinia	181,054
not-classified Region	3,878
Overall Total	4,955,437

Source: processing of Bank of Italy figures

ism¹, it is possible to acquire further information about the behavior of the foreign travelers in our country. On 33,063 million euro of touristic spending in 2013, by foreign people, 2.6% is ascribable to the impulse of tourism, holiday, recreation, for a total spending of 852 million euro, furthermore almost 5 million euro out of this sum

are spent by foreign tourists who chose the food and wine aspect as the reason of their travels. In 2013, Trentino Alto Adige represents one of the regions chosen by tourists for the food and wine aspect, with more than 40% of the overall spending, followed by Friuli Venezia Giulia, with 14%.

¹ Through the survey on the international tourism the Bank of Italy fulfills the macro needs of the payment Balance, and it contributes in the compilation of the tourism satellite Account of the national economic accounts.

THE AGRO-FOOD VOCATIONS OF THE TERRITORIES

Our country enjoys of a variety and of a richness in the food traditions which are enviable all over the world, and this is mainly ascribable to its geographical position, longitudinal expansion North-South, to the different habitats, both in the Alps and in the coastal lagoons, and to the historical events that have affected a great number of territories, characterized by local identities to be enhanced both in terms of production and in terms of touristic delight. The concept, highlighting that the territory is an heritage and a resource to be managed, has been boosted by many stakeholders and communities, including ANCI, represented by the Italian municipalities, which has created the national network of the associations of cities adhering to the identity "Res Tipica"¹. In 2014, on 25 associations of local identities, adhering to the national network of the associations of the cities of the iden-

tiy "Res Tipica", about 17 are agro-food associations, to which adhere about 1,930 associates including municipalities, union of municipalities, districts, mountainous municipalities. Besides the 13 associations of identity, representing specifically a product of a certain agro-food chain, as in the case of Città del Vino or Città dell'Olio, there are other four associations ascribable to the agro-food sector since they represent the huge natural heritage that is directly or indirectly attributable to agriculture as in the case of Città dell'infiorata, Città del pesce di mare, Città dei sapori and Città del Bio. Città del vino, with 529 partners, of which 506 are municipalities, is among the most ancient and numerous of the associations of identity, followed by Città dell'olio, with 354 partners, of which 322 are municipalities.

Associations of agro-food identity

Association	n. of partners
Città del vino	529
Città dell'olio	354
Città della nocciola	226
Città del bio	194
Città del castagno	158
Città dei sapori	114
Città delle ciliegie	67
Città del tartufo	63
Città del miele	59
Città del pane	42
Città della chianina	33
Città del riso	23
Città dell'infiorata	21
Città del pesce di mare	17
Città della bufala	15
Licor	10
Città del tabacco	6

Source: ANCI RES TIPICA

¹ *Res Tipica fosters the preservation and enhancement of the cultural and material heritage of the territorial communities, the environmental characteristics and the typical productions, thus enhancing the aggregation of the various territories according to a peculiar identity (wine and food, handcrafted). For further information: www.restipica.net*

Partners of the agro-food associations by region

	Città del vino	Città dell'olio	Città della nocciola	Città dei sapori	Città del bio	Città del castagno	Città delle ciliegie	Città del tartufo	Città del pane	Città del miele	Città del pesce di mare	Others ¹
Piedmont	81	-	48	-	41	14	2	1	4	12	-	20
Valle d'Aosta	7	-	-	-	-	-	-	-	-	1	-	0
Lombardy	35	3	-	-	4	1	3	2	2	-	-	2
Trentino-Alto Adige	25	2	-	-	1	2	-	-	-	1	-	0
Veneto	47	6	-	-	1	3	14	-	-	2	-	3
Friuli-Venezia Giulia	22	7	-	-	1	-	1	-	-	-	-	0
Liguria	7	40	-	-	2	-	-	-	1	3	-	3
Emilia-Romagna	23	1	-	3	7	23	10	12	4	1	-	3
Tuscany	57	50	-	4	19	73	1	15	3	17	1	22
Umbria	16	24	1	14	19	2	-	8	3	2	-	16
Marche	16	21	-	-	6	-	-	7	4	4	2	3
Lazio	21	19	21	1	9	15	8	4	4	1	2	16
Abruzzo	36	16	-	1	3	9	2	5	-	3	-	0
Molise	1	30	-	21	3	-	-	4	-	-	1	0
Campania	31	31	142	20	39	8	13	4	3	1	3	18
Puglia	16	33	-	6	4	-	7	-	3	-	1	0
Basilicata	12	15	-	16	1	1	-	-	1	1	-	0
Calabria	11	17	2	14	6	4	-	-	2	3	1	1
Sicily	35	16	11	14	22	3	3	-	4	3	6	1
Sardinia	25	27	-	-	6	-	4	-	4	4	-	0
Total	524	358	225	114	194	158	68	62	42	59	17	108

¹ The item includes: 33 cities of the chianina meat, 15 of the bufala, 23 of the rice, 21 of the flowers, 10 of the liqueur, 6 of the tobacco

Source: ANCI Res Tipica

The presence of the agro-food associations of identity, in the Italian regions, depends on the spread in the same regions of the product sponsored; therefore, Città del tabacco involves only three regions, Umbria Campania and Veneto, where it is located most of the production, whereas the partners of Città del vino are located in every regions, and Città dell'olio excludes only Piedmont and Valle d'Aosta.

In 2014, the subscription to the associations of identity is increased by 9%, compared to 2010: almost all of the associations

of the agro-food identity have experienced a growth in the number of partners, except for Città del Vino, Città del pane, Città della chianina and Licor (Città dei Liquori, Rosoli and Spiriti d'Italia) which have instead experienced a decrease in the number of partners, in addition to Città dei sapori, Città del pesce di mare, Città della bufala and Città del Tabacco which didn't experience variation in the number of subscribed partners. Furthermore, compared to 2010, there are no longer 2 associations, Città della lenticchia and Città della mela annurca, which

had involved municipalities and entities of Campania, Sicily and Abruzzo. Città del Castagno is the association which is growing the most for its number of subscribed partners, thus involving also Umbria.

Regarding the leadership in the single regions, Città del Vino enjoys the greatest number of partners in 10 regions, whereas Città dell'olio is characterized by the greatest number of partners in 7 regions. The region in which there is most of the entities adhering to the agro-food associations of identity is Campania.

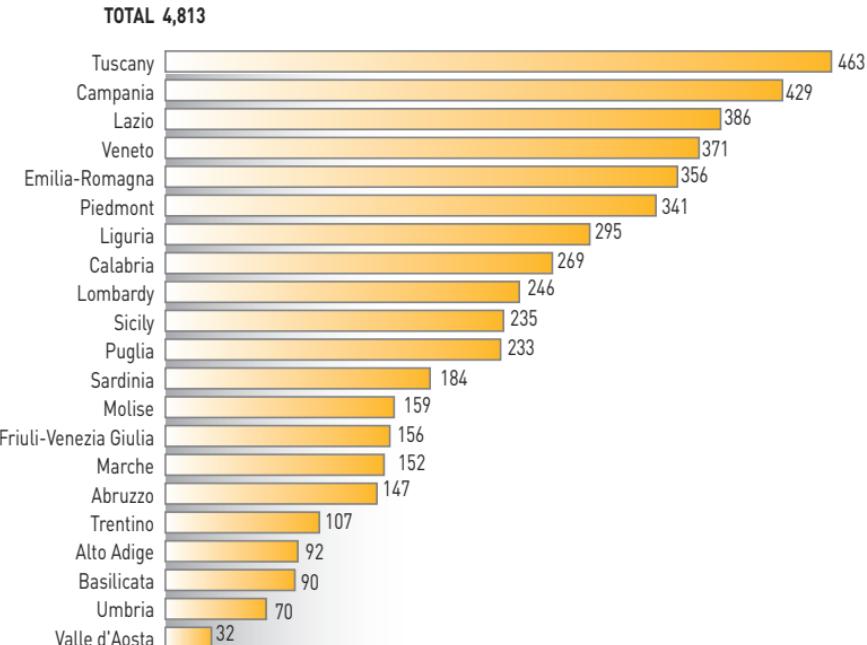
TRADITIONAL AGRO-FOOD PRODUCTS

The traditional agro-food products are those niche products with an high cultural and culinary value but which, nonetheless, do not enjoy of the community safeguard, as in the case of the products of origin denomination.

The unavoidable requirement to which they must comply with is represented by the tradition in the method of processing, conservation and aging, which must be stabilized during the years (for a period of at least 25 years). These products have been officially recognized with the Law Decree 173/98, thus establishing a national list at the Ministry for Agriculture, Forestry and Fishing, and it is annually updated by the Regions which have defined them as the expression of the Italian cultural heritage, at the same level as the historical, artistic and architectonic heritage.

The 14th review of the list has highlighted 4,813 traditional food specialties, that is 115 more than the previous year.

Traditional agro-food products by region (n.), 2014



Source: 14th revision of the national list of the traditional agro-food products, Ministry Decree of 20th June, 2014

Among the various regional specialties the products prevailing are 1,468 different kinds of bread, pasta and biscuits, followed by 1,334 vegetables, both fresh and processed, 781 cold cuts, ham, fresh meat and sausages, 487 cheeses.



FARM STRUCTURE

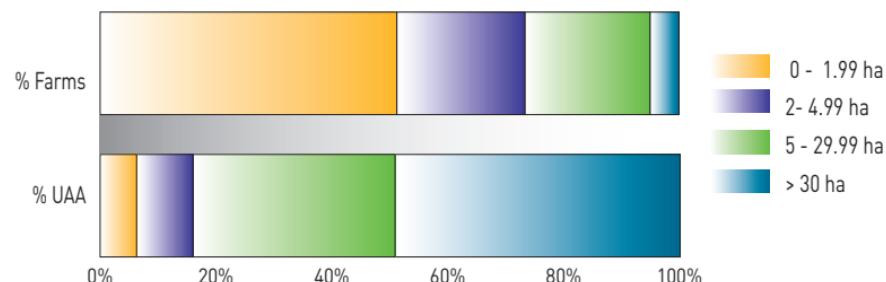
FAMILY-RUN FARMS

The family farming represents the most spread model, both in Italy and in Europe. This family management of the national farms is clearly highlighted by the figures released by the 6th General Agricultural Census 2010, according to which these types of farms represent 98.9% of the total farms, thus cultivating 89.4% of the total UAA. These farms play an important role in the rural economy: they contribute in the food safety, they provide many high-quality products, they improve the dynamism of the rural economy, their interest in the care of the environment fosters the production of public goods. In terms of structure, these farms are, on the average, small-sized (the average land amounts to 7.2 hectares, against 79.2 hectares of the no family-run farms), and what prevails is the direct conduction by the farmer (96.4% of the total of the family-run farms). More than 50% of farms owns less than 2 hectares and cultivates only 6% of the total agricultural

land used, whereas the family-run farms, with more than 30 hectares, represent just 5%, but they cover almost the half of the UAA (49%). Conversely, among the no family-run farms, those with more than 50 hectares are 25%, covering 89% of their UAA, only 10% owns less than 2 hectares.

The fragmentation of farms is particularly clear in the South, where the average size decreases to 4.7 hectares. Furthermore, it is exactly in the South where there is the greatest concentration of family-run farms, 43% against 24% for the no family-run farms.

Family-run farms: % composition of the number of farms and UAA by size class



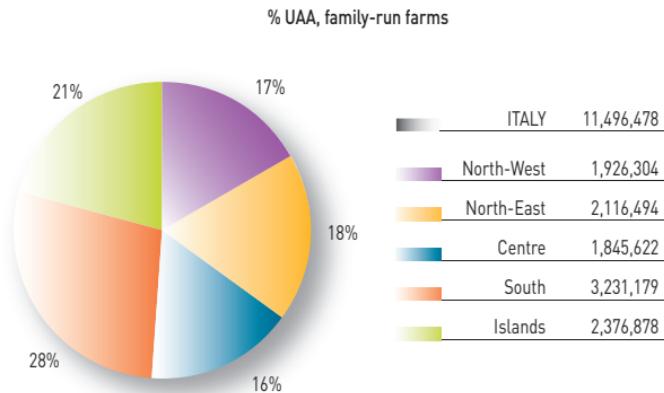
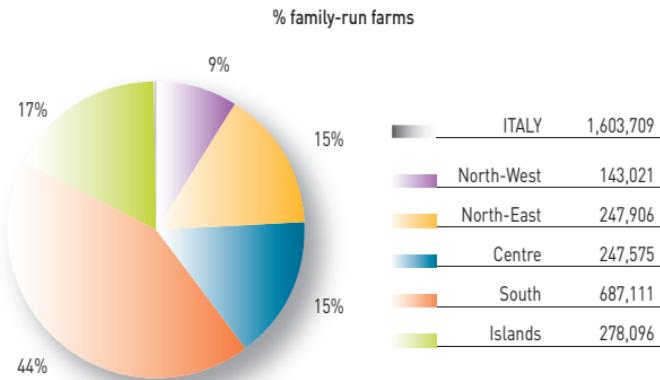
Source: ISTAT, 6th Agricultural Census

Family -run farms : number and UAA, 2010

	Farms (n.)		UAA (ha)		average UAA (ha)	
	n. of family-run farms	% family/total	UAA of family-run farms	% UAA family/total	family	no family
Piedmont	66,347	98.8	937,934	92.8	14.1	90.9
Valle d'Aosta	3,536	99.5	55,094	99.1	15.6	27.9
Liguria	20,055	99.2	40,437	92.4	2.0	21.9
Lombardy	53,083	97.7	892,840	90.5	16.8	75.2
Trentino-Alto Adige	35,724	97.4	191,994	50.8	5.4	191.7
Veneto	118,128	98.9	757,107	93.3	6.4	43.3
Friuli-Venezia Giulia	22,029	98.7	199,244	91.2	9.0	66.9
Emilia-Romagna	72,025	98.0	968,149	91.0	13.4	66.7
Tuscany	70,842	97.5	635,883	84.3	9.0	64.2
Umbria	35,470	97.9	272,624	83.4	7.7	70.1
Marche	44,246	98.6	426,972	90.5	9.6	72.3
Lazio	97,017	98.8	510,144	79.9	5.3	107.1
Abruzzo	66,334	99.2	344,077	75.8	5.2	217.8
Molise	26,114	99.4	182,830	92.6	7.0	93.0
Campania	135,814	99.2	488,717	88.9	3.6	57.5
Puglia	270,280	99.5	1,225,280	95.3	4.5	40.7
Basilicata	51,428	99.4	476,556	91.8	9.3	129.8
Calabria	137,141	99.5	513,720	93.5	3.7	54.8
Sicily	217,779	99.1	1,322,543	95.3	6.1	34.2
Sardinia	60,317	99.2	1,054,335	91.4	17.5	200.7
Italy	1,603,709	98.9	11,496,478	89.4	7.2	79.2

Source: ISTAT, 6th Agricultural Census

% distribution of the family-run farms and their UAA by district



Source: ISTAT, 6th Agricultural Census

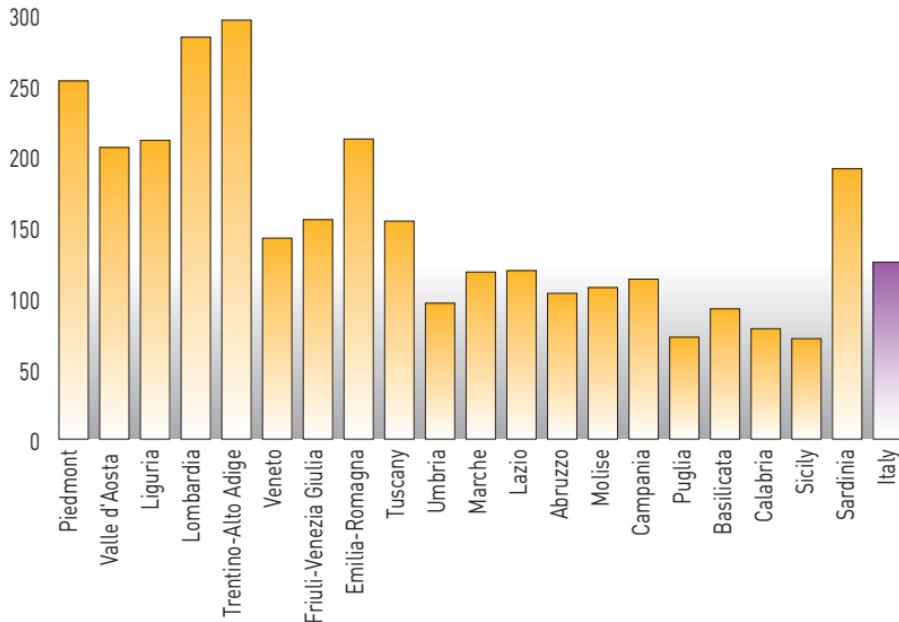
FAMILY MANPOWER

The farm manpower is provided for 80% by the owner and his family.

In the family-run farms, the members of the family, and their relatives, work on average, 125 days per year, with some differences at the regional level, ranging between 71 hours in Sicily and 296 hours in Trentino Alto-Adige. In general, in the northern regions, the greatest presence of livestock farms, whose breeding activity requires a great use of manpower, shows an incidence of the worked days per family above the average. It should be noticed that, nonetheless, 47% of farms does not reach 50 working days, and 64% does not reach 100 days.

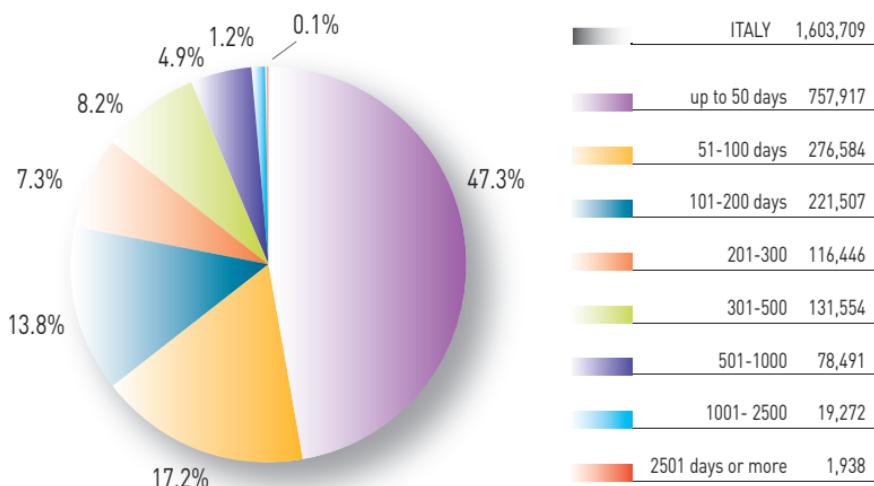
The main subject is represented by the owner of the farm, who carries out most of the working days (65%), followed by other relatives (19%) and by the spouse (16%). The participation of the owner is increased ever more during the last twenty years: in 1990 he provided 57% of working days, in 2000, 62%.

Worked days per family-run farm - regional average (n.)



Source: ISTAT, 6th Agricultural Census

Breakdown of family-run farms by class of working days



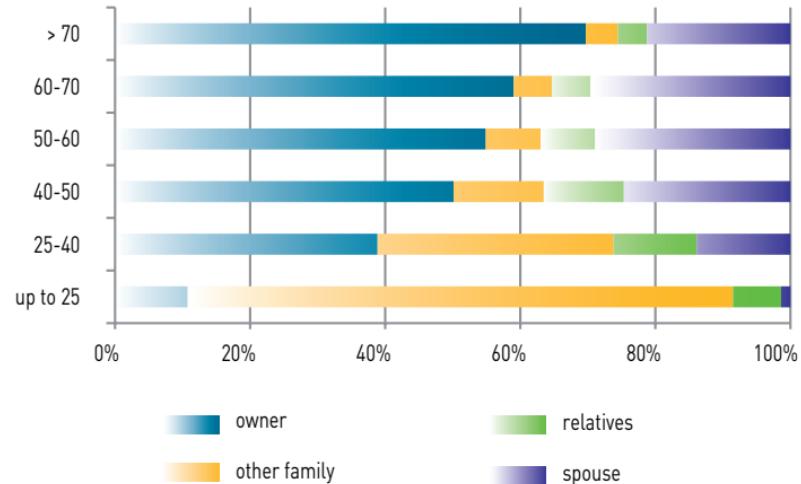
The overall number of family people, involved in the farms, amounts to 3 thousand people, with an average of 68.5 working days per person; in the specific, the owners 82, spouses 46 and the other relatives 59.

Source: ISTAT, 6th Agricultural Census

YOUNG PEOPLE AND WOMEN

Considering the age of the family members and of the relatives, it should be still highlighted a scarce involvement of the young people in the farm activities: the people aged less than 25 years represent 3%, those aged less than 40 years represent just 16% of the total family people who work in the farm. Among the owners of the farms, the people aged less than 40 years continue to decrease, and they don't reach even 10%. There is no doubt that this element represents a weak point of the national agriculture, considering that the age of the owners has an incidence on the propensity to invest and make innovations, which are key points for the competitiveness of the sector. Furthermore, the lack of generational change, the owners aged above 70 represent almost 1/3 of the total, along with the low participation of the young people, represent a worrying point about the future of the family-run farms. The female share in the total family manpower amounts to 39%. Taking into ac-

% distribution of the family by age class



Source: ISTAT, 6th Agricultural Census

count the farm management, there is a clear gender gap: only 33% of farms are run by women. Nonetheless, in 10 years, the share of farms run by women is in-

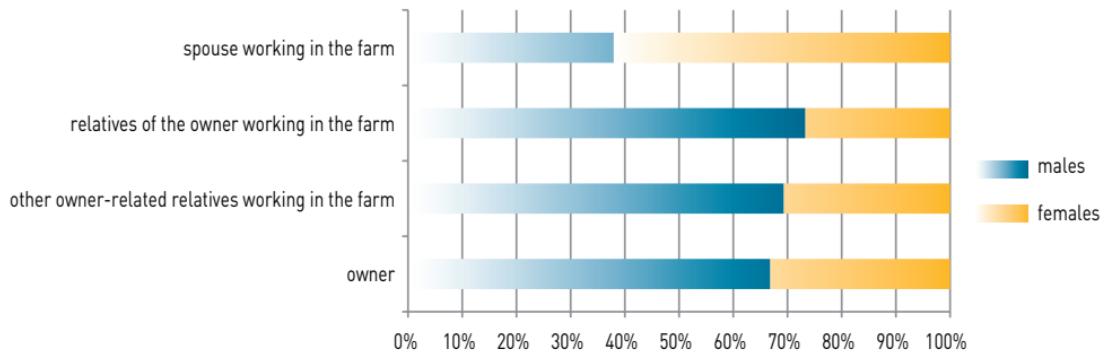
creased (it was 30% in 2000). It should be noticed that often the management is carried out by both of the spouses, but only one, often the man, is indicated as conduc-

tor. On the whole, it can be said that it is not so easy to evaluate exactly the role carried out by women in the Italian agri-

culture. In fact, the women are often represented as co-operating to the farm but, in reality, they play a managerial role; some-

times, on the contrary, they appear to be legal representatives, whereas they are only figurehead of the husband's activity.

% distribution of family between males and females



Source: ISTAT, 6th Agricultural Census



ECONOMIC RESULTS OF FARMS

OUTPUT AND INCOME

The gross saleable production¹, obtained by the FADN Italian farms in 2012, has amounted to roughly 58,304 euro, whose 37% is allocated to remunerate all the factors provided by the entrepreneur and his family (the average net farm income amounts to 21,700 euro).

The farms in the northern Italy have registered the best productive and profitability

Structural and economic indicators by geographical area, 2012

	TO/HA	TO/LSU	TO/AWU	NI/FWU	NI/TO (%)	NI/HA	NI/LSU
North-West	5,044	3,497	70,502	29,675	37,7	1,903	1,320
North-East	6,140	6,822	66,470	26,969	33,3	2,043	2,269
Centre	3,118	6,751	43,256	18,473	35,3	1,100	2,381
South-Islands	2,748	7,879	35,124	19,641	41,1	1,129	3,237
Italy	3,811	5,911	48,366	22,764	37,2	1,418	2,200

Source: FADN

Structural data and main economic results by geographical area, farm averages, 2012

UAA	LSU	AWU	FWU	TO	Current costs	Long-term costs	Distributed income	Off-farm management	Net income
									euro
North-West	19.2	27.7	1.4	97,006	41,789	7,536	10,103	-971	36,606
North-East	14.1	12.7	1.3	86,508	40,461	5,799	11,376	-94	28,779
Centre	17.7	8.2	1.3	55,268	22,277	5,784	7,722	9	19,495
South-Islands	14.2	4.9	1.1	38,895	13,509	3,312	6,595	500	15,978
Italy	15.3	9.9	1.2	58,304	23,841	4,710	8,175	122	21,700

Source: FADN

¹ The gross saleable production includes, in addition to revenues from sales of products, those activities related to agriculture, as well as payments under the first pillar of the CAP. By subtracting current costs (consumption, miscellaneous expenses and third party services), long-term costs (depreciation and amortization), distributed income (wages, social charges and passive rents), operating income is the result; by adding off-farm management (financial and extraordinary management, together with public transfers into capital accounts, rural development and state funds), we obtain the net income.

values, both in absolute terms and in terms of hectares and worker, as a consequence of the presence in these regions of intensive type farms. In the northern regions are located many remarkable industrial farms for poultry and pork. In the North-West, the factor that has contributed to the best productive results was represented also by a greater structural endowment:

here, the average of UAA amounts to 20.6 hectares, thus exceeding the national average of 15.7 hectares.

Conversely, the southern farms, Islands included, despite registering the lowest economic results, have shown to be most efficient in terms of net income on the production value: in fact, they realize a net income equal to 41% of the total farm

incomes, whereas, somewhere else, the income is below 38% of the gross saleable production. The best result is ascribable to the containment of currents costs, main spending item of the farms. In this case, in fact, the current costs affect by only 35% the total revenues, against 40% registered for the farms in the Centre, 43% in the North-West and 47% in the North-East.

Structural data and main economic results by TF, farm averages 2012

	UAA	LSU	AWU	FWU	TO	Current costs	Long-term costs	Distributed income	Off-farm management	Net income	
	ha		n.				euro				
Vegetable TF	Cereals	22.3	0.1	0.9	0.8	43,106	19,825	3,537	5,097	-871	13,776
	Horticulture	4.0	0.0	2.5	1.4	151,673	68,040	7,442	26,296	-2,589	47,307
	Fruit	6.1	0.1	1.2	0.9	38,594	10,950	3,511	7,202	-279	16,652
	Wine	7.1	0.2	1.1	0.8	42,041	13,254	4,257	6,760	884	18,654
	Olive oil	6.7	0.0	1.0	0.7	26,111	6,677	1,899	5,793	399	12,141
Livestock TF	Dairy cattle	26.7	72.2	1.9	1.6	187,174	84,500	16,118	16,246	2,331	72,641
	Goat and sheep	44.7	29.5	1.3	1.2	47,493	17,099	7,086	5,977	3,460	20,792
	Mixed cattle	30.5	36.9	1.2	1.1	77,281	40,894	7,043	7,060	1,326	23,610
	Granivorous	26.0	356.0	2.6	1.7	482,335	285,759	19,800	35,250	-13,817	127,709
	mixed-livestock	26.3	29.3	1.5	1.4	73,945	33,166	5,898	7,408	-506	26,968

Source: FADN

Concerning the other farm costs, at a national level, the multi-year costs, that is the amortizations and the funds, have an incidence of 8% on the total revenues, whereas the cost for the salaries, along with the social security contributions paid for both the waged workers and family people, in addition to the expenses for the rents, represent 14% of the gross saleable production.

Structural and economic indicators by TF, 2012

	TO/HА	TO/LSU	TO/AWU	NI/FWU	NI/TO (%)	NI/HA	NI/LSU	
Vegetable TF	Cereals	1,930	614,341	48,870	16,573	32	617	196,341
	Horticulture	38,001	3,762,055	60,789	34,065	31	11,853	1,173,384
	Fruit	6,299	576,283	32,963	18,670	43	2,718	248,642
	Wine	5,898	189,751	39,157	22,251	44	2,617	84,194
	Olive oil	3,893	4,421,245	25,718	16,303	46	1,810	2,055,747
Livestock TF	Dairy cattle	7,015	2,594	97,463	46,562	39	2,723	1,007
	Goat and sheep	1,063	1,608	37,235	18,074	44	465	704
	Mixed cattle	2,531	2,093	62,642	20,992	31	773	640
	Granivorous	18,547	1,355	185,158	76,514	26	4,911	359
	mixed-livestock	2,812	2,523	49,832	19,672	36	1,026	920

Source: FADN

TRENDS IN THE VEGETABLE PRODUCTION

Among the main cultivation sectors, the horticultural farms have excelled for the high productive and profitability values achieved, which are well above the value obtained by the farms specialized in other vegetable productions. The horticultural sector is also characterized by the most expensive costs for the implementation of the productive activities. In fact, although characterized by a reduced farm surface, the productive cycle requires a high level in the use of structures and manpower, as confirmed by the number of working units which shows values double than the farms specialized in other cultivation sectors. Also the costs for the technical means, mainly those for the purchasing of seeds, have an high incidence. At a territorial lev-

el, the farms with the best economic performance are those located in the North-East, thanks to the greater extension of the horticultural farms in this area. The olive's sector seems to be the most affected, thus registering, on the average, the lowest productive and profitability values. Nevertheless, the olive farms, thanks to the containment of the current costs, have showed the greatest efficiency in terms of profitability compared to the total revenues: the net income represents 46% of total revenues, against 31% of the of the horticultural farms. Also in the fruit and wine farms the low incidence of current costs on the farm's revenues shows a good efficiency: almost half of the revenues compensates the entrepreneur

and his family (43% in the fruit farms and 44% in the wine farms). In terms of productive areas, the fruit farms in the North-East realize the best performance, whereas the wine farms register the highest production values in the central regions, where these farms enjoy also of greatest farm area (average UAA of 13 hectares, against the national average of 7 hectares).

The cereal farms are characterized by the huge agricultural surface used, amounting roughly to 23.3 hectares. In the northern-western regions, the production values are almost double than the national values, thanks to the greatest extension of lands available to these farms (about 30 hectares).

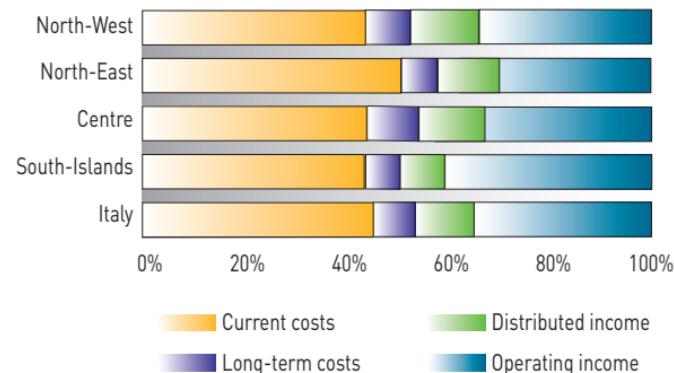
Structural and economic figures by geographical area, cereal TF: 2012

	UAA ha	AWU n.	TO/Ha euro	TO/AWU euro	NI/fwu
North-West	30.3	1.3	2,769	64,166	19,929
North-East	16.2	0.8	2,218	47,328	12,595
Centre	24.8	1.0	1,583	39,130	13,365
South-Islands	22.0	0.7	1,352	41,830	18,772

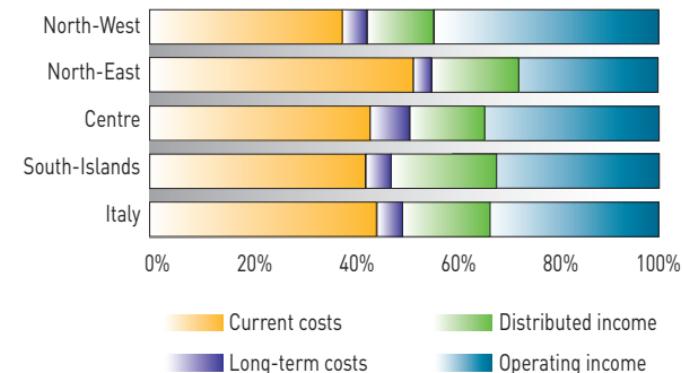
Structural and economic figures by geographical area, horticulture TF: 2012

	UAA ha	AWU n.	TO/Ha euro	TO/AWU euro	NI/fwu
North-West	3.2	1.6	30,543	59,300	31,964
North-East	6.2	3.3	51,063	94,401	44,111
Centre	3.5	2.6	45,833	61,060	32,211
South-Islands	4.0	2.7	31,971	47,424	31,767

Farms specialising in cereals: % composition of TO, 2012



Farms specialising in horticulture: % composition of TO, 2012



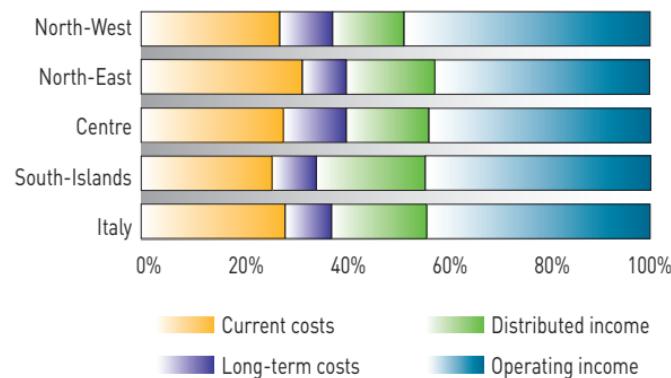
Structural and economic figures by geographical area, fruit TF: 2012

	UAA ha	AWU n.	TO/Ha euro	TO/AWU euro	NI/fwu
North-West	6.5	1.3	7,149	36,150	19,488
North-East	6.3	1.4	10,822	48,852	25,962
Centre	6.2	0.9	3,851	25,701	12,120
South-Islands	6.0	1.1	4,953	26,427	16,399

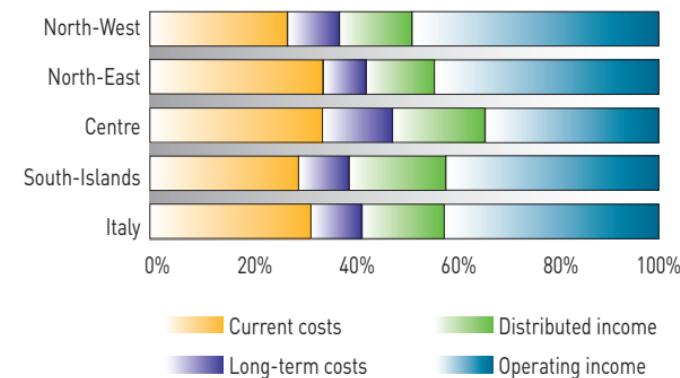
Structural and economic figures by geographical area, vineyards TF: 2012

	UAA ha	AWU n.	TO/Ha euro	TO/AWU euro	NI/fwu
North-West	6.7	1.2	6,917	40,013	23,851
North-East	5.7	1.1	9,796	50,000	28,103
Centre	13.4	1.6	4,865	41,549	20,551
South-Islands	6.6	0.9	4,312	30,952	17,914

Farms specialising in fruit: % composition of TO, 2012



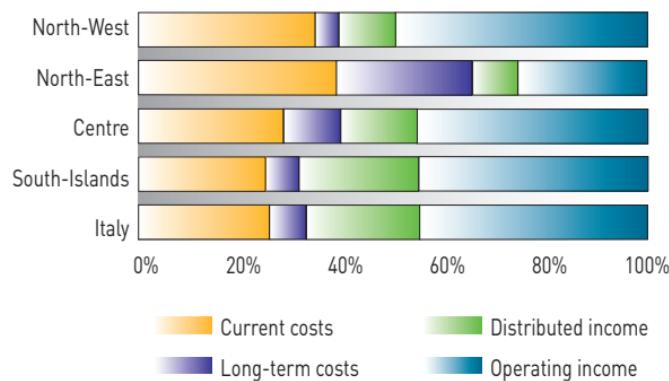
Farms specialising in vineyards: % composition of TO, 2012



Structural and economic figures by geographical area, olives TF: 2012

	UAA ha	AWU n.	TO/Ha euro	TO/AWU euro	NI/fwu
North-West	3.7	0.9	10,553	43,093	23,251
North-East	5.4	1.1	10,786	51,364	11,547
Centre	7.1	1.0	3,287	23,556	11,905
South-Islands	6.7	1.0	3,894	25,622	16,936

Farms specialising in olives: % composition of TO, 2011



TRENDS IN THE LIVESTOCK PRODUCTION

The livestock sectors highlight particularly high economic values, mainly for the farms specialized in the breeding of granivorous, ascribable to the presence in the sector of big-sized farms, characterized by intensive breeding: in this case, the average livestock consistency (equal to 356 LSU) is almost five times above the average registered by the farms breeding dairy cattle, and 12 times the average of the farms specialized in the breeding of goat and sheep.

The two northern districts, characterized by the presence of industrial farms breeding porks and poultry, have experienced

the best performance in terms of production and profitability. Although with lower results, even the farms specialized in dairy cattle have registered good economic performance, mainly in the northern regions. More modest values in production and profitability, both in absolute terms and in terms of land and worker, have been registered by the farms with a mixed-bovine orientation, multi-breeding and by the farms breeding goat and sheep. These three sectors practice a more extensive farming, compared to that of the granivorous and dairy cattle, being confirmed by a greater availability of utilized agricultural

area and by a less livestock density. A particular extensive farming is represented by the breeding of goat and sheep: the presence of animals per hectare is equal to 0.7 LSU/hectare. Although they register lower economic results, thanks to the containment of the current costs which have an incidence of just 36% on the gross saleable production, they do benefit in efficiency in terms of income on the farm revenues: 44% of the revenues pays the entrepreneur and his family, against 26% of the granivorous farms. The best performance of the sector is realized by the southern regions, Islands included.

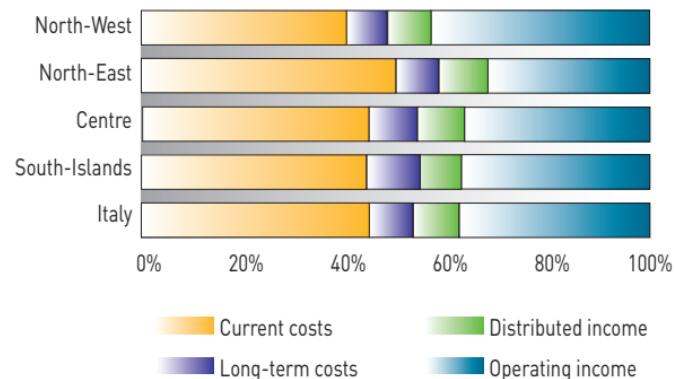
Structural and economic figures by geographical area, dairy cattle TF: 2012

	UAA ha	LSU n.	AWU	TO/HA	TO/LSU	TO/AWU	NI/FWU euro
North-West	39	110	2	7,514	2,689	136,828	73,839
North-East	22	57	2	7,519	2,971	92,406	38,806
Centre	30	76	2	5,604	2,179	80,646	37,153
South-Islands	21	62	2	5,969	2,080	70,349	32,613

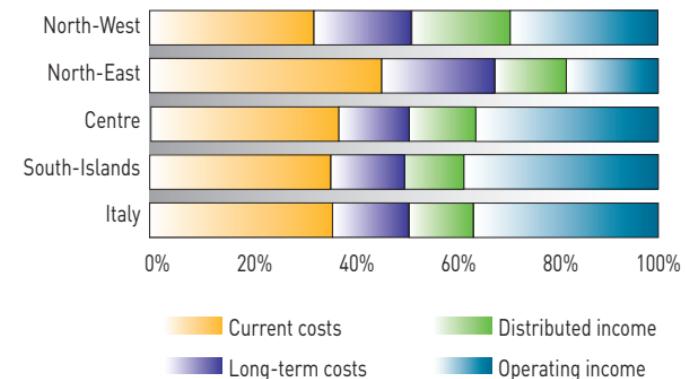
Structural and economic figures by geographical area, sheep and goats TF: 2012

	UAA ha	LSU n.	AWU	TO/HA	TO/LSU	TO/AWU	NI/FWU euro
North-West	44.8	27.0	1.3	887	1,471	31,576	13,916
North-East	8.2	11.2	1.0	2,476	1,800	19,647	3,999
Centre	34.6	28.7	1.4	1,603	1,932	39,990	17,254
South-Islands	51.5	32.2	1.3	962	1,540	38,723	20,124

Farms specialising in dairy cattle: % composition of TO, 2012



Farms specialising in sheep and goats: % composition of TO, 2012



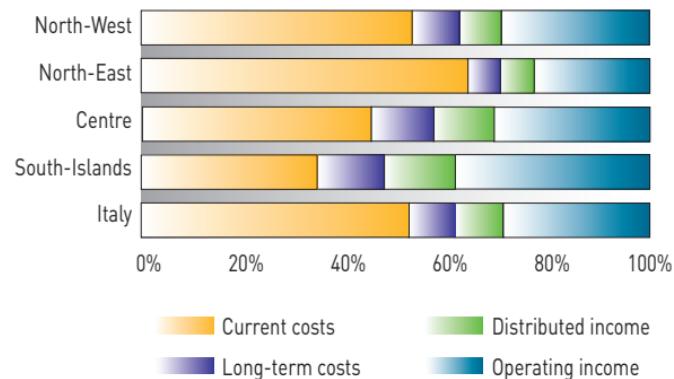
Structural and economic figures by geographical area, mixed cattle TF: 2012

	UAA ha	LSU n.	AWU	TO/HA	TO/LSU	TO/AWU	NI/FWU euro
North-West	24.9	42.2	1.3	3,450	2,037	68,162	20,560
North-East	24.3	45.6	1.3	6,556	3,490	122,694	33,314
Centre	31.8	29.2	1.3	1,637	1,784	40,837	13,776
South-Islands	38.0	30.5	1.2	1,101	1,368	35,644	17,795

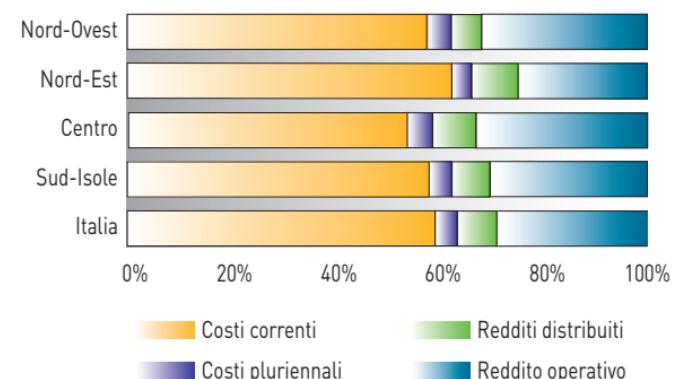
Structural and economic figures by geographical area, granivore TF: 2012

	UAA ha	LSU n.	AWU	TO/HA	TO/LSU	TO/AWU	NI/FWU euro
North-West	34.4	547.9	2.9	18,152	1,138	216,382	81,259
North-East	25.7	335.7	2.9	22,780	1,745	199,598	83,697
Centre	31.7	417.1	2.7	12,664	963	147,810	83,364
South-Islands	10.9	75.5	1.6	15,352	2,227	103,767	42,870

Farms specialising in mixed cattle: % composition of TO, 2012



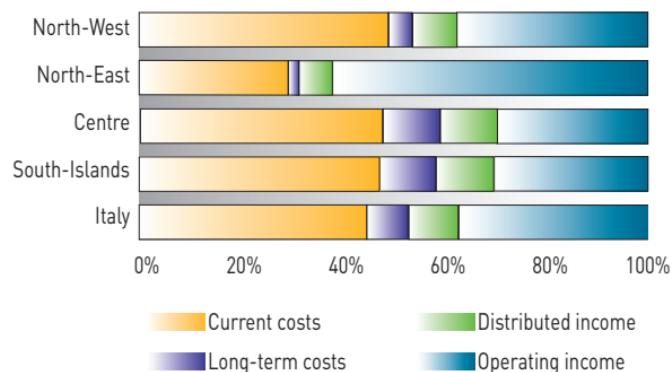
Farms specialising in granivores: % composition of TO, 2012



Structural and economic figures by geographical area, mixed livestock TF: 2012

	UAA	LSU	AWU	TO/HA	TO/LSU	TO/AWU	NI/FWU
	ha	n.		euro			
North-West	14.0	65.7	1.3	8,775	1,862	92,047	33,842
North-East	6.6	13.7	2.4	19,372	9,313	53,863	31,985
Centre	29.8	25.6	1.7	2,690	3,132	48,571	15,053
South-Islands	32.2	22.5	1.3	1,459	2,087	36,039	13,190

Farms specialising in mixed livestock: % composition of TO, 2012



The accounting and extra-accounting data, recorded by the FADN survey about the EU countries, have provided a framework of the professional European agriculture and of the economic condition of the European farms¹. The European farms, which are heterogeneous in their productive factors, as well as for the technical and managerial abilities of the conductors and for the conditions, not only related to climate, in which they act, are comparable, in terms of performance, thanks to the European classification which allows to gather farms in terms of type of farming (TF)².

The analysis, illustrated in the following graphics and tables through the main livestock and vegetable systems for the last three-year period which provides definitive data (2009-2011), has allowed to assess the main spending items which, having an

incidence on the production value, contribute in establishing the farm's performance, synthetically expressed in terms of net family income³ (NI).

On average, the vegetable type of farming shows a positive family net income for all the countries, except for the grape growing in Bulgaria and the grain growth in Slovakia; in both cases these cultures represent, nonetheless, less important sectors for the national agricultures, since they affect, in every year of the three-year period, respectively 1,480 farms for the grape growing in Bulgaria and 1,590 farms for the grain growth in Slovakia.

Sometimes, also in the livestock farms the production value is not enough to remunerate the explicit costs, thus registering negative net income values: this is the case of the dairy cattle in Slovakia and Denmark,

of the goat and sheep in Denmark and granivores in Denmark, Malta and Czech Republic.

In the European context, the Italian position is respectable, both for the livestock sector and for the vegetable sector: in relation to the working units, the production value and the average net farm income, in Italy, are placed above the European average, except for the grape growing and the grain growth.

The livestock sector

For the dairy cattle sector, the Italian breeding livestock has registered the best performance in terms of income per family working unit, that is 50,000 euro against the European average of about 16,000 euro, along with the highest revenue per livestock unit. The Austrian breeding live-

¹ Detailed information about the FADN survey are available on the internet site http://ec.europa.eu/agriculture/rica/index_en.cfm

² The EU typology has been recently modified with (EC) Regulation n. 867/2009, of the Commission of September 21th 2009, which amends the (EC) Regulation n. 1242/2008 of the Commission establishing a community typology of the farms.

³ The net income represents the earning for the entrepreneur because of the firm risk and for the coffered productive factors, including also the use of family labour. This indicator is given by subtracting all the costs from the value of the production, such as the intermediate consumptions and the amortizations, and also the external factors as the wages, rentals and passive interests.

stock, whose result in revenue per livestock unit is the nearest to the Italian datum, is nonetheless characterized by even more inferior structures (roughly 27 LSU against 72 of the Italian farms and 50 of the overall European average).

The results of the Italian dairy cattle sector are mainly ascribable to the less incidence of the intermediate consumption and of the depreciation on the production value (the first representing 45% of the gross production, whereas in the EU represent roughly more than the half of the production value; the depreciation absorbs about 8% in the Italian farms, against 12% of the European average).

Also for the mixed-breeding livestock, both beef cattle and dairy cattle, the Italian farms have registered a good level of net income on the production value (39%), thus reaching the leading countries such as Portugal, Lithuania and Greece. The livestock sector in these countries shows the same levels in intermediate consump-

tions, depreciation and in costs for external factors, which are inferior to the European average.

The livestock productivity of the Italian farms, in terms of capital, although being among the most profitable, with an average of 1,454 euro of production value per livestock unit, remains nonetheless inferior to the values registered in Denmark, Netherlands and Austria. Nevertheless, in terms of income, the Italian breeding, with more than 670 euro of net income per livestock unit, exceeds largely Netherlands and Denmark.

In the goat and sheep breeding sector, the Greek specialized farms are those ensuring, in terms of net income, the highest share of the production value (about 46%), immediately followed by the Italian and Portuguese farms with respectively 45% and 44%.

In terms of income, both per livestock units and per worker, the Italian farms have achieved good results, mainly con-

sidering that their starting productivity of the livestock and of the work is far lower than the Danish and Dutch breeding.

The equipment of the Italian farms is roughly in line with the European datum in terms of cattle raised, whereas it is more reduced in terms of surface (30 livestock units and 46 hectares on average in Italy, against 32 LSU and 37 hectares for the European farms breeding goat and sheep) – but it isn't nonetheless comparable to the equipment of other countries, as in the case of the UK, where the specialized breeding of goat and sheep, despite a remarkable productive advantage (more than 73,260 euro of average livestock production against 29,477 of an average Italian farm, and about 25,000 of the EU average), does manage to convert in net income just 25% of the production value. For the livestock sector specialized in granivores, which during the 3-year period in Europe represents annually about 181,000 farms, it should be pointed out

that, within this sector, there are many different types of breeding, as that relating to pork and poultry, both for eggs and beef. In terms of numbers, Italy, which also in the 3-year period considered continues to achieve more than satisfactory results both in terms of production and in terms of income of the productive factors, with its 7,170 specialized farms, doesn't seem to be a country particularly significant, mainly if compared with Poland and Romania which, with about 33,000 and 27,900 farms, represent 33% of the specialized granivorous farms in the EU.

Nevertheless, the structure of the Italian farms is in a such a way as to consider them agro-industrial realities: high number of livestock units (540 against about 215 of the European average), strong use of work (2.3 working units against 1.9 of the EU average), which is furthermore characterized by a less incidence of the family labor. With such a structure, the Italian farms manage to convert in net in-

come almost 40% of the production value, against the EU average value of 13%.

The vegetable sector

The provision of land of the Italian farms, specialized in horticulture and flower-growing, is among the lowest in Europe (3.3 hectares of UAA for Italy, against 5.6 of the EU average); considering what has been mentioned, in terms of production, and even more of income, the Italian farms have reached the highest values per hectare in production and in net income compared to the EU countries: 16,000 euro against 5,000 euro of the average of net income in the EU. These results are mainly ascribable to intermediate consumption and to the external factors, mainly wages, which have a more contained incidence on the gross production.

The Italian grape-growing farms are, on average, small-sized farms (little less than 8 hectares against more than 23 of the French farms and 13 of the EU average),

they use more frequently the family labor (73% against 50% of the French farms and 64% of the EU average), and they employ, on average, less labor (1.2 working units against 2.7 of France and 1.6 of the EU average).

This is reflected on the costs of the Italian farms, where the external factors (wages, rent and passive interests) have an incidence of 14% on the production value, whereas in the French firms this incidence reaches 27%. The Italian farms, although being disadvantaged in terms of productivity of the productive factors, manage nonetheless to realign themselves with the competitors from across the Alps, in terms of net income per hectare.

The firms specialized in olive-growing, of the four European countries in which it has been detected the presence of professional olive-growing sector, have been associated for their substantial recourse to the family labor, which has an average incidence of about 73% on the total labor

used, with the highest value registered in the Greek firms (90%). In the Italian and Spanish firms about 67% of the used labor is of family nature, therefore it has not been considered among the spending-item for wages. The Italian olive-growing firms, with 6.3 hectares of average UAA and 0.16 livestock unit/hectare, do reach the highest production value per hectare, whereas they do align to the Spanish firms and, in any case, they appear after the Portuguese firms in terms of net income per family working unit.

Compared to the previous period 2008-2010, in the last 3-year period examined, the performance of the Italian fruit-growing firms is worsened both in terms of production and in terms of incomes

of the factors relating to land and work, although remaining above the European average.

The average of the structural equipment, in Italy, is absolutely inferior compared to the other countries (6 hectares of UAA against 10 of the European average and 1.2 working units against 1.5 of the European average), whereas the incidence of the family labor and the use of manpower per hectare are basically in line to the European average. Also in this case, there is a low incidence of intermediate consumption, which absorb only 23% of the production value, compared to a European average of 33%.

In the cereal-growing sector (specialized in the production of oil), the firms located

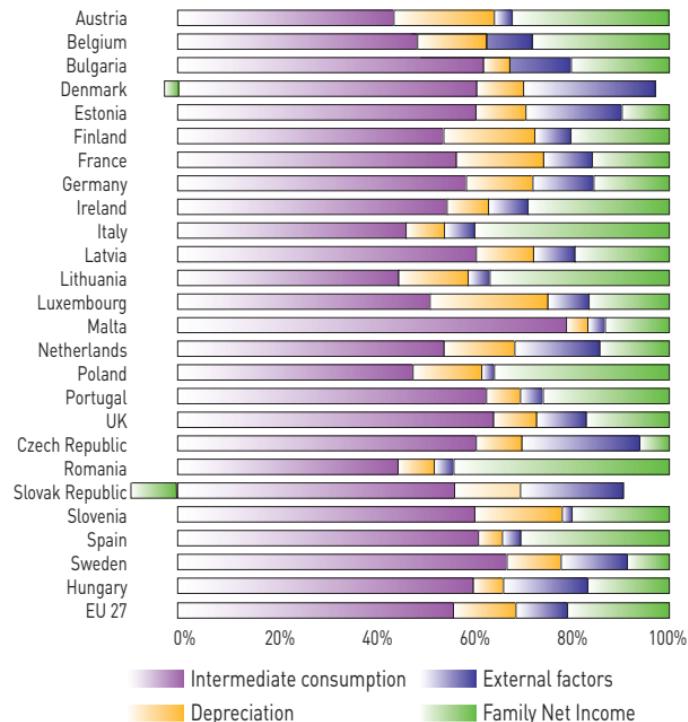
in Germany, France, UK and Denmark are definitely prevailing, both for the values in the production per hectare and for working units. The Italian firms manage to compete with this group in terms of gross product per hectare, although falling decisively behind when considering the productivity per worker. They are characterized by the reduced provision of land (22 hectares against 70 hectares of the European average), an high recourse to the family labor (91% against 70% of the European average), a less incidence of intermediate consumption (42%) and of the external factors (8%) on the value of production compared to the European average (16% of the production value against 13% of the European average).

Farms specialising in dairy cattle: average farm results in euro (2009-2011 three-year period)

	TO/HA	TO/LSU	TO/AWU	NI/HA	NI/LSU	NI/FWU
Austria	2,065	2,194	37,404	916	974	17,022
Belgium	3,293	1,638	92,438	1,120	557	31,945
Bulgaria	1,491	898	7,073	374	225	2,671
Denmark	4,375	2,668	252,989	-246	-150	-29,780
Estonia	966	1,991	42,486	134	277	23,928
Finland	2,213	2,682	60,417	738	894	23,205
France	1,882	1,726	88,259	392	359	20,044
Germany	2,662	2,005	94,656	534	403	25,914
Ireland	2,377	1,256	84,255	861	455	35,370
Italy	6,137	2,418	90,011	2,703	1,065	50,008
Latvia	599	1,287	15,408	172	370	6,052
Lithuania	765	1,458	14,532	393	748	8,382
Luxembourg	1,911	1,536	104,403	472	380	28,216
Malta	42,214	1,894	80,332	7,223	324	15,986
Netherlands	5,417	2,237	156,045	926	382	29,731
Poland	1,360	1,271	15,412	607	568	7,085
Portugal	3,377	1,689	39,479	1,082	541	14,702
UK	3,220	1,754	133,431	660	359	43,573
Czech Republic	1,247	1,987	32,914	129	205	23,228
Romania	1,748	1,287	6,167	876	645	3,279
Slovak Republic	720	1,885	25,131	-155	-407	-145,338
Slovenia	2,885	1,856	24,557	766	493	6,617
Spain	4,547	1,845	64,095	1,618	657	25,084
Sweden	2,380	2,366	123,577	296	294	21,006
Hungary	1,373	1,946	33,352	324	460	19,732
EU 27	2,510	1,864	52,061	653	485	16,018

Source: processing of FADN-EU figures, European Commission, DG AGRI

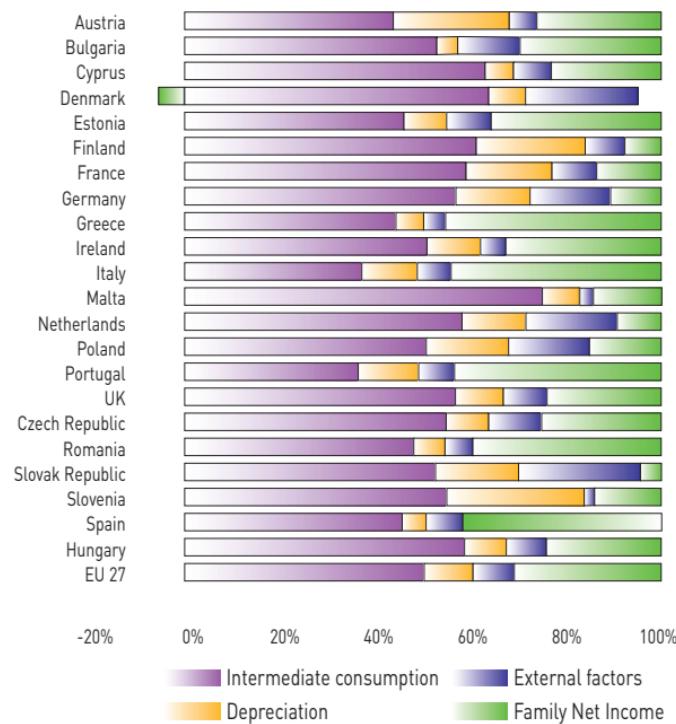
Farms specialising in dairy cattle: % composition of the GP, 2009-2011



Farms specialising in sheep and goats: average farm results in euro (2009-2011 three-year period)

	TO/HA	TO/LSU	TO/AWU	NI/HA	NI/LSU	NI/FWU
Austria	1,996	2,235	30,880	778	871	12,864
Bulgaria	1,296	815	4,611	476	299	2,345
Cyprus	3,788	2,421	35,065	1,097	701	13,644
Denmark	3,573	5,419	124,561	-305	-462	-15,162
Estonia	235	1,031	9,086	165	725	7,267
Finland	916	2,048	25,401	177	395	5,375
France	989	1,303	52,758	205	270	12,014
Germany	832	1,701	45,315	154	316	10,999
Greece	3,382	1,180	23,412	1,946	679	15,459
Ireland	414	528	17,975	270	344	12,097
Italy	935	1,420	32,817	519	789	20,905
Malta	8,529	2,618	14,087	1,503	461	2,560
Netherlands	7,731	3,186	133,096	899	371	21,088
Poland	561	966	7,955	149	256	2,590
Portugal	337	689	9,423	231	471	7,041
UK	387	666	64,248	146	251	29,605
Czech Republic	409	1,145	18,378	256	717	16,880
Romania	1,648	888	8,739	739	398	4,449
Slovak Republic	327	1,096	11,605	49	164	7,099
Slovenia	1,008	1,391	8,542	248	342	2,117
Spain	995	1,175	40,571	534	631	26,195
Hungary	406	692	18,187	176	300	11,704
EU 27	878	1,031	20,954	369	433	10,236

Farms specialising in sheep and goats: % composition of the GP, 2009-2011



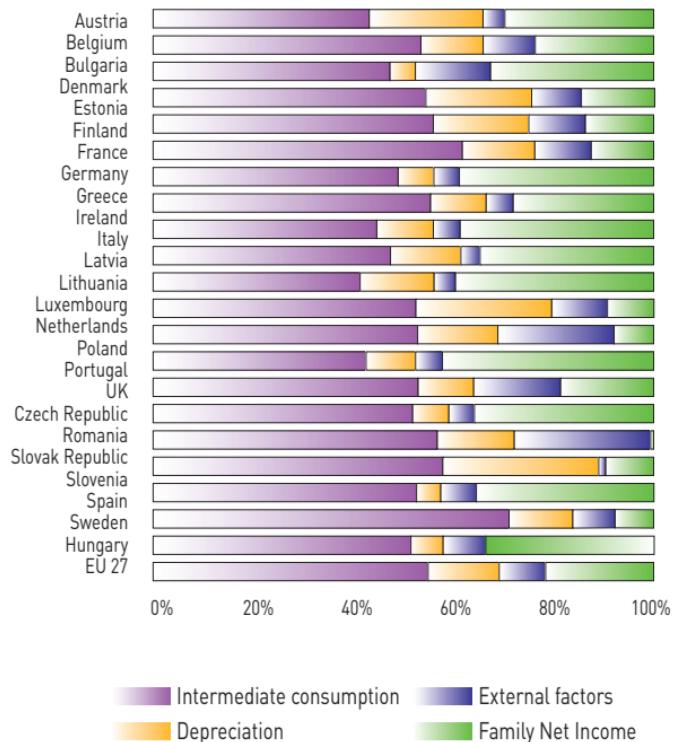
Source: processing of FADN-EU figures, European Commission, DG AGRI

Farms specialising in mixed cattle: average farm results in euro (2009-2011 three-year period)

	TO/HA	TO/LSU	TO/AWU	NI/HA	NI/LSU	NI/FWU
Austria	1,196	1,637	29,679	549	751	14,086
Belgium	1,998	997	72,309	625	312	22,894
Bulgaria	880	503	6,500	370	212	4,619
Denmark	2,295	1,781	121,688	-321	-249	-19,573
Estonia	277	874	19,483	115	364	10,450
Finland	953	1,063	45,028	330	369	18,062
France	880	785	62,851	182	163	14,008
Germany	1,605	1,299	68,244	270	219	13,109
Greece	2,608	711	25,442	1,626	443	19,872
Ireland	647	606	23,772	318	298	11,957
Italy	1,938	1,454	48,822	895	671	24,938
Latvia	299	760	17,406	212	538	14,665
Lithuania	389	797	13,202	318	652	12,198
Luxembourg	1,278	976	75,177	191	146	12,839
Netherlands	5,470	1,532	83,626	526	147	12,580
Poland	682	855	8,184	326	410	4,008
Portugal	368	629	12,737	264	451	9,830
UK	927	781	69,249	246	207	21,644
Czech Republic	443	968	22,794	187	408	22,803
Romania	1,318	983	5,903	534	398	2,574
Slovak Republic	443	1,374	18,763	10	30	42,395
Slovenia	1,486	1,397	10,242	223	210	1,551
Spain	667	872	35,904	334	437	20,087
Sweden	927	1,363	60,874	115	170	8,117
Hungary	363	750	15,992	255	526	13,634
EU 27	996	942	35,896	314	297	12,535

Source: processing of FADN-EU figures, European Commission, DG AGRI

Farms specialising in mixed cattle: % composition of the GP, 2009-2011

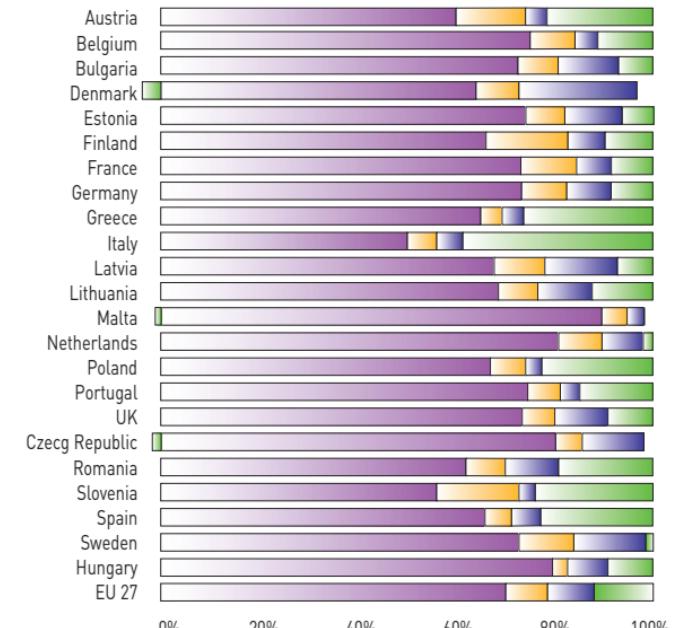


Farms specialising in granivores: average farm results in euro (2009-2011 three-year period)

	PL/ha	PL/UBA	PL/ULT	RN/ha	RN/UBA	RN/ULF
Austria	5,032	1,534	99,263	1,286	392	26,064
Belgium	18,187	1,011	267,493	2,382	132	36,647
Bulgaria	10,691	951	23,592	890	79	5,628
Denmark	6,219	1,287	312,946	-244	-50	-37,693
Estonia	6,473	826	89,393	524	67	78,368
Finland	3,383	1,166	136,132	494	170	24,245
France	6,583	855	181,118	679	88	23,612
Germany	5,029	1,229	169,775	526	129	23,078
Greece	12,312	2,035	123,064	3,465	573	56,739
Italy	16,266	697	164,962	6,494	278	95,106
Latvia	6,364	913	66,720	582	83	24,865
Lithuania	5,562	1,156	46,772	819	170	36,826
Malta	110,163	863	62,857	-1,136	-9	-869
Netherlands	63,881	1,167	388,140	1,759	32	14,102
Poland	3,831	1,163	48,544	982	298	15,675
Portugal	17,364	797	57,940	3,042	140	12,813
UK	15,965	1,073	181,686	1,713	115	60,393
Czech Republic	31,878	1,204	76,408	-834	-31	-23,486
Romania	8,939	1,069	16,697	1,939	232	5,106
Slovenia	3,480	940	47,828	1,080	292	15,627
Spain	7,824	582	114,579	1,942	144	38,887
Sweden	4,022	810	178,117	125	25	7,546
Hungary	8,773	1,239	39,966	948	134	6,101
EU 27	7,374	975	110,964	1,029	136	22,396

Source: processing of FADN-EU figures, European Commission, DG AGRI

Farms specialising in granivores: % composition of GP, 2009-2011



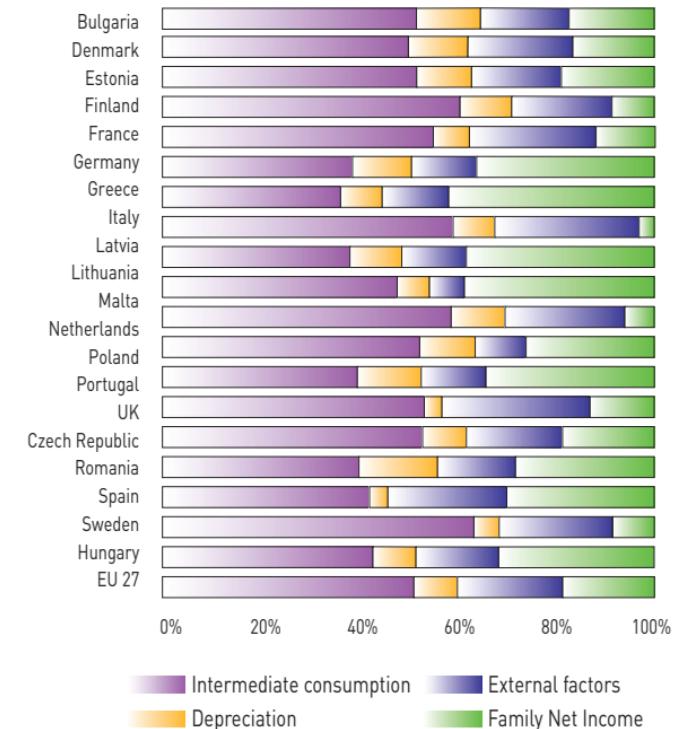
Legend: Intermediate consumption (purple), External factors (blue), Depreciation (yellow), Family Net Income (green)

Farms specialising in horticulture: average farm results in euro (2009-2011 three-year period)

	PL/ha	PL/ULT	RN/ha	RN/ULT
Bulgaria	7,285	5,943	1,326	2,164
Denmark	28,529	115,390	1,322	30,866
Estonia	1,716	18,159	365	7,073
Finland	37,361	75,014	3,523	17,761
France	29,791	58,897	3,980	20,191
Germany	43,903	60,735	5,270	26,651
Greece	15,393	24,211	5,779	13,517
Italy	39,261	57,523	16,203	42,599
Latvia	8,648	24,109	268	4,495
Lithuania	3,357	14,069	1,348	9,778
Malta	8,138	14,043	3,557	6,678
Netherlands	92,345	132,227	5,475	31,619
Poland	12,485	19,974	3,286	9,485
Portugal	10,400	16,305	3,708	7,966
UK	43,219	63,064	5,612	53,201
Czech Republic	16,550	32,493	3,182	11,275
Romania	6,631	6,739	1,889	2,754
Spain	10,229	31,958	3,244	24,365
Sweden	24,430	71,037	2,116	12,033
Hungary	9,885	23,713	3,265	24,137
EU 27	26,813	48,240	5,056	20,206

Source: processing of FADN-EU figures, European Commission, DG AGRI

Farms specialising in horticulture: % composition of GP, 2009-2011

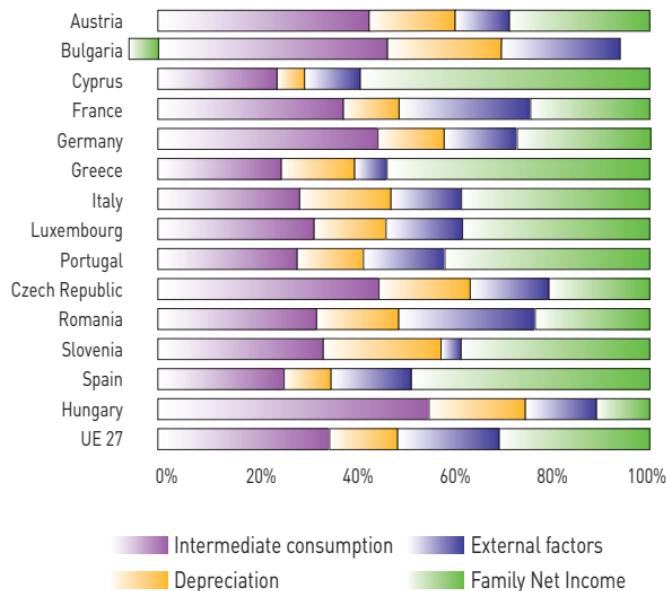


Farms specialising in wine growing: average farm results in euro (2009-2011 three-year period)

	TO/HA	TO/LSU	NI/HA	NI/FWU
Austria	3,874	41,052	1,317	17,199
Bulgaria	4,224	14,228	-318	-7,987
Cyprus	4,072	13,278	2,983	12,154
France	8,406	72,541	2,074	35,724
Germany	10,287	52,758	2,950	21,523
Greece	4,522	16,919	2,895	12,619
Italy	5,093	33,280	2,047	18,080
Luxembourg	17,901	67,381	7,955	49,254
Portugal	2,951	17,220	1,435	12,707
Czech Republic	5,128	25,549	1,252	12,034
Romania	2,421	10,712	605	7,592
Slovenia	7,440	14,522	3,109	6,378
Spain	1,046	18,517	597	13,572
Hungary	2,253	12,980	284	2,674
UE 27	4,925	39,533	1,590	19,766

Source: processing of FADN-EU figures, European Commission, DG AGRI

Farms specialising in wine growing: % composition of GP, 2009-2011

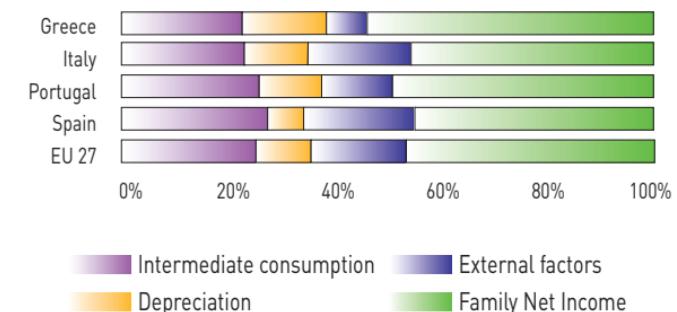


Farms specialising in olive growing: average farm results in euro (2009-2011 three-year period)

	TO/HA	TO/LSU	NI/HA	NI/FWU
Greece	2,055	9,742	1,543	8,129
Italy	3,031	18,518	1,694	15,463
Portugal	647	19,510	429	22,564
Spain	1,360	16,651	855	15,478
EU 27	1,770	15,323	1,100	12,944

Source: processing of FADN-EU figures, European Commission, DG AGRI

Farms specialising in olive growing; % composition of GP, 2009-2011

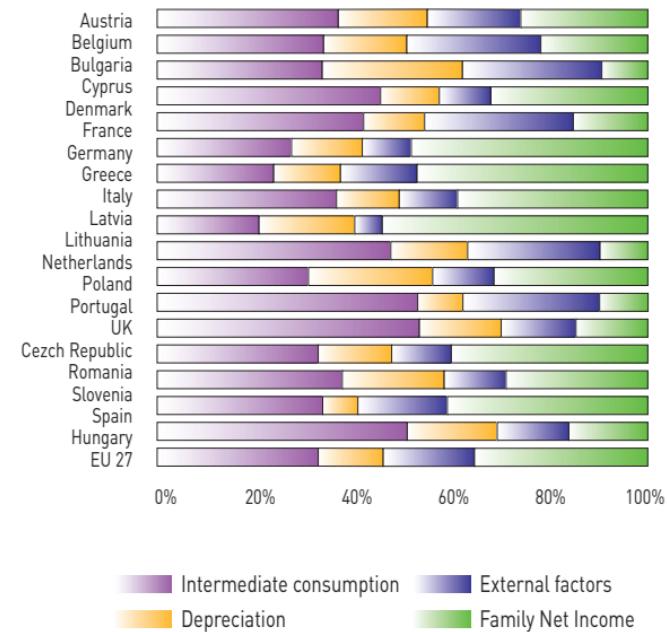


Farms specialising in fruit growing: average farm results in euro (2009-2011 three-year period)

	TO/HA	TO/LSU	NI/HA	NI/FWU
Austria	8,447	34,794	2,435	17,719
Belgium	15,123	51,555	3,387	39,467
Bulgaria	1,344	5,509	149	1,599
Cyprus	4,265	8,946	1,608	3,837
Denmark	6,055	102,439	961	31,572
France	6,587	41,490	841	14,301
Germany	9,479	46,624	1,901	22,897
Greece	4,935	18,375	2,728	12,903
Italy	6,059	30,456	2,968	21,780
Latvia	428	8,367	232	6,511
Lithuania	1,215	18,135	826	16,623
Netherlands	24,685	75,633	2,395	22,304
Poland	2,844	11,671	975	6,079
Portugal	2,753	14,590	1,401	9,410
UK	8,280	55,430	862	29,478
Czech Republic	2,636	23,506	495	8,200
Romania	2,470	8,684	1,031	5,043
Slovenia	5,335	14,115	1,882	6,642
Spain	2,130	23,872	995	16,785
Hungary	1,361	12,179	275	3,805
EU 27	3,758	24,284	1,442	14,458

Source: processing of FADN-EU figures, European Commission, DG AGRI

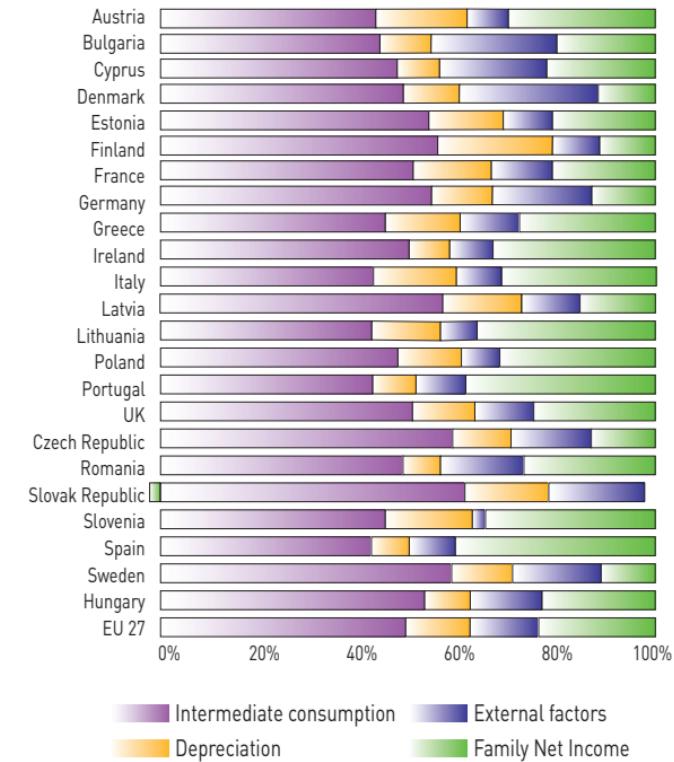
Farms specialising in fruit-growing; % composition of GP, 2009-2011



Farms specialising in cereals: average farm results in euro (2009-2011 three-year period)

	TO/HA	TO/LSU	NI/HA	NI/FWU
Austria	1,083	64,053	490	30,174
Bulgaria	557	29,767	139	53,446
Cyprus	475	29,425	183	12,022
Denmark	2,599	195,515	335	39,279
Estonia	391	53,920	123	29,052
Finland	509	52,659	124	13,588
France	1,173	105,645	309	32,096
Germany	1,169	100,497	195	25,686
Greece	970	27,613	413	12,486
Ireland	1,195	92,028	531	44,854
Italy	1,287	34,559	518	15,261
Latvia	466	41,174	105	22,503
Lithuania	491	31,586	272	23,857
Poland	750	19,895	320	9,870
Portugal	629	20,970	369	14,788
UK	1,208	137,759	374	68,181
Czech Republic	829	51,193	142	19,917
Romania	544	27,365	179	18,570
Slovak Republic	781	44,177	-24	-6,112
Slovenia	1,088	16,666	721	11,185
Spain	485	30,703	283	19,405
Sweden	866	112,975	122	18,725
Hungary	702	40,442	212	23,410
EU 27	871	49,069	267	21,277

Farms specialising in cereals: % composition of GP, 2009-2011



Source: processing of FADN-EU figures, European Commission, DG AGRI



ENVIRONMENT AND NATURAL RESOURCES

AGRICULTURE AND THE GREEN-HOUSE GAS EMISSIONS

The average ten-year temperature, in Europe, is increased by about 1.3°C in the period between 1850-1899 and the ten-year period 2003-2012, with a warming trend that since 1980 has been much more remarkable during the summer season¹. These changes have a deep impact on the agro-forestry sector, which is one of the most exposed to the climate changes, but at the same time, it also plays a role in the mitigation of the emissions, thus representing both a natural tank of carbon and an emission source of green-house gases.

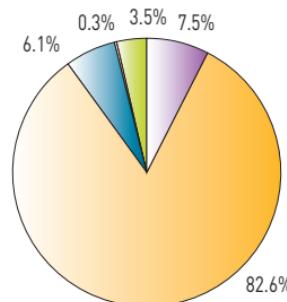
In 2012, in Italy, according to the data released by ISPRA, the total emissions of green-house gases, excluding the absorptions and the emissions due to forests and soil use, have amounted to 460 thousand tons of CO₂eq². The emissions continue to decrease compared to 1990 (-11.4%), also thanks to the reduction in the energy consumptions and in the industrial productions

caused by the economic recession, but also thanks to the increase in the energy production from renewable sources and by the increase in the energy efficiency.

2012 is the last year of the commitment period for the Kyoto Protocol (2008-2012), according to which Italy should reduce its emissions by 6.5%, compared to the levels registered in 1990.

Taking into account the variation between the average of the period 2008-2012 and the emissions of 1990, the level is decreased by 4.6%. Therefore, the target of the Protocol will be met with a limited effort through the use of further credits allowed by the flexible mechanisms expected by the Protocol, that is the purchasing of carbon credits from international mitigation projects (Emissions

Emissions by source, 2012



Source: ISPRA, 2014

TOTAL	460,083
Agriculture	34,289
Energy	379,863
Industrial processes	28,201
Use of solvents	1,516
Waste	16,214

¹ data released by EEA (European Environment Agency)

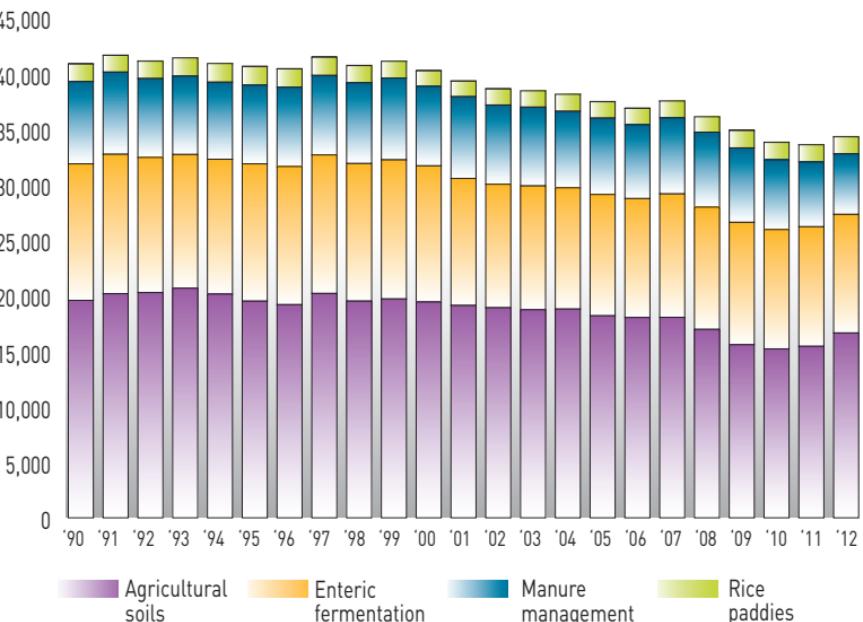
² in order to get a sum of the different greenhouse gases, the emissions are expressed in CO₂ equivalent, by using the global warming potential

Trading, Clean Development Mechanism). The sector responsible for the highest share of emissions, at national level, remains the energy sector (82.6%), whereas agriculture represents only 7.5% of the total emissions. In the specific, the sector is responsible for 48% of the national methane emissions (CH_4) and for 84% of the national nitrous oxide emissions (N_2O).

Considering each emission source, the most considerable is that related to the agricultural soils (48%), followed by the enteric fermentation (31%), manure's management (16%), paddy fields (4%) and the burning of stubble (0.05%).

The emissions in the sector continue to experience a negative trend, thus reducing by 16% from 1990 to 2012, as a consequence of a decrease both in the emissions of N_2O (-13%), and in those of CH_4 (-20%). The main factors of these reductions are ascribable to the decrease in the emissions of CH_4 arising from the manure's management (-51%), and to the decrease of enteric fermentation (-13%), mainly due to the re-

Trend in agricultural emissions by source (Mt CO_2eq)



Source: ISPRA, 2014

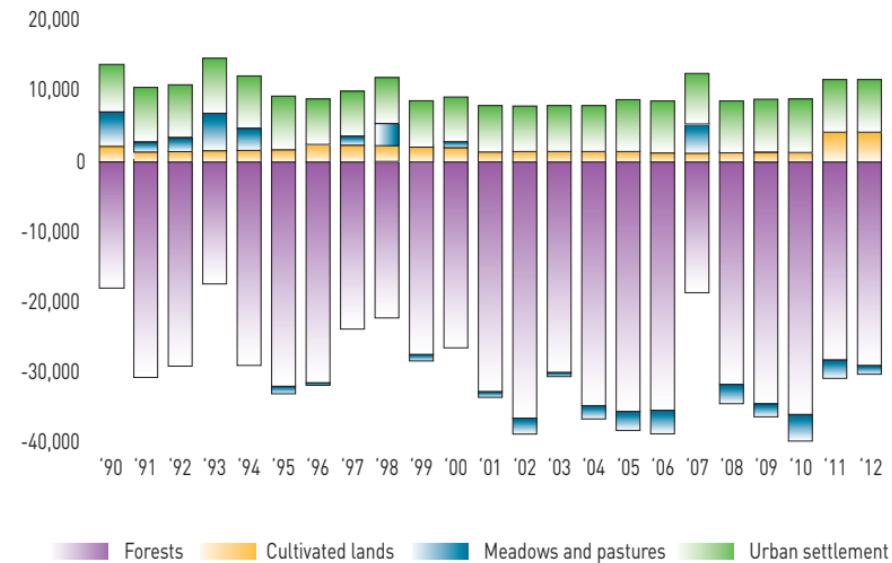
duction in the number of animals for some livestock species, and for the increased re-

covery of biogas from manure; the decrease in the emissions from agricultural lands

(-15%) is mainly ascribable to the variation, over time, of the surfaces and agricultural productions, to the change of some production techniques and to a more balanced use of fertilizers.

The LULUCF sector (Land Use, Land Use Change and Forestry) evaluates, instead, the absorptions of CO_2 and the green-house gases emissions related to forests, cultivated lands, meadows and pastures, as well as urban settlements. These absorptions represent an important carbon tank and they exceed emissions. In 2012, only the urban settlements and the cultivations have represented a net emission for the sector, mainly for the conversion from other land uses. In general, the absorptions of the sector have amounted to 18.6 million tons of CO_2eq , thus showing an increase of 414% over 1990, mainly ascribable to the increase in the forestry surfaces due to the colonization of fringe areas and of uncultivated lands, and, to a lesser extent, to the increase in the carbon stock of the meadows and pastures.

Trend in emissions and absorption of greenhouse gases by LULUCF sector by source (Mt CO_2eq)



Source: ISPRA, 2014

SOIL CONSUMPTION

The soil consumption is a phenomenon related to the employment of surface for human activities, which was formerly of agricultural, natural or semi-natural origin, thus covering the soil in an artificial way. The soil doesn't represent a renewable resource, since it has extremely long-time periods to be developed. Its worsening entails direct consequences on water,

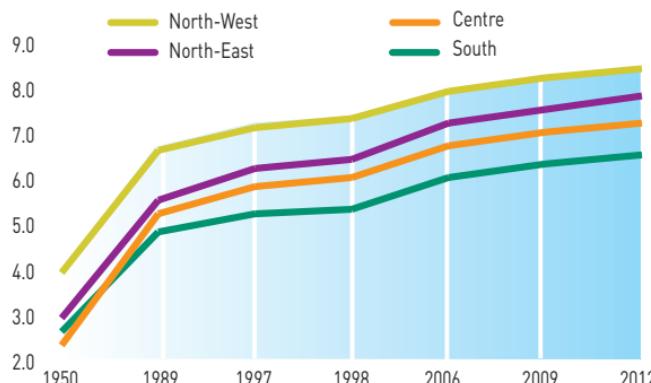
air, biodiversity, climate changes and it also involves the citizens' health and the product safety both for human and animal consumption.

A fact-finding survey on the phenomenon in Italy has been provided by ISPRA, who has published, in 2014, an updating at 2012. At the national level, the figures have pointed out an increase in the con-

sumption of soil from 2.9% to 7.3%, between the period 1950-2012, in absolute terms it corresponds to a loss of 70 hectares per day.

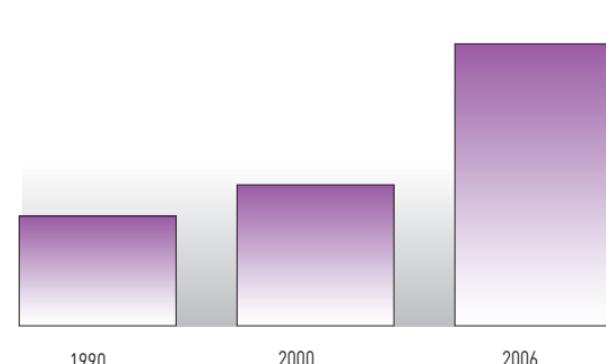
In terms of geographical distribution, the highest soil consumption has been registered in the northern Italy, with Veneto, Trentino, Friuli, and Emilia Romagna, which are characterized by an high inci-

Estimate of soil used (%) by geographical distribution, 1950-2012



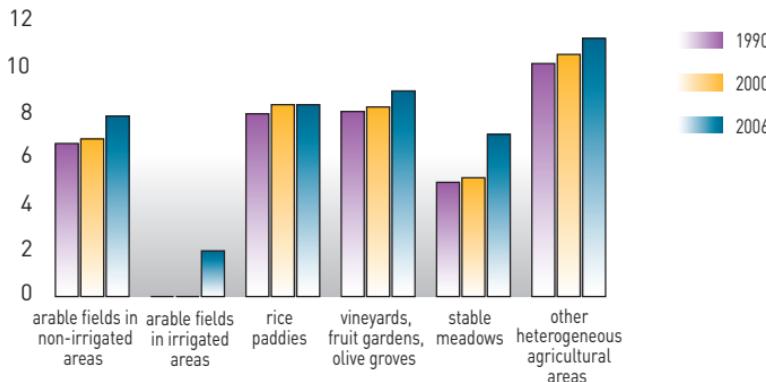
Source: processing of ISPRA figures, 2014

Estimate of soil used (%) in the agricultural areas in the years 1990, 2000 and 2006



Source: processing of ISPRA figures, 2014

% of soil used in the classes of use of agricultural soil



Source: processing of ISPRA figures, 2014

dence of the urban migration towards the Po-Venetian plain.

This trend is also confirmed by the European survey carried out by LUCAS which, for the period 2009-2012, has highlighted an increase in the artificial surfaces, in our country, from 7.3% to 7.8% (the European average is 4.6% in 2012), with a decrease of the cultivated areas (-1.1%),

meadows (-0.9%) and uncultivated soil (-0.2%).

The types of soil consumptions have involved buildings (30%), transport infrastructures (47%), whereas the remaining has involved other type of areas (such as parking, construction sites, landfills, etc). The soil consumption affects directly the agricultural areas in the suburban

and peri-urban areas, by involving also open-air areas, inside the cities, which have important ecological values for the urban eco-system. The soil used in the agricultural areas, according to the data released by Corine Land Cover for the period 1990-2006, is increased from 7.9% to 9%. The most affected areas are represented by the permanent crops, the arable lands unirrigated, the grasslands and the heterogeneous agricultural areas.

PROTECTED AREAS

According to the latest available review (the 6th updating) of the official List of the protected areas in Italy, the national protected surface, under the Framework Law 394/1994, has exceeded 6 thousand hectares, of which 52.6% is represented by land surface, and 47.4% by sea-surface. Furthermore, the safeguarding has been extended on over 658 km of coast. Most of the protected coastal surface involves the area (more than 2.5 million hectares) representing the Sanctuary of the marine mammals, whose perimeter involves three regions (Sardinia, Liguria and Tuscany). The national protected areas are, on the whole, 871. Most of these areas is represented by the regional natural reserves, which constitute an important protection network on the territory, often integrated with the Network Natura 2000. The 24 National Parks cover less than 26% of the protected surface, whereas the 134 regional natural Parks cover 22% of the surface. The protected land areas are located for

Surface and number of the protected areas in Italy

	Ground surface (ha)	Sea surface (ha)	Coast (km)	Number
National Park	1,465,681	71,812	-	24
Marine protected areas	-	222,443	652	27
Statal Natural Reserve	122,776	-	-	147
Other national protected natural areas	-	2,557,447	6	3
Regional Natural Park	1,294,656	-	-	134
Regional Natural Reserve	230,241	1,284	-	365
Other regional protected areas	50,238	18	-	171
Total	3,163,592	2,853,004	658	871

Source: MATTM - Dept. of Nature Conservation, EUAP Official list of the natural protected areas, 6th updating

the 52% in the southern regions, for 30% in the North, and 18% in the Centre. On the whole, their extension amounts almost to 10% of the national surface, with a different situation among the various regions in terms of incidence.

There are regions where the percentage of the protected areas on the territory exceeds the national average, and in which

are located the greatest protected areas (Abruzzo, Campania, Trentino Alto Adige, are those regions with the highest incidence), whereas there are other regions where the percentage, compared to the territory and the national average, is very low (Molise, Sardinia, Emilia-Romagna). Concerning the safeguarding of the biodiversity, the most important tool is rep-

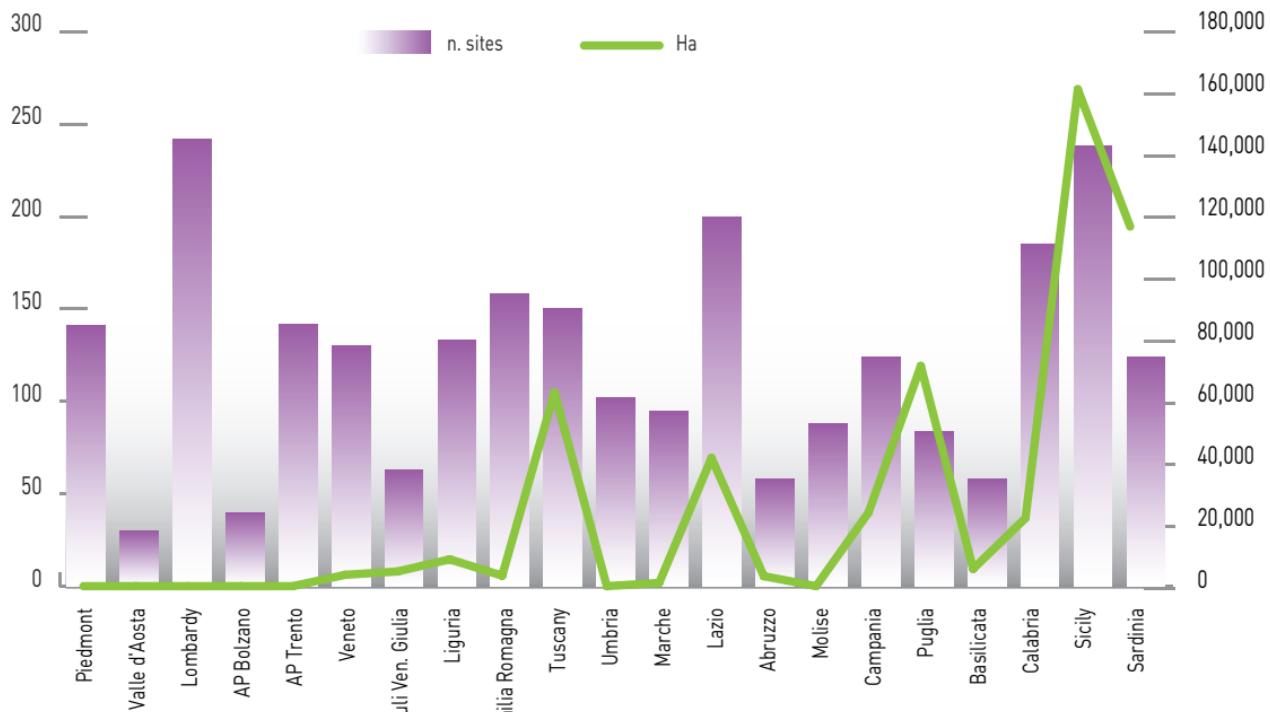
resented by the Network Natura 2000, established under the Directive 92/43/ CEE Habitat, and Directive 2009/147/CE Uccelli, according to which the Member States define the Sites of community interest, the special areas of conservation, and the areas of special protection for the safeguarding of the wild birds. The areas of the Network Natura 2000 ensure the safeguarding of nature, taking into account the human activities and their traditional activities which have allowed the maintenance of an equilibrium between human activities and nature. In our country, about 6.4 million hectares are included in the Network Natura 2000, which, on the whole, involves about 19% of the land surface, and little less than 4% of the sea-surface. There are, on the whole, 2,585 sites identified. The regions in which the network Natura 2000 is particularly extended, with respect to the territory, are Abruzzo, Valle d'Aosta, Campania, the Province of Trento and Liguria.

Surface of the ground protected areas (ha)

	National Park	Statal Natural Reserve	Regional Natural Park	Regional Natural Reserve	Other regional protected areas	Total
Piedmont	45,377	3,383	95,425	15,181	19,747	179,113
Valle d'Aosta	37,007	0	5,747	512	0	43,266
Lombardy	59,766	244	63,756	9,492	702	133,960
Trentino-Alto Adige	70,968	0	207,651	2,211	1,790	282,620
Veneto	15,030	19,483	56,734	2,120	0	93,367
Friuli-Venezia Giulia	0	399	46,352	7,043	0	53,794
Liguria	3,860	16	21,592	23	1,781	27,272
Emilia-Romagna	30,729	8,246	51,578	2,627	142	93,322
Tuscany	39,958	11,039	51,471	32,539	6,040	141,047
Umbria	17,978	0	40,629	0	4,535	63,142
Marche	61,099	6,085	22,800	493	0	90,477
Lazio	26,629	25,864	114,632	43,563	6,576	217,264
Abruzzo	219,432	17,783	56,450	10,329	1,057	305,051
Molise	4,059	1,190	0	50	2,291	7,590
Campania	185,431	2,014	150,143	10,076	2,541	350,205
Puglia	186,177	9,906	66,024	5,870	0	267,977
Basilicata	157,346	965	33,655	2,197	0	194,163
Calabria	220,630	16,158	17,687	750	10	255,235
Sicily	0	0	185,551	85,164	3,026	273,741
Sardinia	84,205	0	6,779	0	-	90,984
Italy	1,465,681	122,776	1,294,656	230,241	50,238	3,163,592

Source: MATM - Dept. of Nature Conservation, EUAP Official list of the natural protected areas, 6th updating

Extension and number of sites Natura 2000 by region



Source: MATTM, 2014

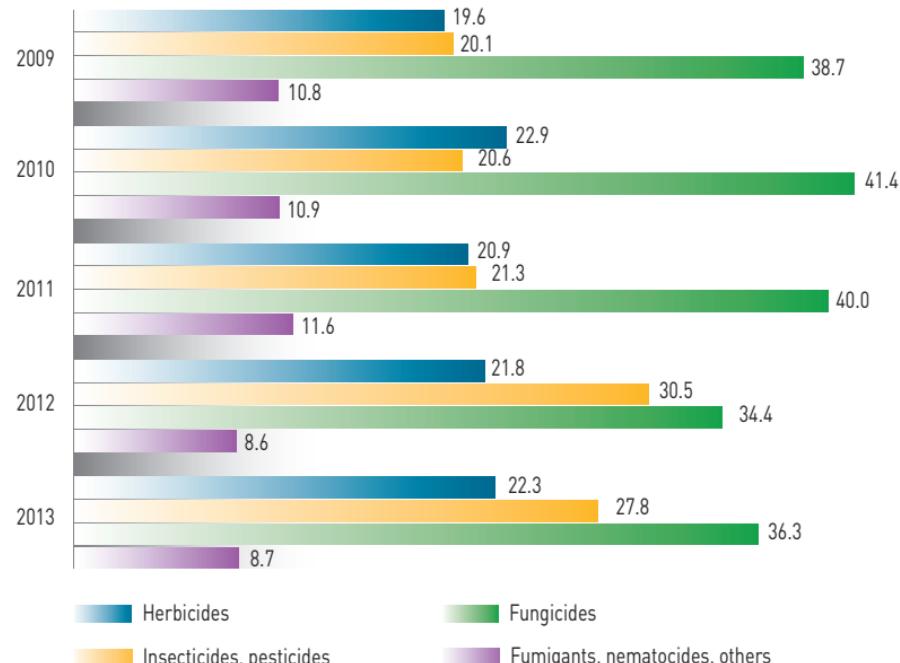
USE OF CHEMICALS

The use of plant protection products, equal to 95,155 tons in 2013, has experienced a slight decrease in 2012 (-0.2%), more remarkable for the insecticides (-8.9%), as a consequence both of the bad weather conditions which have jeopardized the growth of maize in the North and of the durum wheat in the South, and of the types of cultures adopted by farmers.

In general, it has been registered a greater use of plant protection products for the grapevine, some type of fruit plants, tomatoes and chard. The herbicides, mainly for maize and straw cereals, have increased by 5.5%, whereas the use of fungicides is increased by 2.3% for the highest infectious factor. The northern regions represent the greatest users of plant protection products, also due to the particular climatic conditions, followed by the southern regions (27.8%).

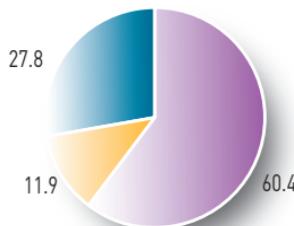
In 2013, the market value of the plant protection products, amounting to 816 million euro, is increased by 2.3% over the

Evolution in the use of plant protection products (000 t)



Source: Agrofarma, data refer to member farms

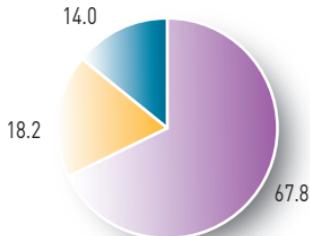
Use of plant protection products by geographical area (t), 2013



Source: Agrofarma, data refer to member farms

previous year, boosted by the increase in the price of fungicides (+12.4%), as a consequence of the greater demand due to the strong diffusion, among the vegetables, of pests such as fungus or cryptogamae. In the latest years, there has been a great-

Composition of fertilizers used (000 t), 2013



Source: Assofertilizzanti

er use of a mix of crop protection products with less active principles. The National Action Plan, on the sustainable use of plant protection products, has put into place a series of disposals implementing the Directive 2009/128/CE, with direct

consequences on the agricultural farms, sellers, and on the advisory services to farmers.

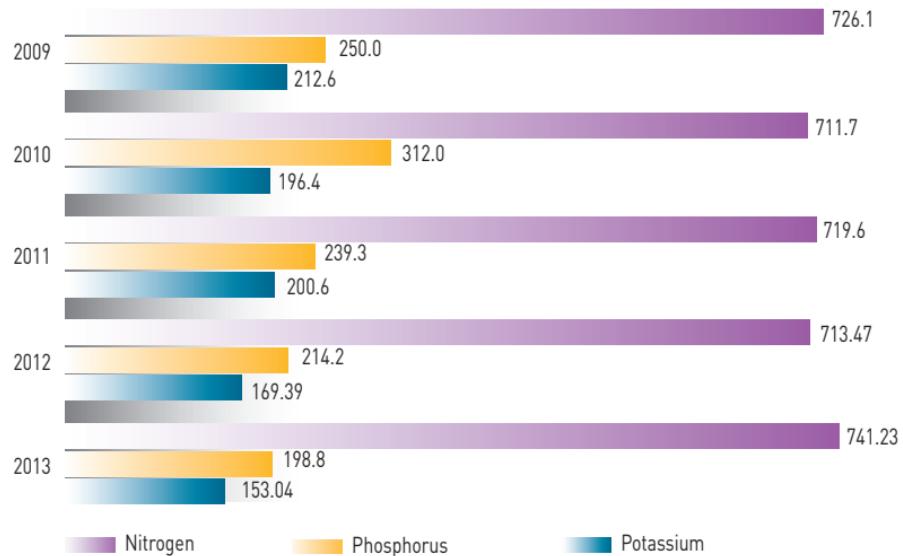
As from the 1st January 2014, all farmers must comply with fair agricultural procedures, with an ever more safeguarding approach of cultures, based on techniques others than those based on the use of phyto-sanitary products, thus replacing, whenever it is possible, synthesized chemical products with products based on bioactive molecules, natural extracts and animal origin substances which are typical of the integrated safeguard.

In 2013, the presence of traces of chemical substances, exceeding the limits permitted by Law, has been observed just in 0.3% of the sample analyzed by the Ministry of Health.

Also in 2013, the spread of new agricultural techniques and the use of technical means, with an high presence of nutritive elements, have led to a decrease in the use of fertilizers (-0.4%), equal to more than

one million tons. The ratio between the price index for the corn seeds and that one for the nitrogen-based fertilizers has generated a particular benefit just in the use of urea in order to increase the yields of these commodities; conversely, the use of potassium-based nourishing products, and phosphorous-based nourishing products is decreased, respectively, by 9.7% and 7.2%.

Evolution in the use of fertilizers (000 t)



Source: Assofertilizzanti

The health of the Italian forests

The first available data of the 3rd National Inventory on forests and carbon tanks (INFC2015) have confirmed a progressive increase of the Italian forestry surface, which seems to have reached 10,982,013 hectares, compared to the almost 600 thousand hectares detected by the 2nd National Inventory (INFC2005).

The annual survey on the health of the European forests "Forest Condition in Europe 2013" has pointed out a worsening of the health of the Italian forests. On a sample of 5,081 trees (in 2012, they were 8,099) it has been detected, in fact, a medium-high level of defoliation, included in the monitoring classes between 2 and 4¹, which involves 35.7% of plants, compared to 31.3% detected in 2012. In particular, the most damaged seem to be the conifers and the broad-leaved trees, which have shown damages in the classes from 2 to 4, respectively of 31% and 37.5%.

Among the youngest conifers (aged less than 60 years), belonging to the defoliation classes from 2 to 4, it appears the species *Picea Abies* and *Pinus Nigra* with, respectively 30.2% and 19.9% of the surveyed trees, whereas the best foliage is held by the *Larix Decidua* with just 15.6% of trees belonging to the high categories.

The conifers aged more than 60 years have suffered a worst defoliation: the species *Picea Abies* and *Pinus Nigra* have 40.3% and 34.1% of the examples falling in the classes from 2 to 4. Also in this case, the most healthy conifers are still the *Larix Decidua* (22.9%).

Among the broad-leaved trees, the species *Castanea Sativa* seems to be the most affected, due to the presence of the oriental chestnut gall wasp, thus showing very high values in the defoliation classes, both in the young examples (74.6%) and in the old examples (87.9%). The species *Fagus Sylvatica* enjoys of greater health, with

27.2% of the youngest trees and 15.5% of the oldest ones falling in the highest categories.

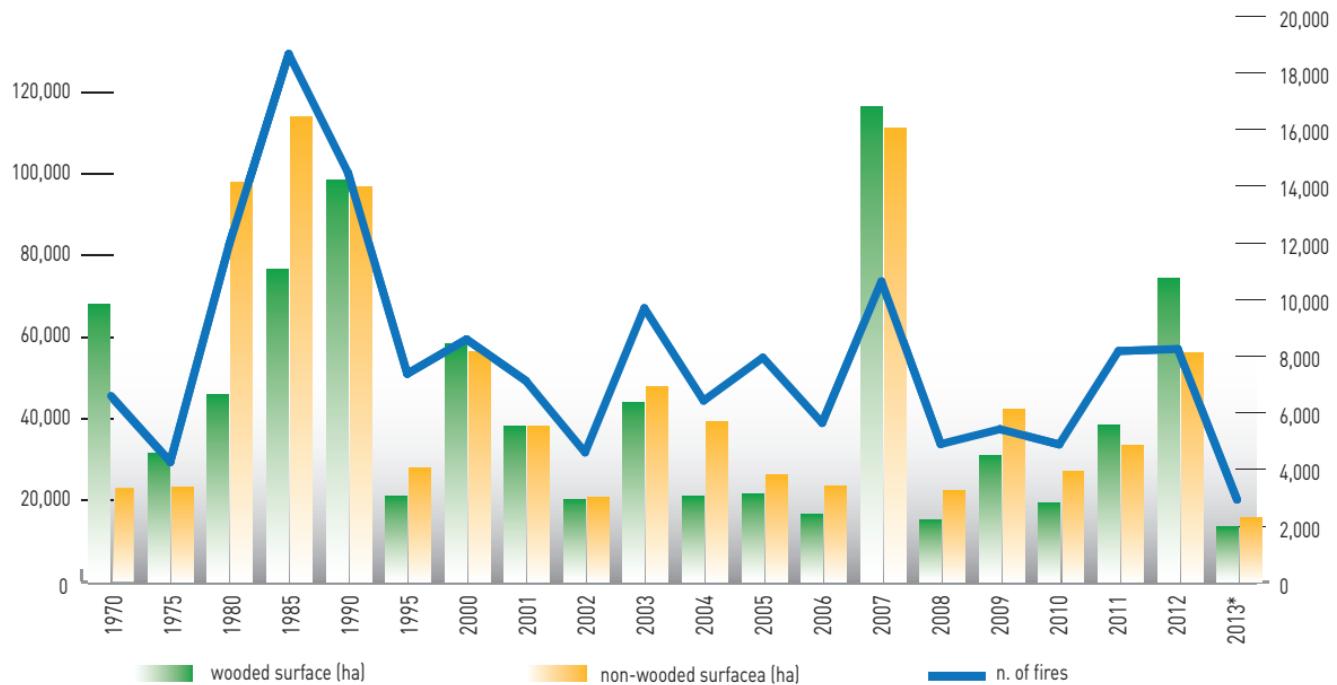
The main factors of defoliation are ascribable to biological factors, besides the influence of climate changes. In particular, the main agents are represented by insects (19.2% of the detected damage), whereas 5.2% is ascribable to fungus. Among the no biological factors, the most significant is aridity, responsible for 3.4% of damage.

Forest fires

The most undeniable threat to the National forests is fire. According to the still provisional data, released by the National Forestry Corps of the fire-prevention Unit, in 2013 on the National territory have occurred 2,936 fires, which have affected a total surface of 29,076 hectares, of which 13,437 hectares of woods. This data shows a decrease in both the total surface hit by fire, 80% less compared to 2012, and

¹ Class 0: 0-10%; class 1: >10-25%; class 2: >25-60%; class 3: >60%; class 4: dead tree

Evolution of the surface hit by fire and number of fires



* data referring to 2013 are still provisional

Source: processing of CFS-AIB data, 2013

in the number of the occurred fires, 65% less compared to 2012. The average of the number of fires is decreased by 67% compared to the last four years (9,000 events/year). As usually, most of the events have occurred in the South and on the Islands: in particular, the most affected regions are Sardinia, where 302 fires have burnt up to 10,588 land hectares, of which 3,548 hectares of wood, and Sicily with 458 fires and 5,089 hectares of burnt surface, of which 2,083 hectares of wood.

Voluntary market of the forestry carbon credits

The voluntary market of the forestry carbon credits, triggered by compensation projects on the atmospheric emissions of human origin, represents today an important reality in the fighting against the present climate change. In the latest years,

the voluntary market has experienced an exponential growth in interests and activities, boosted by the will of profit and non-profit entities, local administrations and even single citizens, of reducing their own emissions in the atmosphere, thanks to afforestation projects, re-forestation and forestry management in Italy and abroad. The annual monitoring, carried out by INEA, since 2011, about the forestry projects to compensate the Italian emissions and which concerns the voluntary market of the carbon credits, has highlighted a negative variation in the volumes exchanged during 2012 (144,515 tCO₂eq) and 2013 (50,437 tCO₂eq), compared to 2011 (244,181 tCO₂eq).

The prices detected vary from a minimum of 2.55 to a maximum of 67 euro/tCO₂eq. Considering that the weighted average price amounts to 7€/tCO₂eq, it can be esti-

mated that the value of the credits sold in Italy, in 2012, has exceeded 1 million euro, much lower than what has been realized in 2011, equal to 2.02 million euro. Despite this national decrease in the transactions, the European and global markets appear to be in an upward trend, as pointed out by the Report 2013 of Ecosystem marketplace.

At INEA, the monitoring carbon Unit has drafted the Forestry Carbon Code, which outlines the common guidelines for the implementation of fair practices in the realization of forestry projects in the public and private sector, besides to their acknowledgement in the institutional market, in order to jointly contribute to the achievement of the International commitment undersigned by our country in the fight against the climate change.



DIVERSIFICATION

RENEWABLE ENERGY

In the latest years, in Italy, the production of renewable energy has experienced a strong impulse, boosted by generous subsidies which have ensured to the sector an important contribute to the achievement of the European objectives against climate changes (that is Objective 20-20-20).¹

The very favourable system of incentives (green certificates, all-inclusive rate, energy account – specifically devoted to the photovoltaic and to the energy efficiency titles, or white certificates), has, nevertheless, implicated high costs for the system, thus bringing to an incidence of more than 10 billion euro/year on the energy invoice for the Italian consumers. On the other hand, this has also produced environmental benefits (reduction of 18 million tons of CO₂), both in employment and economic benefits (among which the decrease in imports of fossil fuels, equal to 2.5 billions/year), and safety energy.

The Terna data, relating to 2013, have

highlighted the contribute of the renewable energy to the supply of national electric energy: the hydro-electric remains the first renewable energy, in terms of production, and it contributes for the 16.6%, whereas the remaining share – which represents on the whole the 13.3% - is divided in photovoltaic (7%), wind-energy (4.7%) and geothermal science (1.7%). The last available updating, at the first semester 2014, has shown – compared to a reduction from 56.8% to 50.8% in the national thermoelectric production – a remarkable increase in the production share of the renewable energy, with the hydro-electric, involving up to 19.8%, and the geothermal science, the wind-energy and the photovoltaic, all reaching 14.9%.

These values are very encouraging for our country, and they show the importance of the renewable energetic sources for our national energetic system, thus reaching, in the first semester 2014, 38.6% of the

demand, and 44.7% of the total production (including about 6,000-6,500 TWh from biomasses, recorded in the thermo-electric sector).

The production of the renewable electric energy has largely increased starting from 2008 up to 2012, thus reaching 92,222 GWh (+11.2%), having an incidence of 27% on the gross domestic consumption. The photovoltaic has been the leading sector of such development: only in 2012, there has been a national increase in production equal to 74.7%, over the previous year.

The most updated estimates, at 2013, released by Terna/GSE, on the gross efficient power installed, have highlighted a substantial decrease in the growing trend – with an overall increase of about 2,100 MW – mainly due to the sharp slowing down in the photovoltaic installations, caused by the achievement of the maximum allotment of expenditure for the incentives of the 5th energy account.

¹ - Reduction of at least 20% of the emissions of the greenhouse gases, compared to the levels registered in 1990;

- Contribution of 20% of energy from renewable sources on the final gross consumption, including a target of 10% for the biofuels;

- Reduction of 20% in the consumption of primary energy compared to the expected levels, to be obtained through measures of energetic efficiency.

Electrical renewable sources: gross efficient power installed (MW)

Type	2008	2009	2010	2011	2012	2013
water	17,623	17,721	17,876	18,092	18,232	18,300
wind	3,538	4,898	5,814	6,936	8,119	8,500
sun	432	1,144	3,470	12,773	16,420	17,900
geothermal	711	737	772	772	772	780
Bioenergies ¹	1,555	2,019	2,352	2,825	3,802	4,000
TOTAL	23,859	26,519	30,284	41,398	47,345	49,480

¹ Bio-masses, bio-gas e bio-liquid

² Estimate of ERNA/GSE data

Installations admitted to the incentives¹, 2013

Type	N. Installations	Power (MW)	Annual subsidized energy (GWh)
water [basin, tank, flowing water and water main]	373.0	182.5	1,207.0
wind [On Shore and Off Shore]	475.0	957.0	1,500.0
sun	nd	nd	nd
geothermal	3.0	76.5	357.0
Bioenergies ¹	408.0	359.3	1,667.0
TOTAL³	1,259.0	1,575.3	4,731.0

¹ with Min. Decree 6/7/2012

² Bio-masses, bio-gas and bio-liquids

³ data underestimated since photovoltaic installations have not been considered

Source: TERNA/GSE.

In 2013, 1,250 installations, except for the photovoltaic, have obtained the incentives allocated for the production of electric energy from renewable sources, for an additional power of 1,575.30 MW, thus generating, on the whole, 4,731 GWh.

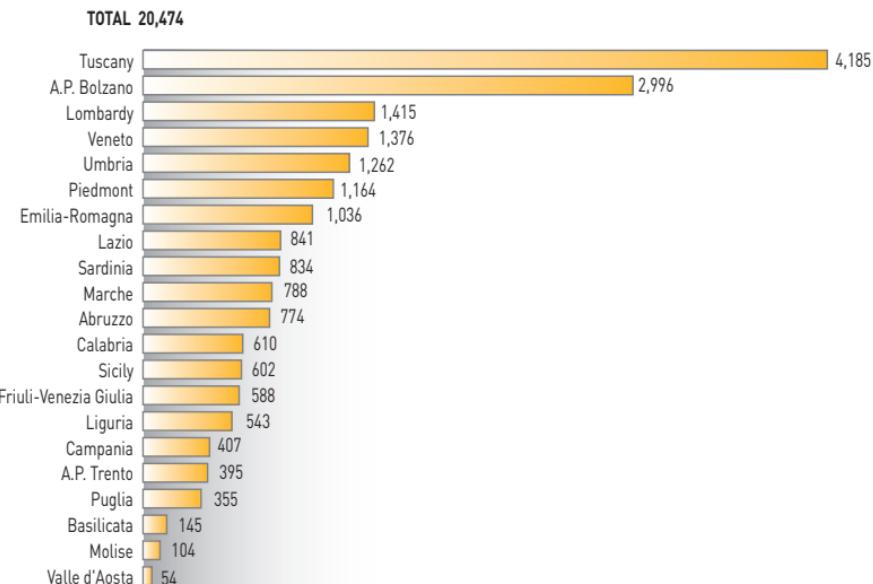
In the agricultural sector, the datum relating to the biogas installations is particularly meaningful. Compared to the survey carried out by CRPA, which has registered, in 2012, almost 1,000 installations, in 2013, GSE has counted 1,238 active plants. This type of installations represents a strategic opportunity for farms which are enjoying important benefits in terms of diversification of incomes and of the firm's activities – thanks to the new incentive policies targeted at promoting the agro-energies, and at reducing the incidence of the incentives through the introduction of price-giving mechanisms which appreciate virtuous behaviors (reuse of agricultural sub-products, co-generating, and short supply chain).

In 2012, the farms authorized in performing agro-tourism activity, have amounted to 20,474 units, with a slight increase over the previous year (+0.3%). The farm stays are more numerous in the northern regions (46.7%) and in the central regions (34.6%), with an higher incidence in the hilly areas (51.5%) and in the mountainous areas (33.4%), where they contribute at the re-launch of the agricultural activity, and to the development of the rural areas. In Tuscany, and in the province of Bolzano, territories in which the agro-tourism is historically deep-seated, there are, respectively, 4,185 and 2,996 farms.

The northern-western regions have experienced the highest increase in the number of structures (+5.8%), followed by the central regions (+2%), with increases, in particular, of 13.6% in Liguria and 4% in Umbria. In the South, conversely, there has been a decrease in the structures (-8.3%), due to the sharp contraction of the farm stays in Campania (-51%).

On the whole, more than 35% of the struc-

Farm stays by region, 2012



Source: ISTAT

tures is run by women, with the highest incidence in Tuscany, equal to 40.8% of the regional total and to 23.5% of the national total.

The trend of farms in providing diversified services, which has already been strengthened over the years, is further increased in 2012. The housing, which is now present

in 82.6% of the structures, is increased by 1%, with a total of 217,946 beds (+3.4%), roughly 13 per farm. The tasting of farm products and the wine shops, provided by 16.8% of farms, but in a downward trend of 11%, are offset by catering services mainly characterized by home-made products, which are offered by half of the agro-tour-

isms (+1.1%). The other activities, which characterize 58.5% of the structures, are increased by 1.7% with new recreation activities, such as the participation in the agricultural jobs of the farm, folkloristic events, cultural meetings, in addition to the more traditional activities such as riding, hiking, trekking, mountain-bike, sport and

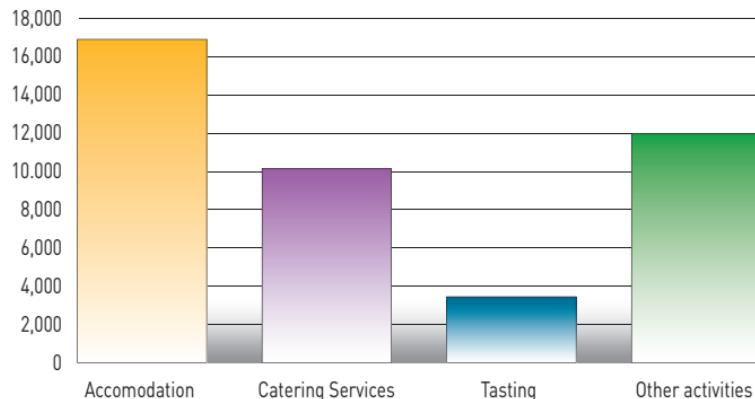
nature-watching. In 2012, more than 6% of farm-stays has also performed activity related to educational farms.

The sector's turnover, estimated by Agriturist in 1.2 billion euro in 2013, is remained stable over the previous year, with an average annual turnover per farm of about 55,000 euro.

The arrivals, more than 3 million tourists, have decreased by 4% compared to 2012, and the average lasting of the stay is decreased to 5 days. The overnights of foreign tourists, in particular, are decreased by 3.3%, but it is increased the expenditure for the services' request (+3.1%).

In order to achieve transparency of the offering, brand awareness and quality-guarantee of the Italian farm stays, the Ministry of Agriculture, Food and Forestry, through the implementation of the Decree n. 1720 of 13th February 2013, has set up homogeneous classification criteria for the farm stays, thus establishing the logo "Agriturismo Italia".

Farm stays by type of service*, 2012



* farms can be authorized to perform one or more activities

Source: ISTAT.

EDUCATIONAL FARMS

The educational farms are represented by farms or farm-stays offering educational services to external users, mainly to children and students. They play a double role: diversifying the activities carried out by the farms (creation of an integrative income); allowing the new generations to learn the different activities of the primary sector through a targeted experience (active approach).

In the Italian legislation these functions are considered as "farm holiday's activities", and they are regulated by the following rules: Legislative Decree n. 228 of 18th May 2001 (orientation law for the agriculture); Law n. 57 of 2001 (art. 7), and Law n. 96 of 2006 (framework Law on agri-tourism).

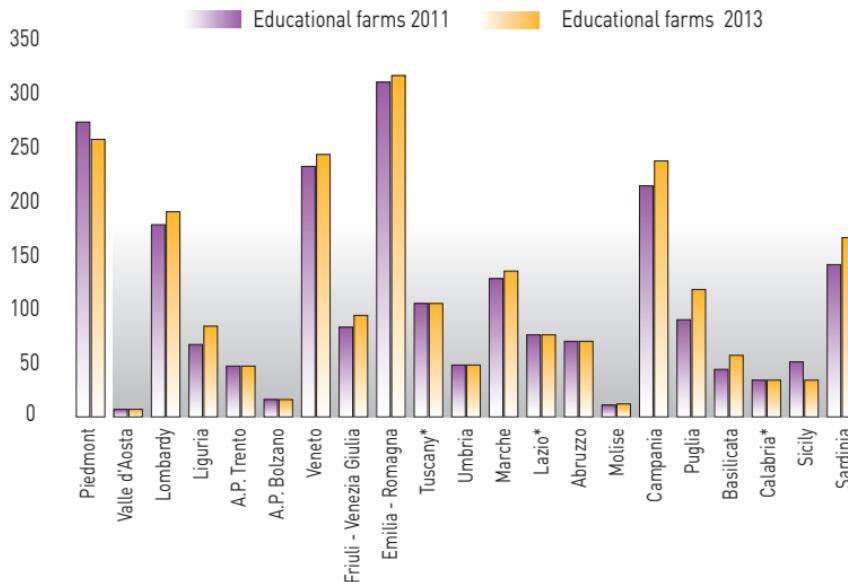
Conversely, the specific discipline of the educational farms is jurisdiction of the regional administrations which have established specific rules in order to identify criteria of quality and safety of the structures, and ensure users adequate standards of the educational offer. Since 19981

Educational farms: regional reference legislation

Region	Legislation
Piedmont	Decision of the Council n. 63-7291 - 29/10/2007
Valle d'Aosta	Reg. Law n. 29 - 4/12/ 2006
Lombardy	Reg. Law n.31 - 2008 Decree n.7161- 29/7/2013
Liguria	Decision of the Council n 71/2003
A.P. Trento	Prov. Law n. 10 - 19/12/2001
A.P. Bolzano	Prov. Law n. 7 - 19/09/2008
Veneto	Reg. Decree n. 70 - 24/01/2003
Friuli - Venezia Giulia	Reg. Law n. 18 - 04/07/2004
Emilia - Romagna	Reg. Law n. 4 - 31 marzo 2009
Tuscany	Reg. Law n. 4 - 21/01/2014
Umbria	Reg. Law n. 13 - 22/02/2005, and relating Reg. Reg. 14/10/2008, n. 7
Marche	Reg. Law n. 21 del 14/11/ 2011, art. 9
Lazio	Draft Law on social farm stays and educational farms (6/6/2012)
Abruzzo	Reg. Law n. 48 -18/12/ 2013
Molise	Reg. Law n. 9 of 22/03/2010 [art. 7] Reg. Reg. 4/07/2011, n. 1
Campania	Decision of the Council n. 797 - 10.06.2004
Puglia	Reg. Law n. 2/2008
Basilicata	Removal of the Decision of the Council n. 1052 - 27/06/2008
Calabria	Reg. Law n. 14 - 30/04/2009 [art. 20]
Sicily	Dept. Decree - 01/04/2009
Sardinia	Deliberation - 5/09/2007 n.33/10

Source: regional figures

Evolution of the educational farms (number)



* Figures released by CIA, Coldiretti and Confagricoltura

Source: regional figures released by CIA, Coldiretti, Confagricoltura

onwards, Regions have regulated the sector, by creating the regional and provincial registers, along with the quality certificates

of the educational farms, regulating also the position of the operator in charge of the educational activities, and his related edu-

cation. The last regions that have aligned, in chronological order, are Tuscany, with the regional law 21/01/2014, and Lazio, with the approval of the draft law n. 81 of 3rd October 2013.

According to the regional data, relating to 2013, the accredited educational farms are, on the whole, 2,048. If we consider also the farms located in Tuscany, Lazio and Calabria, for whom there are no available official data², the number increases up to 2,263. On the whole, they seem increased by more than 5%, compared to 2011. The most sizeable increase, about 30%, of the accredited farms is experienced by two southern regions: Basilicata and Puglia, followed by Liguria (+25.4%) and Sardinia (+17.7%). In general, the increase in the educational farms has been registered in all regions, except for Piedmont and Sicily, where the decrease of almost 6%, in the first region, and of more than 33%, in the second region, is ascribable to three main factors: closing of the farm, the non-participation to the mandatory training activity,

and voluntary withdrawal. Despite the decrease registered, Piedmont continues to be the second Italian region for its number of accredited structures (257), only after Emilia-Romagna which stands in first place with 316 educational farms, duly registered in the provincial registers. Campania, with 237 structures, has strengthened its first position among the southern regions, registering also an increase of more than 10%, compared to 2011. In terms of educational offer, the Italian educational farms suggest one or more educational paths, organized

by taking into account the cultivations or the present breeding, as well as the geographical context of reference. The main proposals concern the knowing of the animals in the farms (observation and caregiving), the processing of products (cheese, bread, hay), the horticultural activities (observation, cultivation and harvesting), the knowing of the local flora and fauna, alternative energies.

In the programming 2007-2013, the reference measure for the educational activities in the farms is the 311 – Diversification of

non-agricultural activities. According to the data released by the National Rural Network, at 31st January 2014, the Regions have published 89 announcements, whereas the public expenditure for the measure, at 31st March 2014, exceeds of little more the 366 million euro. The specific interventions, which have been subsidized, concern: the compliance of the spaces to the educational activities, organization of recreational activities or educational-cultural paths, the purchasing of equipment for the educational activities.

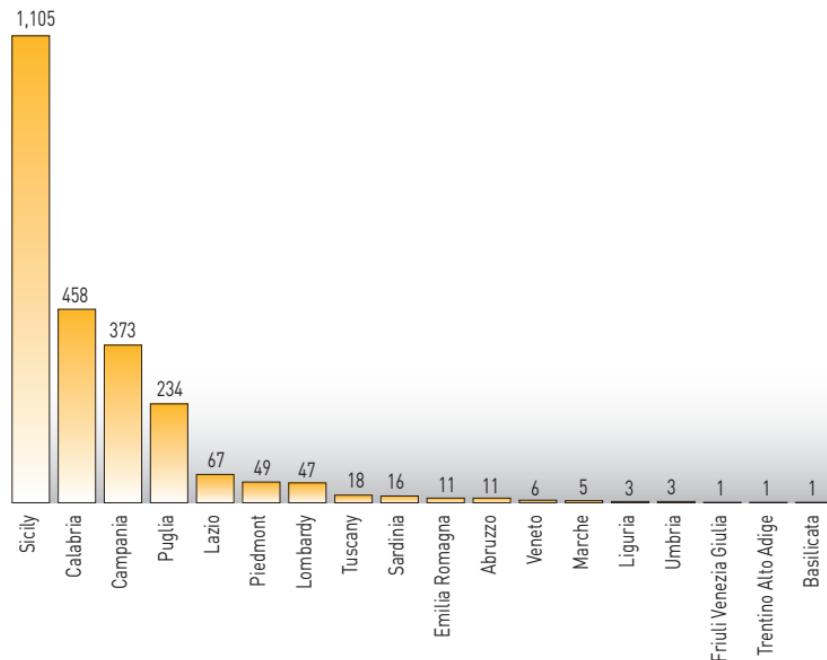
LANDS CONFISCATED TO THE ORGANIZED CRIME

The real estate assets sequestered and confiscated to the organized crime are represented by flats, villas, buildings, agricultural lands or residential areas. Besides having a considerable economic value, these goods play an high symbolic role, since they represent, visibly and concretely, the power exercised by the organized crime on the territory.

According to the data released by the national Agency for the administration and allocation of the properties sequestered and confiscated to the organized crime (ANBSC), in Italy, the sequestered assets have amounted to 7,984, at January 2013, 30% of whom are agricultural lands; in the specific, 2,073 lands and 336 lands with rural buildings.

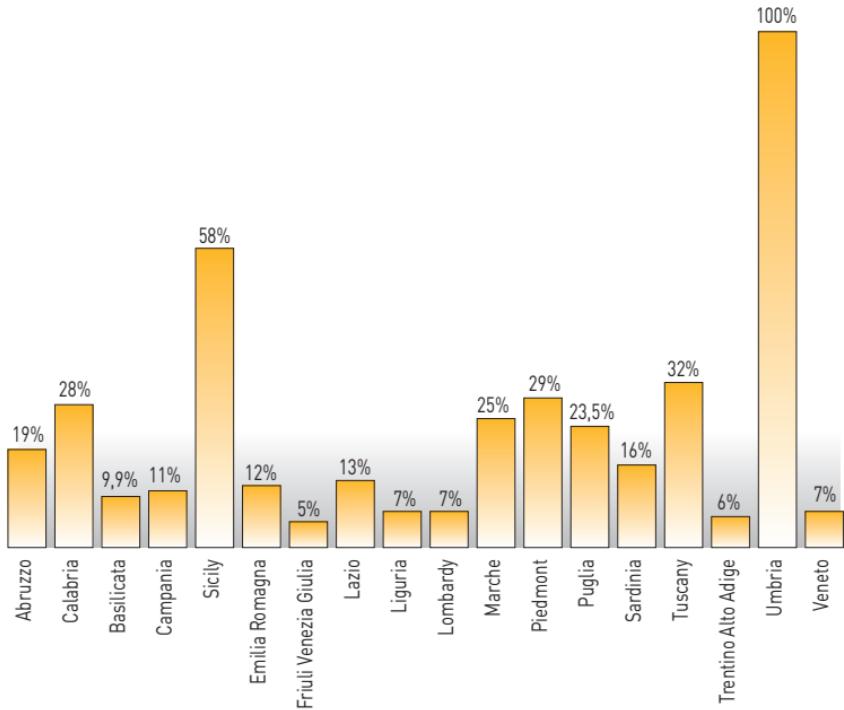
Except for Valle d'Aosta, all the Italian regions, in a different measure, are affected by this phenomenon that, as known, has reached the highest incidence in some southern regions (Sicily, Calabria, Campania and Puglia), where, on a total of

Tot. Agricultural buildings confiscated



Source: processing of ANBSC data

% of agricultural goods on total assets confiscated



Source: processing of ANBSC data

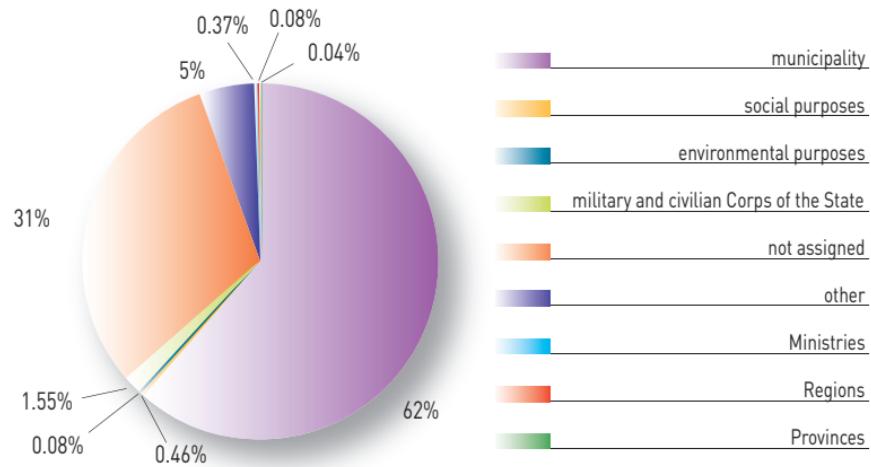
6,126 confiscated assets 35.4% (2,170) is represented by lands and rural buildings. Palermo, with 504 agricultural buildings (446 lands, and 58 lands with rural buildings), represents the Italian province with the highest number of confiscated agricultural goods, followed by Reggio Calabria with 363 (321 lands and 42 lands with rural buildings), Caserta with 186, Trapani with 155, Naples and Agrigento with 121.

In 59% of cases, the pertaining agricultural lands or the buildings which have been confiscated, are allocated and delivered, that is to say transferred for institutional or social purposes to the municipality's property where it is located the building, or to the properties of the province or of the region (Law n. 575/1965 and Leg. Decree 159/2011). The local entities provide a specific list of the properties confiscated, which is periodically updated. The local entities, through consortium or associations, can directly manage the real estate goods , or

they can, through a specific agreement, entrust the good in concession, for free and in full compliance with the transparency principles, to communities, entities, associations which best represent the local entities, to voluntary organizations (Law n. 266, 11th August 1991), to social cooperatives (Law n. 381, 8th November 1991), to therapeutic communities and rehabilitation centers and care centers for drug addicts, as well as to the recognized environmental safeguarding associations (art. 13 – Law n. 349, 8th July 1986). If the local entity has not allocated the property within a year, the Agency decides for the revocation of the transfer, thus nominating a commissioner with replacement powers.

In 28.6% of cases, the agricultural buildings are managed by the Agency, therefore not assigned. They are goods which have not been definitively assigned and, therefore, they remain as State's patrimony, managed by the national Agency. Many of these buildings are subjected

Recipients of the agricultural assets confiscated



Source: processing of ANBSC data

to constraints, mainly with a mortgage which prevents them from being assigned. In these cases, the Agency, besides monitoring them, updates periodically the property's value, so as to safeguard the enhancement activities and of income, in addition to the possible selling activity,

thus covering, therefore, the whole value chain of the good. The remaining 12% of the agricultural buildings belongs, to various reasons, to the goods not confiscated in an autonomous way, (buildings representing the patrimony of the business goods confis-

cated), goods out of the management for the revocation of the confiscation, or goods for whom, despite having a defined destina-

tion, it has not been possible the allotment. Less than 1% has been allocated to Ministries, Provinces and Regions, whereas

1.5% to the State's military and civil units (Italian Finance Police, Police, Carabinieri, Forestry Corp), and to the firemen.



QUALITY PRODUCTS

PRODUCTS OF DESIGNATED ORIGIN

Italy continues to maintain the most remarkable share of the PDO products and PGI products in the EU (equal to 1,237, including also the TSG products), thus registering a further increase in the registered products, reaching now a share of 264. Among the new products, it is worth to point out the first two products of pasta, Maccheroncini di Campofilone and Pasta di Gragnano, furthermore, it has been strengthened the basket relating to the fishery products, with Trote del Trentino and Cozza di Scardovari. Some types of fruit and vegetable products and cheese are increasingly recognized as products of designated origin. Mozzarella and Pizza Napoletana remain the unique Italian TSG (traditional specialties guaranteed) recognized.

It is also increasing the supply chain of the recognized products: in a slight increase (+0.3%) is the number of the operators, including producers and processors, which counterbalances the decrease registered

Number of PDO and PGI products by region¹

	Fruit, vegetables and cereals	Cheese	Olive oil	Cold cuts	Other products ³	Total
Piedmont	6	8	-	4	1	19
Valle d'Aosta	-	2	-	2	-	4
Lombardy	3	12	2	9	3	29
Alto Adige	1	2	-	1	-	4
Trentino	2	5	1	1	2	11
Veneto	16	7	2	7	2	34
Friuli-Venezia Giulia	1	1	1	3	-	6
Liguria	1	-	1	-	1	3
Emilia-Romagna	12	4	2	13	5	36
Tuscany	7	2	5	4	7	24
Umbria	2	1	1	2	2	8
Marche	2	2	1	4	3	12
Lazio	8	4	4	4	7	27
Abruzzo	2	-	3	1	3	9
Molise	-	1	1	2	2	6
Campania	11	3	5	-	3	22
Puglia	6	3	5	-	2	16
Basilicata	4	3	1	-	1	9
Calabria	4	1	3	4	3	16
Sicily	16	4	6	1	2	29
Sardinia	1	3	1	-	2	7
Italy²	103	47	43	36	35	264

¹ Updated to August 6th 2014

² Some products are inter-regional, therefore the sum of the PDO/PGI by region doesn't correspond to the total for Italy

³ Includes: baked goods, honey, ricotta, spices, vinegar, meats, fish, non-food products

Source: processing of database of the European Commission DOOR

Operators of the PDO, PGI and TSG products, by sector, 2013

	Producers	Processors	Total operators ¹	Processing installations
Fresh meats	7,659	873	8,532	1,837
Preparation of meats	3,562	741	4,303	1,080
Cheese	27,190	1,691	28,589	2,917
Other products of animal origin	240	33	250	61
Fruit, vegetables, and cereals	17,076	1,165	17,830	1,211
extra-virgin olive oils	19,083	1,863	20,058	2,588
Vinegars other than wine vinegars	181	548	630	669
Baked goods	28	48	64	49
Spices	92	93	104	106
Essential oils	30	8	37	10
Fish products	10	7	13	11
Salt	5	3	8	6
Pasta	-	17	17	34
Total	75,156	7,090	80,435	10,579

¹ An operator can be, at the same time, both producer and processor

Source: ISTAT

in 2012, and the surface sown to crops (+16%).

The Qualivita ISMEA data have shown, for 2012, the last available year, a good

economic and productive performance in the production of PDO and PGI products, clearly contrasting the recessionary scenario of the national economy. In terms

of production, the sector is increased of more than 5% over the previous year, with a volume of about 1.3 tons, mainly due to the increase in the production of fruit and vegetables, cereals (+7.2%), and cheese (+5.5%); good performances are registered also for the meat-based products (+1.3%), even better is the trend for fresh meats (+23.3%), stationary is the trend for the balsamic vinegars (+0.5%), after the strong increase of the two previous years; in a downward trend, instead, is the olive oil (-2.1%).

The production value of PDO-PGI products has registered a growth of more than 2% compared to 2011, thus reaching 7 billion euro, mainly due to the selling activity abroad; more than a third of the Made in Italy certified (about 418 thousand tons) is dispatched to foreign countries, for a value of about 2.5 billion euro.

Also the value of the consumer market, estimated to 12.6 billion euro, is increasing

¹ It should be noticed that the community legislation envisages the mention PDO to the wines DOCG and DOC, and the mention PGI to the wines TGI, although at the moment it is expected the coexistence with the traditional Italian mentions.

(+5.5%). The consumer market, although in a downward trend for all types of goods, including food, has remained substantially stable.

Quality wines

Italy stands in first place, in the EU, also for its incidence of registered DOP wines, 405 wines including both DOCG wines and DOC wines¹, followed by France with 376 and Spain with 100 registrations. Italy holds the record, also for the PGI products, with 118 geographical indications, followed by Greece (116) and France (75). In 2012, in Italy, according to the latest available data released by ISMEA, there are about 338 thousand hectares cultivated with PDO and PGI wines (-7% over the previous year), that is to say about 76% of the total Italian areas planted with wines.

The production of PDO wines, which during the 2013 grape harvesting has amounted to almost 17.4 million hectoliters, represents an increasingly important share of the total wine produced in Italy (almost 40%); if we

consider also the share of PGI wines (for an amount of 15.8 million hectoliters), the production certified exceeds 70% of the total production. It is worth pointing out that, despite a national substantial increase in the production of both the PDO wines (+8.6%) and PGI wines (+26.6%), some regions, as Sardinia, Calabria, Friuli Venezia Giulia and Trentino, have experienced substantial decreases. On the contrary, Umbria and Sicily have experienced sizeable increases. The production value of the PDO wine, referring to 2013, is amounted to 1.9 billion euro, whereas for the PGI wines it amounts to 812 million euro. Both wines represent more than 2/3 of the value of the total wine produced in Italy.

The PDO and PGI wines are among the best-sold abroad of the Italian agro-food products, for a total value of 4.1 billion euro, including red wines, rosè wines, white wines, and sparkling wines, with increases that, compared to 2012, vary from 5.3% for the red and rosè wines, to 26% for the sparkling wines.

DOCG, DOC and TGI wines by region¹

	DOCG	DOC	TGI
Piedmont	16	42	-
Valle d'Aosta	-	1	-
Lombardy	5	22	15
Alto Adige	-	3	2
Trentino	-	7	3
Veneto	14	27	10
Friuli-Venezia Giulia	4	10	3
Liguria	-	7	4
Emilia-Romagna	2	18	9
Tuscany	10	42	5
Umbria	2	13	6
Marche	5	15	1
Lazio	3	27	6
Abruzzo	1	8	8
Molise	-	4	2
Campania	4	15	10
Puglia	4	27	6
Basilicata	1	4	1
Calabria	-	9	10
Sicily	1	23	7
Sardinia	1	17	15
Italy	73	332	118

¹ Updated to July 2014

N.B. The total of DOC and TGI wines is lower than the total of wines by region, as some are inter-regional

Source: processing of MIPAAF list

ORGANIC FARMING

According to the FIBL-IFOAM data, in 2012, the organic farming has involved more than 1.9 million farmers in 164 countries, with data on the organic farming certified, by involving a worldwide surface of 37.5 million hectares. In Europe, the organic agricultural lands are increased by 5.7% compared to 2011, reaching 11.2 million hectares (equal to 30% of the total), whereas the organic farms, which are 321,630 units (+10.3%), represent 16.7% of the worldwide organic farms.

Italy belongs to the category of the 10 greatest producer countries, and it stands at second place after Spain, among the EU countries, for the surface sown with organic farming.

In 2013, according to the SINAB data, the sector, in Italy, has shown a further increase: the surfaces are increased by 12.8% over 2012, reaching 1,317,177 hectares (3.5% of the worldwide organic surface).

This growth is mainly ascribable to the increase of the hectares cultivated with

Organic farming in the EU, 2012

	Farms n.	% change 2012/11	Area	% change 2012/11
Austria	21,843	1.2	533,230	-1.7
Belgium	1,413	10.9	59,718	0.8
Bulgaria	2,754	181.6	39,137	56.4
Cyprus	719	-1.8	3,923	9.7
Denmark	2,651	-1.0	194,706	20.1
Estonia	1,478	3.3	144,147	7.8
Finland	4,322	5.1	197,751	5.1
France	24,425	5.6	1,032,941	5.9
Germany	23,032	2.3	1,034,355	1.8
Greece	23,433	10.1	462,618	49.3
Ireland*	1,400	2.5	54,122	13.1
Italy	43,852	4.3	1,167,362	6.4
Latvia	3,496	0.3	195,658	6.3
Lithuania	2,527	-3.7	156,539	2.8
Luxembourg	102	6.3	3,924	5.5
Malta	9	-18.2	26	13.0
Netherlands	1,646	-1.6	48,038	1.8
Poland	25,944	10.7	661,956	8.6
Portugal*	2,603	6.9	200,151	-0.4
UK	4,281	-7.9	590,009	-7.6
Czech Rep	3,934	0.8	488,658	6.1
Romania	15,315	61.7	288,261	25.4
Slovak Rep*	365	0.6	166,700	-4.5
Slovenia	2,682	13.5	35,101	9.2
Spain	30,462	-5.4	1,593,197	-1.8
Sweden	5,601	1.7	477,685	-0.5
Hungary	1,560	8.9	130,609	5.0
EU 28	251,849	6.4	9,960,522	4.6

* Data at 2011

Source: FiBL

Incidence of the UUA to organic farming by region, 2013

	2013		% change 2013/12
	ha	% to total	
Piedmont	28,876	2.2	-1.5
Valle d'Aosta	2,417	0.2	46.3
Lombardy	20,685	1.6	8.9
Trentino-Alto Adige	10,965	0.8	-2.4
Veneto	15,205	1.2	-11.0
Friuli-Venezia Giulia	3,730	0.3	4.6
Liguria	3,090	0.2	2.2
Emilia-Romagna	80,924	6.1	-0.7
Tuscany	102,443	7.8	-4.7
Umbria	28,513	2.2	-6.5
Marche	56,899	4.3	7.5
Lazio	101,680	7.7	10.6
Abruzzo	26,778	2.0	-3.2
Molise	5,266	0.4	9.2
Campania	28,673	2.2	15.3
Puglia	191,791	14.6	12.1
Basilicata	48,233	3.7	8.7
Calabria	138,312	10.5	15.5
Sicily	280,448	21.3	45.0
Sardinia	142,250	10.8	7.6
ITALY	1,317,177	100.0	12.8

Source: SINAB

“other crops”, including, therefore, the root crops, other seed cultures and other permanent crops (+138.5%), meadows and pastures (+31%), nuts and protein crops, legume crops and grain crops (both roughly +29%), fruit and vegetables (+26%), grapevine (+18.5%) and citrus trees (+13.7%).

Fodders, meadows and pastures represent 47.8% of the organic surface, whereas 14.5% is allocated to the cereal production, nonetheless decreased by 9.1% over 2012. They are followed by the olive tree, with 13.4% and the grapevine with 5.2%. Valle d'Aosta and Sicily show the highest increases of the surface devoted to organic farming, of respectively 46.3% and 45%. In Sicily, this has been also triggered by the publication of the ban (with its deadline in March 2013) for the access to the action “organic farming and animal husbandry” of the Measure “agro-environmental payments” expected by the RDP. Nevertheless, while Valle d'Aosta represents only 0.2% of the national organic UAA, Sicily,

Operators in the organic sector (n.), 2013

	Production	Processing	Imports	Total	
				n.	% change 2013/12
Piedmont	1,579	383	36	1,998	5.2
Valle d'Aosta	84	9	0	93	3.3
Lombardy	1,026	656	43	1,725	1.6
Liguria	270	103	12	385	1.6
Trentino-Alto Adige	1,298	338	8	1,644	7.3
Veneto	1,193	573	38	1,804	3.3
Friuli-Venezia Giulia	298	114	5	417	0.2
Emilia-Romagna	2,873	794	51	3,718	3.2
Tuscany	3,186	499	16	3,701	4.8
Umbria	1,067	130	6	1,203	-1.0
Marche	1,954	204	4	2,162	7.7
Lazio	2,867	345	8	3,220	-2.5
Abruzzo	1,241	205	2	1,448	-6.6
Molise	198	39	1	238	0.8
Campania	1,592	325	6	1,923	1.4
Puglia	5,733	513	8	6,254	2.3
Basilicata	1,089	77	0	1,166	-1.2
Calabria	6,946	218	4	7,168	-0.5
Sicily	9,312	564	12	9,888	24.9
Sardinia	2,163	65	0	2,228	1.3
ITALY	45,969	6,154	260	52,383	5.4

Source: SINAB

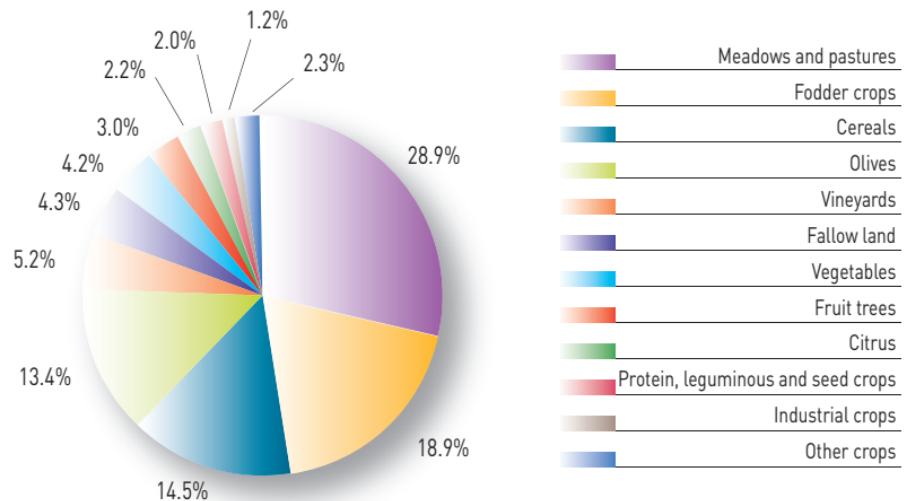
with 280,448 hectares in 2013, represents 21.3%, followed by Puglia with 14.6%, thus representing both leader regions. There are, then, Sardinia and Calabria with a remarkable incidence on the national organic UAA, with respectively 10.8% and 10.5%. Conversely, a contraction of the surface devoted to organic farming has been mainly detected in Veneto (-11%) and Umbria (-6.5%), followed by Abruzzo, Trentino-Alto Adige, Piedmont and Emilia Romagna. At a national level, it is increased the average size of farms, from 26.6% hectares to 28.7 hectares. Just a few regions (Piedmont, Trentino Alto Adige, Friuli Venezia Giulia, Emilia Romagna and Umbria) have experienced an opposite phenomenon. On the whole, also the sector's operators have increased compared to 2012 (+5.4%), thus continuing to represent the highest number in Europe (52,383). As in the past years, they are mainly located in the southern regions (58%), with Sicily, Calabria and Puglia standing at first places. Nevertheless, only in Sicily it has

Organic livestock farms (n.), 2013

	2013	% change 2013/12
Piedmont	343	1.5
Valle d'Aosta	52	-3.7
Lombardy	226	-1.7
Liguria	99	-2.9
Trentino-Alto Adige	118	-72.9
Veneto	153	-15.0
Friuli-Venezia Giulia	44	4.8
Emilia-Romagna	661	-0.2
Tuscany	480	1.3
Umbria	121	-6.9
Marche	221	-28.9
Lazio	805	5.1
Abruzzo	40	-25.9
Molise	0	-100.0
Campania	57	-1.7
Puglia	114	-2.6
Basilicata	197	6.5
Calabria	307	-6.4
Sicily	2,407	38.7
Sardinia	1,588	5.2
ITALY	8,033	4.1

Source: SINAB

Organic area and area under conversion by crop (ha), 2013

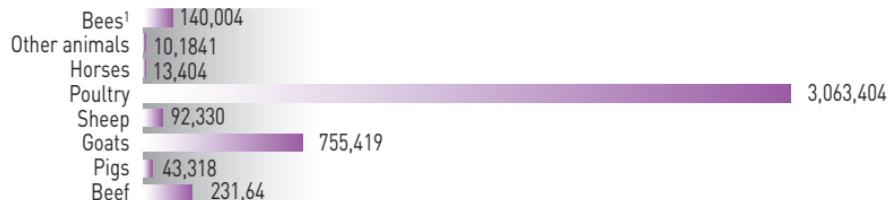


Source: SINAB

been detected a sizeable increase (+25%), whereas in Calabria there has been a contraction of 0.5%. Considerable increases, but nonetheless inferior to 10%, have been detected in Marche (+7.7%), Trentino-

Alto Adige (+7.3%) and Piedmont (+5.2%), whereas the operators have decreased mainly in Abruzzo (-6.6%), and in a lesser extent, in Lazio (-2.5%), Basilicata (-1.2%) and Umbria (-1%).

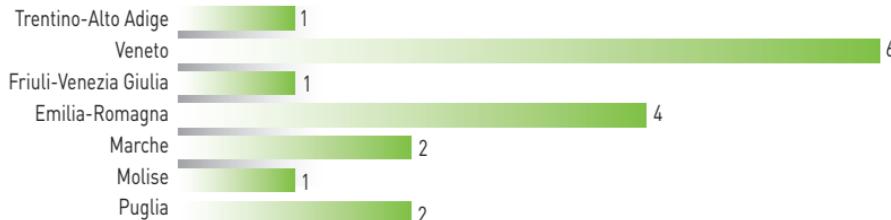
Animals raised with organic method (n.), 2013



¹ Number of hives

Source: SINAB

Firms of organic aquaculture (n.), 2013



Source: SINAB

The greatest number of processors (exclusive processors and mixed-processors) work in the North (41.1%), mainly in Emilia Romagna, Lombardy and Veneto.

In 2013, the organic livestock farms are increased by 4.1%, with Sicily and Sardinia representing 49.8% of the national total. In an upward trend are the so-called categories "other animals" (+635%), horses (+38.7%), goats (+15.9%) and bovines (+13.6%).

The organic aquaculture is practiced by 17 firms (of which 12 located in the northern regions), four less than in 2012.

The market

In 2012, according to the estimates released by Organic Monitor, the value of the worldwide organic market amounted to 63.8 billion US dollars (+1.4% compared to 2011). The northern America represents 49.4%, whereas Europe 45.5% like the US, which are characterized by a remarkable increase of the turnover related to the

organic foods and products (+10.3% compared to 2011).

In Europe, the market is increasing by 6% compared to 2011, thus reaching 22.8 billion euro (data provided by Organic Data Network and FIBL-AMI). In the EU the turnover has reached 20.9 billion euro, of which 7 relating to Germany (30.8% of the EU organic turnover), followed, as occurred in 2010, by France with 4 billion euro and by the UK (1.95 billion euro). The European countries with the highest consumption of organic products, per capita/year, are Switzerland (189 euro), Denmark (159) and Luxembourg (143), whereas in Italy the value has dropped to 31 euro.

On the whole, the value of the Italian market, in 2012, has reached 1.9 billion euro, which rises to 3.1 billion euro considering also the value of the exports, thus placing itself to 4th place among the EU countries, with an incidence on the community turnover of 9% in relation to the organic foods and products (IFOAM).

In 2013, it continues the positive trend of the purchasing of packaged organic products, sold by the large-scale retail trade. According to ISMEA, this type of products is increasing by 6.9% compared to 2012, with a particular growth for the purchasing of vinegars (+19.8%), biscuits, sweets, snacks (+18%) and eggs (+16%).

To a lesser extent have influenced the increases of pasta, rice and bread substitutes (+10.3%), fruit and vegetables both fresh and processed (9.3%), sugar, coffee and tea (+6.6%), and drinks (+5.1%). In a sharp downward trend are, instead, the baby foods (-16.2%), whereas there is a lesser reduction for the meats both fresh and processed (-1.5%), and for the dairy products (-0.9%). In particular, the consumption of fruit and vegetables and dairy products, along with eggs and pasta, rice and bread substitutes represent 71% of the consumption of organic foods and products purchased by families at the large scale retails.

AGRO-FOOD CERTIFICATION

Despite the difficulties triggered by the short-term crisis, the firms of the agricultural and food sectors continue to foster the demand for quality certifications, in order to differentiate their products and increase the selling perspectives on the

foreign markets.

An in-depth analysis of the certification systems, which are most used in the agricultural and agro-food sectors relating to the standard ISO 9001, has highlighted, in 2013, a reduction of 14% for the agricul-

tural farms and of 4.5% for the agro-food firms, compared to an overall reduction of 0.5% suffered by all the sectors. Also for the environmental certification, in compliance with the standard ISO 14001, there has been a decrease of 6% for the agricul-

Agricultural and agro-food businesses with management systems certified for quality and environment in Italy, 2013

	ISO 9001			ISO 14001		
	n.	% to tot.	% change 2013/12	n.	% su tot.	% change 2013/12
Agriculture (crops, livestock) ¹	233	0.2	-14.3	75	0.5	-6.3
Food	3,488	2.8	-4.5	658	4.2	-5.5
Total	124,615	-	-0.5	18,738	-	9.2

¹ Includes nurseries and businesses operating in planning the maintenance of agricultural and forest parks, and reclamation of land

Source: processing of ACCREDIA figures

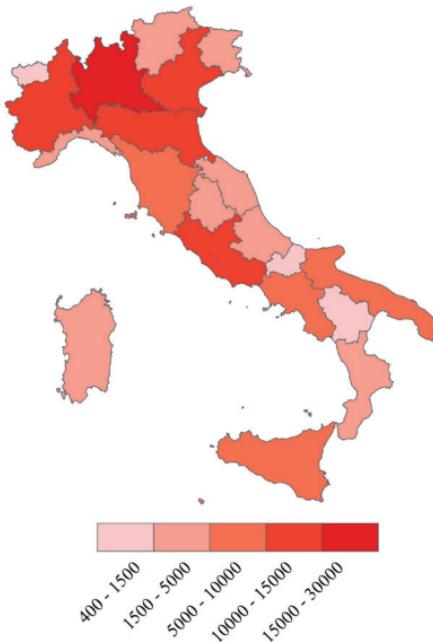
Number and forestry areas by type of certification*

	FSC			PEFC		
	n. certificates	tot. Certified hectares	% change 2012/14	n. certificates	tot. Certified hectares	% change 2012/14
Forestry certification	-	52,102	-0.1	-	768,689	-0.01
CoC certification	1,445	-	0.7	803	-	0.8

* Values updated to May 2014

Source: FSC Italia and PEFC Italia

Share of national territory of production sites with ISO 9001 and ISO 14001 certifications, by region – 2013



Source: processing of ACCREDIA figures

tural sector, and of 5.5% for the agro-food sector (+9%, on the contrary, for the total of all the productive sectors).

It has been strengthened the introduction of new sustainability certifications relating to the green-house gas emissions (UNI ENSO 14064-1), the energy management system (SGE), the evaluation of the life cycle of products (ISO 14040 LCA), the environmental declarations of product (DAP), the rules on the integrated production systems (UNI 11233) and the private certification schemes Global Gap, BRC and IFS. It is also worth pointing out the recent introduction of the Water Footprint, which certifies the water incidence, that is to say the total consumption of water in a specific productive process. Many are, in

fact, the experiences of voluntary certifications implemented by the agro-food firms, belonging mainly to the dairy sector. It has been also strengthened the sustainability certification concerning the fishery sector, such as the Friend of the Sea to certify the fishing. It has been also confirmed the importance of the international standard for the social and ethical certification, SA 8000, in the agricultural and agro-food firms, whereas, regarding the forestry certifications, in the three-year period 2012-14, there has been a slight decrease in terms of certified forestry surface, nevertheless counterbalanced by an increase in the traceability certifications of the raw materials coming from the certified forests.

NATIONAL QUALITY SYSTEMS

The system of national quality for the integrated production

The Law n. 4/2011 "Provisions for the labelling and the quality of food products" has established the System of national quality for the integrated production (SQNPI), aiming at "ensuring a quality of the final product significantly higher than the actual commercial rules". The national guidelines for the integrated production of the crops – phytosanitary defense and weed control – have been approved by the technical/scientific System, established at the Ministry of Agriculture, Food and Forestry. It has been defined as "integrated production", the production system using all productive means and defense of the agricultural productions, aimed at reducing the use of synthetized chemicals and at rationalizing the fertilization, in compliance with the ecological, economic and toxicological principles. The technical rules, and the related disciplinary, are defined

Regions having approved the procedural guidelines for 2014

	Regional procedural guidelines 2014	
	integrated defence	agronomic techniques
Piedmont		
Valle d'Aosta	x	
Lombardy		x
Bolzano		
Trento	x	
Veneto	x	
Friuli-Venezia Giulia	x	
Liguria		
Emilia-Romagna	x	
Tuscany		
Umbria		
Marche	x	x
Lazio		
Abruzzo		
Molise	x	
Campania	x	
Puglia		
Basilicata		
Calabria	x	
Sicily		
Sardinia	x	

Source: National Rural Network



SISTEMA DI QUALITÀ NAZIONALE
PRODUZIONE INTEGRATA

by the single regions, in compliance with the national guide lines, and therefore modulated according to the respective geo-climatic conditions.

At the current state, 10 regions have approved the regional disciplinary related to the integrated defense, and 2 regions the disciplinary related to the agronomic techniques. The system will be implemented by the end of 2014.

In order to identify the products realized in compliance with the system, the Ministry of Agriculture, Food and Forestry has established a special brand, and it has dictated the related Rules of Use, thus transferring the controls to public designated authorities, or to the private and recognized entities for the control and certification.

The system of the national animal husbandry quality

The Decree 4th March 2011, sanctioned by the Ministry of Agriculture, Food and Forestry, regulates also the “System of the national animal husbandry quality”, which will be adopted for the products of livestock origin, characterized by superior quality features than the marketing rules or the minimum requirements es-

tablished by the community and national legislation. The minimum requirements expected by the disciplinary concern the feeding and the livestock conditions. At the current state, 4 petitions have been submitted, that is to say those for the “Vitellone and/or Scottona ai cereali”, “Vitello al latte e cereali”, “Carne di Bufalo Alta Qualità”, and “Fassone Piemontese” of the bovine race from Piedmont.



AGRICULTURAL POLICY

CAP IN ITALY: 1ST PILLAR

The financial endowment allocated to Italy in 2013 for the maintenance of the actual scheme of the direct payments has remained unchanged over the previous year, and it amounts to about 4,380 million euro. 96% of this sum is earmarked to the scheme of single payment. The remaining sum represents the endowment for the coupled and decoupled payments of the measures expected by the art. 68, to whose financing do contribute also the unused funds, for an amount of little less than 145 million euro. From 2013, have no longer been allocated the payments for the prunes for the processing, the last of the fruit and vegetable products for the industry in becoming totally decoupled, after tomatoes and citrus. The modulation rate is equal to 10% for the sum of aid exceeding 5,000 euro, whereas for the sum exceeding 300,000 euro, it amounts to 14%. The year 2013 puts an end to the transient phase of the implementation of the Fischler Reform, and to the transition process of the decoupled aid to the production. Still in force are some livestock

Budgetary ceiling for the implementation of the single payment scheme in Italy (000 euro), 2013

- Ceiling for the single payment scheme	4,202,935
- Art. 68 reg. 73/2009 - decoupled aid	169,000
- Art. 68 reg. 73/2009 - coupled aid	152,950
- Art. 69 reg. 73/2009 - unused funds available from art. 68	144,900
National ceilings (all. VIII reg. 73/2009)	4,379,985
National ceilings net of modulation (all. IV reg. 73/2009)	4,127,800

Source: Regulations (EC) n. 934/2013 and n. 73/2009.

awards, such as those for the suckler cow and to the goat and sheep sector, which are not allocated in Italy, as well as the national aid to the shell fruits which in Italy can reaches 120.75/euro/hectare in the setting of a maximum ensured surface, at a community level, of 829,129 hectares.

As far as the art. 68 of the reg. 73/2009 is concerned, in 2013, only the sugar enjoys the full payment of the aid. Its economy of expenditure (little less than 3.8 million euro) has been reallocated in the setting of

the other products, which enjoy the measure in favor of the quality improvement, and which have exceeded the related plafond. Nevertheless, during the year there has been a general reduction of the recognized unitary aid, compared to those theoretically available.

The greatest contraction has been experienced by the tobacco, mainly for the general one and for the variety "Nostrano del Brenta". Remarkable decreases have affected also the olive oil, milk and the cut-

Application of art. 68 of Regulation (EC) n. 73/2009 in Italy, 2013

Sectors involved	Quantities admitted for aid	Aid granted	% change compared to theoretical aid
PAGAMENTI ACCOPIATI (miglioramento della qualità)			
Beef			
- LG primiparous cows	28,277 head	167.86 euro /head	-16%
- LG pluriparous cows	152,867 head	125.89 euro /head	-16%
- dual purpose cows	13,616 head	50.35 euro /head	-16%
- slaughtering and labelling	639,257 head	41.77 euro /head	-16%
- PGI slaughtering	17,456 head	75.19 euro /head	-16%
Sheepmeat and goatmeat			
- purchasing	1,564 head	180.09 euro /head	-40%
- fencing	8,675 head	42.02 euro /head	-40%
- slaughethering	718,961 head	9.00 euro /head	-40%
- flock expansion	526,621 head	6.00 euro /head	-40%
Olive oil			
	31,859,560 kg	0.2904 euro /kg	-71%
Milk			
	8.075.625 t	5.09 euro /t	-66%
Tobacco			
- generic	48,175,006 kg	0.4375 euro /kg	-78%
- Kentucky	784,344 kg	1.264 euro /kg	-49%
- grown in Italy	46,543 kg	0.7891 euro /kg	-80%
Sugar			
	39,832 ha	400 euro /ha	-
Danae racemosa			
	222.69 ha	6,925.29 euro /ha	-54%
DECOPLED PAYMENTS			
Crop rotation	1,042,779 ha	94.9 euro /ha	-5%
Aid for insurance policy premiums on harvests, livestock and plants	147,188,333 euro	56%	-

Source: AGEA circular n. ACIU.2012.262

off branches (*danae racemosa*). Only the cow meat has registered a lighter decrease (-16%) of the expected awards, in line with the trend of the previous years. The award for the alternation has suffered a decrease of 5%, whereas in the case of insurances on the crop, despite the co-presence of the national co-financing and the financial Law, the resources have not been enough to guarantee the maximum contribution to the expenditure faced by the farmers, thus reaching 56% (instead of 65%) of the amount admitted for each insurance.

In terms of market measures, the 2013 National Plan for the support to the wine sector has had a financial endowment of about 337 million euro. The resources allocated to the Regions have amounted, instead, to 272 million euro. The difference is represented by the measure for the insurances on the crop (20 million euro), by the measure for the distillation of the sub-products (15 million euro), whose funds are not pre-emptively distributed among Regions and by the national funds which integrate

EAGF spending by country, 2013*

	million euro	%	% change 2013/12		million euro	%	% change 2013/12
Austria	730.0	1.6	-2.1	Malta	5.7	0.0	39.0
Belgium	645.0	1.4	1.6	Netherlands	905.6	2.0	3.3
Bulgaria	537.5	1.2	78.2	Poland	3,184.5	7.0	25.5
Cyprus	50.2	0.1	19.2	Portugal	769.4	1.7	2.6
Denmark	946.0	2.1	-1.3	UK	3,331.3	7.4	1.4
Estonia	95.4	0.2	27.9	Czech Rep	838.1	1.9	25.6
Finland	541.5	1.2	8.6	Romania	1,206.8	2.7	56.9
France	8,601.9	19.0	-1.7	Slovak Rep	363.5	0.8	21.9
Germany	5,355.1	11.8	-3.0	Slovenia	138.8	0.3	33.0
Greece	2,346.2	5.2	5.3	Spain	5,935.4	13.1	2.2
Ireland	1,258.0	2.8	-3.9	Sweden	701.9	1.6	-0.5
Italy	4,662.3	10.3	-1.8	Hungary	1,272.0	2.8	19.6
Latvia	148.4	0.3	32.5	EU	307.2	0.7	-15.8
Lithuania	357.2	0.8	28.5				
Luxembourg	34.3	0.1	-0.9	TOTAL EAGF	45,269.1	100.0	4.1

*2013 provisional

Source: EU Commission

the promotion measure on third markets (little less than 30 million euro of national share). 43% of the overall national endow-

ment has been allocated to the measure of reconversion and reorganization of the vineyards, 25% to the promotion on the

third markets, 21% to the investments, 6% to the insurances and 4% to the distillation of the sub-products. Compared to 2012, there has been an increase in the share of resources to be allocated for the promotion and, mainly, for the investments, also due to the highest funds available from the end of the aid scheme for the enrichment of the musts, and for the distillation of the alcohol for edible consumption. The funds for the green grape harvesting have been sharply reduced, thus falling down below 1%. Sicily continues to maintain the record in the allocation of resources, with a share of 20%, half of which addressed to the investment measure (38% of the national resources for this measure). In terms of reconversion and reorganization of the vineyards, most of the resources has been allocated to Puglia (16%), whereas the regional funds for the promotion have been mainly grabbed by Tuscany and Veneto (18% each).

The national production of milk, for the 2013/14 campaign, did not reach 10.8 million tons, thus remaining below the national

quantity of reference, for the 5th campaign in a row. Lombardy is the greatest producer (little less than 42% of the total), followed by Emilia-Romagna (16%) and Veneto (10%).

EAGF

In 2013, the community expenditure allocated by EAGF in Italy has reached 4,662.3 million euro, 10.3% of the community total, down by 1.8% over 2012. The most important expenditure item concerns the direct payments, which have an incidence of about 85%. Among these, the most remarkable item is represented by the decoupled payments of the unique payment scheme, which has an incidence of little less than 10% on the community expenditure for such intervention.

The remaining share of the expenditure is represented by the interventions on the agricultural markets, representing in Italy still a sizeable incidence (15%), so as to represent 22% of the expenditure allocated by the EU for such an item. In particular, the most remarkable funds in our country

EAGF spending by category of measure, 2013*

	Italy		EU		Ita/EU
	million euro	%	million euro	%	
Agricultural market measures	701,4	15,0	3.193,2	7,1	22,0
- Export refunds	4,4	0,1	57,5	0,1	7,7
- Storage	0,0	0,0	24,4	0,1	0,0
- Food programs	97,2	2,1	491,5	1,1	19,8
- PO fruit and vegetables	206,7	4,4	726,8	1,6	28,4
- National support programmes for the wine sector	324,4	7,0	1.046,4	2,3	31,0
- Other	68,7	1,5	846,7	1,9	8,1
Direct aid	3.959,6	84,9	41.658,3	92,6	9,5
- decoupled direct payments	3.832,2	82,2	38.842,1	86,3	9,9
- Other direct aid	127,4	2,7	2.816,0	6,3	4,5
- Modulation refund	-	-	0,2	0,0	-
Other measures	1,3	0,0	144,6	0,3	0,9
Spending for agricultural and rural development¹	4.662,3	100,0	45.002,7	100,0	10,4
Other spending			266,4		
TOTAL EAGF	4.662,3		45.269,1		

*2013 provisional

¹ Including administrative expenditures

Source: EU Commission

are those funds allocated for the supporting program for the wine sector (324 million euro), and those funds financing the opera-

tive programs in the fruit and vegetable sector (about 207 million euro).

CAP IN ITALY: 2ND PILLAR

In 2013, the overall public subsidy allocated by the Italian RDPs has amounted to 2,502 million euro, with a share of resources charged on the UE Budget equal to 1,284 million euro, thus bringing the national financial exposure to 73% of the total EAFRD funds allocated for the entire programming period.

While waiting for the outcome of the ongoing controversy with the European Commission, which could lead Basilicata to the repayment of about 6 million euro to the community cash registers, even in 2013 all of the Italian rural development programs have managed to meet the expenditure target established for this year.

Still persist the regional differences, in terms of management capacity, which could automatically impede some RDPs: in fact, compared to the 95.4% of the autonomous Province of Bolzano, Campania with 65.7% runs the risk to not use the entire plafond of resources allocated by Brussels.

RDP 2007/2013 - Progress in public spending

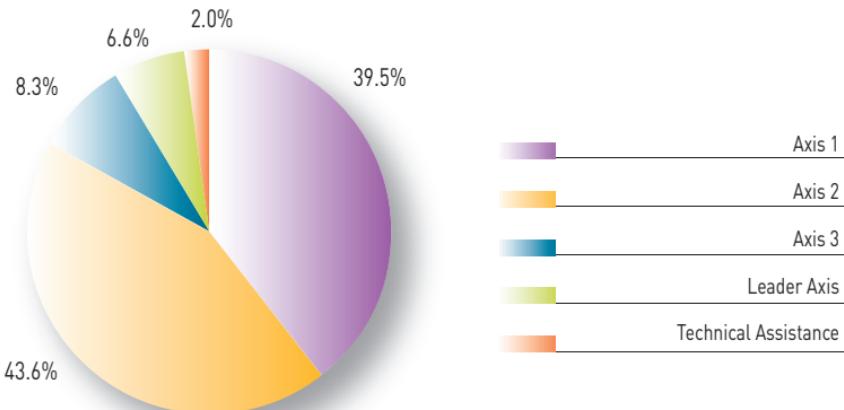
Region	Programmed EAFRD	Total EAFRD payments	% Spending progress
Piedmont	442,019,000	314,942,862	71.3
Valle d'Aosta	56,108,000	43,202,287	77.0
Lombardy	471,110,000	394,443,663	83.7
Liguria	114,621,000	80,938,397	70.6
A.P. Trento	108,566,000	94,101,855	86.7
A.P. Bolzano	148,205,000	141,340,636	95.4
Veneto	478,155,000	353,020,373	73.8
Friuli Venezia Giulia	119,774,000	87,389,895	73.0
Emilia Romagna	527,819,000	370,645,257	70.2
Tuscany	388,956,000	274,761,960	70.6
Umbria	353,613,000	258,613,942	73.1
Marche	217,609,000	154,600,282	71.0
Lazio	315,419,000	218,560,431	69.3
Abruzzo	192,572,000	126,400,210	65.6
Molise	92,959,000	66,295,255	71.3
Sardinia	571,596,000	410,643,059	71.8
Total competitiveness	4,599,101,000	3,389,900,364	73.7
Campania	1,110,774,000	730,088,677	65.7
Puglia	927,827,000	653,384,859	70.4
Basilicata	384,627,000	264,585,479	68.8
Calabria	650,151,000	471,787,248	72.6
Sicily	1,271,842,000	926,575,090	72.9
Total convergence	4,345,221,000	3,046,421,354	70.1
National Rural Network	41,459,883	29,996,985	72.4
Total Italy	8,985,781,883	6,466,318,703	72.0

Source: MIPAAF figures at December 31, 2013

By analyzing the distribution of the public expenditure between the Axes, almost 40% of the total is concentrated in the Axis I, with a volume in payments of about 990 million euro. Within this Axis, the measures aimed at restructuring and developing the physical capital and promoting the innovation have represented more than 83% of the total, with a clear prevalence of the investments in the agricultural farms and forestry firms (about 503 million euro), and of the investments for the processing and marketing of products (134 million euro).

Ever more contained, compared to the previous years, is the expenditure realized with the measures aimed at promoting knowledge and developing human capital, with little more than 122 million euro totally allocated (12% of the total of the Axis I); furthermore, without taking into account the reduced volume of the awards for the first settlement of the young farmers (72 million euro), the

Distribution of public spending by axis, 2013



Source: MIPAAF.

relating expenditure exceeds little more 5% the total Axis I. Even more modest are the payments for the measures aimed at improving the quality of production and of the agricultural products (less than 3%), which are among the types of

intervention less attractive for the operators, because of their expensive costs compared to the benefits.

The public subsidy allocated by the Axis II has amounted to 1,090 million euro, with an incidence of 43.5% on the total

national public expenditure. In this context, about 83% of the subsidies concern the measures aimed at promoting the sustainable use of the agricultural lands, where the agro-environmental interventions represent more than 51% of the entire Axis, with payments amounting to 558 million euro. Among the measures for the sustainable use of the forestry surfaces, which represent the remaining 17%, the most appreciated interventions are represented by the measures for the re-establishment of the forestry resources, and by the preventive measures, with an expenditure of 48 million euro. Also the forestry measures have not fulfilled the national expectations, thus show-

ing overestimated financial endowments which are often binding to the programming choices imposed by the actual rule. For the Axis III, the public expenditure realized has amounted to little more than 8% of the annual total, with a volume of payments of about 207 million euro. Compared to the previous years, there is a substantial balance between the measures aimed at diversifying the rural economy and the measures aimed at improving the quality of life of the rural population. Noteworthy are the interventions aimed at diversifying the non-agricultural activities which, with an amount of about 83 million euro, represent more than 40% of the total Axis. Still in delay

are, instead, the interventions for the development of the broadband in the rural areas, which register a total expenditure of about 40 million euro.

At last, worthy of note is the slow and continuous improving of the performance detected in the Leader Axis, whose public expenditure, of 165 million euro, gets close to the 7% of the 2013 total. The difficulties faced by all of the RDPs in the implementation of the measures, requiring a strong public intervention, are partially justified by the restriction of the Stability Pact which did not allow the public entities to benefit immediately of the necessary cash to deal with the interventions expected.

REGIONAL SPENDING

The analysis of the figures on the expenditure of the regional balances has highlighted, for the year 2011, a total amount of payments for the agricultural sector equal to little more than 3.2 billion euro, with a slight increase over the previous year, compared to a percentage incidence of 11.7% of the payments to the sector on the national value added.

Except for the slight national average increase, most of the regions has experienced a decrease in the expenditure due to the balance restraints dictated by the Stability Pact and by the recovery measures of the public finance. Valle d'Aosta, Sicily, Bolzano, Sardinia, Puglia, Marche, Veneto, Emilia-Romagna have shown, on the contrary, an increase over the previous year, as a consequence of the closing-phase of the RDP 2007/2013.

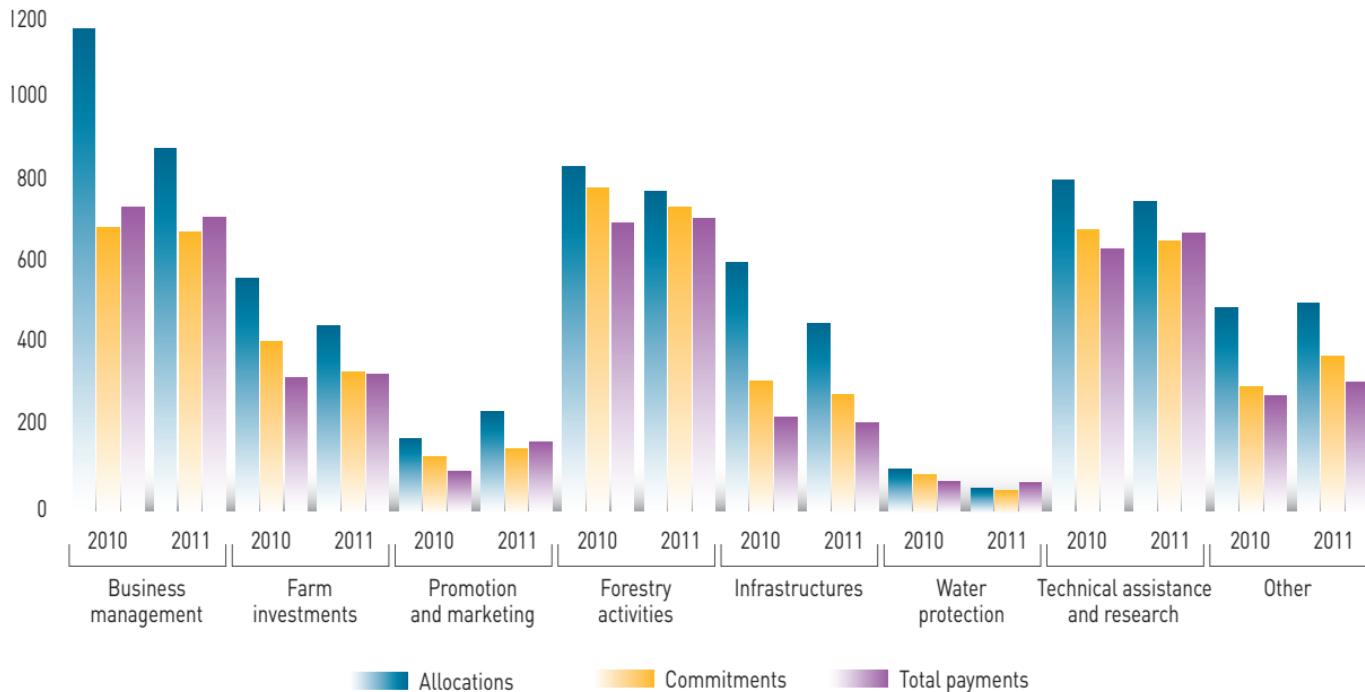
By analyzing the expenditure by type of interventions, it is observed that the most significant share of the total payments is

Share of regional payments for agriculture to total regional payments, 2011

	Total payments for agriculture (million euro)	Total payments from budget (million euro)	Share agricultural payments/total payments (%)
Piedmont	99	11,144	0.89
Valle d'Aosta	70	3,091	2.26
Lombardy	322	38,837	0.83
A.P. Bolzano	184	8,500	2.17
A.P. Trento	103	7,600	1.36
Veneto	134	13,700	0.98
Friuli-Venezia Giulia	63	6,700	0.94
Liguria	10	4,877	0.21
Emilia-Romagna	76	12,771	0.60
Tuscany	77	11,185	0.69
Umbria	28	2,822	0.99
Marche	39	4,357	0.90
Lazio	44	15,992	0.28
Abruzzo	74	5,032	1.48
Molise	23	1,478	1.53
Campania	150	26,466	0.57
Puglia	101	10,574	0.96
Basilicata	84	1,820	4.62
Calabria	329	5,202	6.33
Sicily	1,026	13,930	7.37
Sardinia	260	7,232	3.59

Source: INEA data bank on regional spending for agriculture

Regional spending for agriculture by economic-functional destination (million euro)



Source: INEA data bank on public spending for agriculture

Payments to the agricultural sector and % incidence on the regional VA, 2011

	Million euro	%
Piedmont	99	5.9
Valle d'Aosta	70	151.5
Lombardy	322	10.3
Liguria	10	2.0
Bolzano	184	25.5
Trento	103	22.3
Veneto	134	5.4
Friuli-Venezia Giulia	63	13.7
Emilia-Romagna	76	2.6
Tuscany	77	4.2
Umbria	28	5.7
Marche	39	6.7
Lazio	44	2.7
Abruzzo	74	11.9
Molise	23	8.9
Campania	150	6.4
Puglia	101	4.4
Basilicata	84	16.4
Calabria	329	25.6
Sicily	1,026	36.2
Sardinia	260	27.8
Italy	3,299	11.7

Source: INEA data bank on regional spending for agriculture

allocated to the support measures, to the firm management and to the forestry activities. These items, along with the measures financing the technical assistance and research, cover more than 2/3 of the regional expenditure. The firm investments cover about 10% of the total expenditure, followed by the investments for the infrastructures with about 7%.

The incidence of the payments for the agricultural sector on the total payments of the balance sheet of each Region, has showed

how the agricultural spending is quite modest and it never exceeds the threshold of 8% for 2011. Sicily shows the highest incidence (7.4%), followed by Calabria (6.3%), Basilicata (4.6%), Sardinia (3.6%) and Valle d'Aosta (2.3%), whereas many regions, which play an important role in the national agricultural sector, are characterized by a decisively more contained incidence of the regional agricultural spending (as in the case of Lombardy, Emilia-Romagna, Tuscany, Campania, Puglia).

In 2013, the Government's actions, in the agricultural field, have concerned:

1. Measures aimed at favoring the growth and competitiveness of firms, through the implementation of interventions aimed at simplifying the relating fulfillments, by promoting new investments and stimulating the creation of new firms;
2. Measures aimed at promoting the products of the short supply chain and the organic products, and measures aimed at re-launching the wine sector;
3. Measures aimed at promoting food safety, and at facing the environmental emergencies;
4. Measures aimed at promoting the employment, mainly of the young people, also through the simplification of the relative rules, and measures aimed at fighting the irregular employment;
5. Fiscal measures aimed at, on the one side, at reducing the taxes on the firms and, on the other side, at in-

creasing it through the implementation of new levies, the worsening of the existing taxes or the revision of the procedures to establish the basic enforceable taxes.

Some of these measures represent the implementation of the action plan for the Italian agro-food sector, launched by the Government on the 2nd May 2014, and called "Campolibero".

1. Measures aimed at favoring the growth and competitiveness of firms

The Law 9 August 2013, n. 98:

- has further decontrolled the direct selling by the farmers, already subjected to control, thus establishing that both the products obtained from the cultivations or rearing as well as the derived products, both can be sold during festivals, fairs and events, without any prior communication, whereas for the e-commerce, the selling can be initiated suddenly after the sending of the com-

munication to the municipality.

- has established the access to loans and grants with a subsidized rate in favor of the micro, small and medium-sized firms, also for the agricultural sector and fishing sector, for a maximum duration of 5 years, aimed at purchasing plants, machinery and equipment for a productive use.

The Law 27 December 2013, n. 147 – Stability law 2014:

- has allocated to the young people, under 40 years old, the rental of the 20% of the state-owned agricultural lands. Furthermore, it has established that the access to the market of the capitals, managed by ISMEA through the capital fund risk, is firstly allocated to the agricultural and agro-food firms run by young people.
- has established an allocation in favor of the revolving fund for an amount of 50 million euro in 2014, in order to grant

funding at a subsidized rate to the export firms, reserving 40% to the agro-food firms.

- It is expected a re-financing of the Law 499/99 in order to enhance the re-launch of the agricultural sector, thus ensuring the realization of the initiatives in the agro-food field related to the Expo Milan 2015, as well as the participation to the event.

The Law 16 May 2014, n. 78:

- has established, in the art. 4, the substitution of the Single Insurance Contribution Payment Certificate (Italian "DURC") with a new simplified procedure of consultation of the databank of some institutes, such as INPS, INAIL, Casse edili, etc., whose outcome will have an effectiveness of 120 days.

The Decree Law 24 June 2014, n. 91:

- has established, in the art. 3, for 2014 and for the two following years, a tax

credit amounting to 40% of the expenditures, not exceeding 50,000 euro, for new investments and for the realization and enlargement of informatics infrastructures aimed at strengthening the e-commerce. Furthermore, in order to boost the creation of new networks of firms, or to implement new activities by already existing networks of firms, the decree law has introduced a credit amounting to 40% and not superior to 400 thousand euro, for the expenses envisaged for the development of new products, practices, processes and technologies, as well as for the cooperation in the supply chain.

- has been instituted, in the art. 1 clause 1, a single register of controls on the firms, in order to simplify the agro-food controls and avoid duplication.

2. Measures aimed at promoting the products of the short supply chain and the organic products, and measures aimed at

re-launching the wine sector

The Law 8 November 2013, n. 128:

- has established the duty for the public structures, having as users children or young people up to 18 years old, of entrusting the canteen's services and the provision of foodstuff and agro-food products to the subjects who should ensure an adequate quota of the agricultural products coming from systems of short supply-chain and from organic sector.

The Decree Law 24 June 2014, n. 91:

- has envisaged a series of disposals in favor of the wine sector, thus modifying the discipline of the wine CMO (Common Market Organization).

3. Measures aimed at promoting food safety, and at facing the environmental emergencies

The Law 6 February 2014, n. 6:

- has established the crime of the illegal

burning of waste, by punishing it with imprisonment from two to five years, introducing the obligation for the controller to restore the condition of the places, and pay the environmental damages and the costs for remediation.

- has established, in the art. 1, that INEA carries on an analysis on the prospects for the sale of food products belonging to the areas of the land of fires, by checking the main dynamics of the relation between the effective quality of the food products and the quality perceived by the consumer, thus developing a model that identifies the features appreciated by the consumer in the choice of an agro-food product.

The Law Decree 24 June 2014, n. 91:

- established, in the art. 4, that the buffalo breeders, processors and brokers of buffalo milk are obliged to adopt, in their activities, appropriate arrangements to ensure the detection and tracking of

the milk produced, the quantity of milk processed and the amount of product resulting from the transformation of buffalo milk used for the production of the mozzarella Bufala Campana PDO.

4. Measures aimed at promoting the employment

The Law 9 August 2013, n. 99:

- has introduced, in the art. 9 clause 1, the hiring of network. The disposition is applied to the joint hiring of employees for the performance of work in the agricultural firms belonging to the same group, referred to in paragraph 1 art. 31 Leg. Decree n. 276/2013, or in any way related to the same owner or to entities linked by a bond of consanguinity, or affinity within the third degree, as well as to workers operating at firms linked by an hiring of network, when at least 50% of them are agricultural firms.
- It is expected, in the art. 7 clause 5, that

the employers, who are not obliged to hire, at permanent and full time, people enjoying the ASPI benefit (former unemployment benefit provided by INPS), a monthly contribution equal to 50% of the corresponding monthly subsidy, which should concern the worker during the period of new jobs.

- The art. 2 clause 9 has extended until May 15th 2015 the deadline to benefit from the tax credit for hiring, thus increasing employment in the firms located in the South, and favoring the disadvantaged or severely disadvantaged workers, according to the definition provided by the rule (EU) n. 800/2008.
- has established, in the art. 7B, the stabilization, or rather the transformation in employees at permanent job all the associated in participation who provide work.

The Law 21 February 2014, n. 9:

- has partially modified some of the pro-

visions on penalties for the undeclared employment, providing for an increase of 30% of the additional amounts expected for the revocation of the suspension of business. For the violation of the rules on working hours the administrative penalties are doubled.

The Decree Law 24 April 2014, n. 66:

- has introduced, from May 2014, the bonus of 80 euro in favor of workers or similar with a total income of not less than 8,000/year and not superior to 24,000, along with a bonus, gradually lower, for those having an income exceeding 24,000 euro but, nevertheless, inferior to 26,000.

The Law 16 May 2014, n. 78:

- has ruled the possibility to institute temporary working relationships, without cause, within a maximum of 36 months, by introducing a limit of 20% of temporary contracts, which every employer

may stipulate with respect to its staff. The new dispositions have established that the firms up to five employees may stipulate, at least, one temporary contract. In addition, the decree simplifies the rules concerning the apprenticeship, the previously existing confirmation of in-service trainees already in force for the recruitment of new apprentices, and the requirement of basic training. It has also been introduced an apprenticeship for the achievement of qualifications and diploma.

The Decree Law 24 June 2014, n. 91:

- has introduced, in the art. 5, an award for the recruitment to the employers who have hired people aged between 18 and 35, between July 1st 2014 and June 30th 2015, who do not enjoy of a regular paid job, for at least six months, and with no secondary school education. In order to claim the benefit, the contracts must be permanent with, at

least, a three-year lasting and, in this last case, ensure a minimum of 102 working days/year.

- has ruled, in the art. 6, the network of the quality agricultural job, which excludes the participating firms from the controls except for those relating to the health protection and safety in the workplaces. Every firms complying with the social security contributions, insurances and taxes, may become voluntary part of the network, and they must not have ongoing or closed proceedings because of the violation of the work legislation.

5. Fiscal measures

The Law 9 August 2013, n. 98:

- has established, in art. 32 clause 7 ter, that also the cooperatives, under the Law 240/1984, are entitled to obtain the contribution relief recognized to the disadvantaged areas or mountainous

areas, although the cooperatives do not operate in the territories subsidized, since they process, manipulate and sell products provided by the partners of the disadvantaged or mountainous areas, and this should be proportioned to the quantity of cultivated product or reared by the partners, also taking advantage of the agrarian contracts of associative nature.

The Law 27 December 2013, n. 147 – Stability Law 2014:

- has introduced the single municipal tax (IUC), consisting of: the single municipal tax itself (IMU) which is payable for the ownership of buildings, excluding the first residences; the tax for the indivisible services (TASI), to be paid both by the owner and by the user of the real estate; the tax on waste (TARI) in order to finance the service of collection and garbage disposal, charged to the users of real estates. The single municipal tax (IMU, clause 708) excludes the rural

buildings and the rural buildings aimed at carrying out the agricultural activity which are, nonetheless, subjected to the TASI (clause 678), whose tax rate can't exceeds 1 per thousand. The agricultural lands are, instead, subjected to the IMU, but they are exonerated from paying the TASI, whatever it is the juridical title of the owner, since it is expected by the further legislative decree of March 6th n. 16 (salvo Roma ter). The base taxable for the agricultural lands is calculated by applying a coefficient of 75 at the revalued cadastral income of 25%, provided that the land is owned by farmers and professional agricultural entrepreneurs registered with INPS. The new legislation ruled that the sum of the rates for the TASI and IMU can't exceeds the maximum share permitted by the law at December 31st 2013 (equal to 10.6 per thousand). For 2014, the maximum rate can't exceeds 2.5 per thousand.

- has ruled the reduction of the cost ac-

ident insurance that will be carried out by each single insurance management of the INAIL, in line with the level and trend in economic, financial, actuarial field of each sector, thus guaranteeing the insurance balance.

- has modified the contribution rate of the INPS separate management for 2014, in the art. 1 clauses 491 and 744, by raising it to 22% for those enrolled in the separate management who are already ensured with other forms of compulsory social security or pension holders. For all other subjects enrolled solely in the separate management, the rate is raised to 28.72%, whereas for the self-employed who have a VAT, the rate is confirmed to be at 27.72%.
- has reintroduced, in the art. 1 clauses 1093 and 1094, the option for the taxation on the income on a cadastral base for the agricultural firms.
- provides for the possibility, in the art. 1 clause 156, to revalue the purchasing value of the agricultural lands and

of the building lots, in order to reduce the capital gains arising from their future sell. The revaluation of the lands consists in taking into account, in the case of selling, the value determined by a sworn expert estimation and paying 4% of the appraised value as a substitute tax, instead of the cost or value of the original purchase.

- has restored the benefits in terms of transfer fees of agricultural lands in favor of direct farmers, professional agricultural entrepreneurs and agricultural firms, consisting in the application of registration taxes and mortgage at a fixed rate, and the cadastral rate of 1%. For the transfers involving only the agricultural lands, whatever it is the title of the buyer, the taxes decrease from 18% to 12%.
- has envisaged the possibility for the employers who hire permanent staff of deducting, from the IRAP base tax, the labor cost incurred for each new employee hired, for an amount of 15,000 euro.

This amount can't, however, exceeds the salary and other costs and expenses incurred by the employer, and it is possible to use them as an alternative to the deduction provided for the employment of apprentices, disabled and researchers.

The Decree Law 24 April 2014, n. 66:

- has revised the tax procedure for the income arising from the production and sale of agro-energies, thus considering that the electricity produced by the farmer from renewable agro-forestry sources is no more productive of the agricultural income. Consequently, for these activities the income is determined arbitrarily, by applying the coefficient of profitability of 25% to the amount of the transactions subjected to VAT registrations.
- has envisaged the cut of the IRAP in favor of the agricultural firms, with the rate in decrease from 1.9% to 1.7%, beginning from the fiscal year 2014. The

decree establishes, furthermore, that will be identified, starting from 2014, the municipalities exempt from IMU, providing a possible diversification among the lands owned by direct farmers and professional agricultural entrepreneurs enrolled in the agricultural social security and everyone else.

The Decree Law 24 June 2014, n. 91:

- has envisaged, in the art. 5, starting from the fiscal year following December 31st 2013, and after authorization by the European Commission, the application to the extent of 50% of IRAP deductions, currently recognized to permanent workers, including seasonal workers employed in agriculture for at least 150 days/year and with a contract lasting of not less than 3 years. The base amount for detraction amounts to 3,750 euro, and 6,750 euro for women and young people.
- has established at the art. 7, and in compliance with the rule de minimis, a

detraction of 19% of the expenditures incurred for the rent of agricultural lands, within a threshold of 80 euro per each hectare rented, and up to a maximum of 1,200 euro/year, in favor of the direct farmers and of the pro-

fessional agricultural entrepreneurs, enrolled in the agricultural social security, and aged less than 35 years.

- has ruled that the revaluation of the incomes of the lands for all the taxpayers is equal to 30% in 2015 and to 7% in

2016, and no longer of 15%, whereas, only for the direct farmers and professional agricultural entrepreneurs, the revaluation, in 2015, amounts to 10% and no longer to 5%.

The main regulatory measures in 2013/2014

Law	Content
Law 9 August 2013, n. 98	Converted into law with amendments of the decree of June 21st 2013, n. 69, on "Urgent provisions for the economy recovery"
Law 9 August 2013, n. 99	Converted into law with amendments of the decree-law June 28th 2013, n. 76, on "First urgent provisions in order to foster employment, mainly of the young people, the social cohesion, as well as measures in the field of VAT, and other urgent financial measures".
Law 8 November 2013, n. 128	Converted into law with amendments of the decree-law September 12th 2013, n. 104, on "Urgent measures in the field of instruction, university and research".
Law 27 December 2013, n. 147 - Stability Law 2014	"Provisions for the identification of the annual and multi-year balance sheet of the State".
Law 6 February 2014, n. 6	Converted into law with amendments of the decree-law December 10th 2013, n. 136, on "Urgent provisions aimed at facing environmental and industrial emergencies, and at fostering the development of the related areas".
Law 21 February 2014, n. 9	Conversion into law of the decree-law December 23rd 2013, n. 145, Destinazione Italia on "Dispositions for the restraint of the fees on electricity and gas, for the reduction of the RC car bonus, for the internationalization, the development and digitization of firms, as well as measures for the realization of public works and EXPO 2015".
Decree Law 24 April 2014, n. 66	"Urgent measures for competitiveness and social justice".
Law 16 May 2014, n. 78	Conversion with amendments of the decree-law March 20th 2014, n. 34, on "Urgent provisions to foster the re-launch of the employment and simplify the fulfilment by the businesses".
Decree Law 24 June 2014, n. 91	"Urgent provisions for the agricultural sector, the environmental safeguard and the energetic effectiveness of the school and university constructions, the re-launch and development of firms, the restraint of costs on electricity fees, as well as provisions for the immediate definition of the fulfillment deriving by the European legislation".

NORTH-WEST

Piedmont
Valle d'Aosta
Lombardy
Liguria

NORTH-EAST

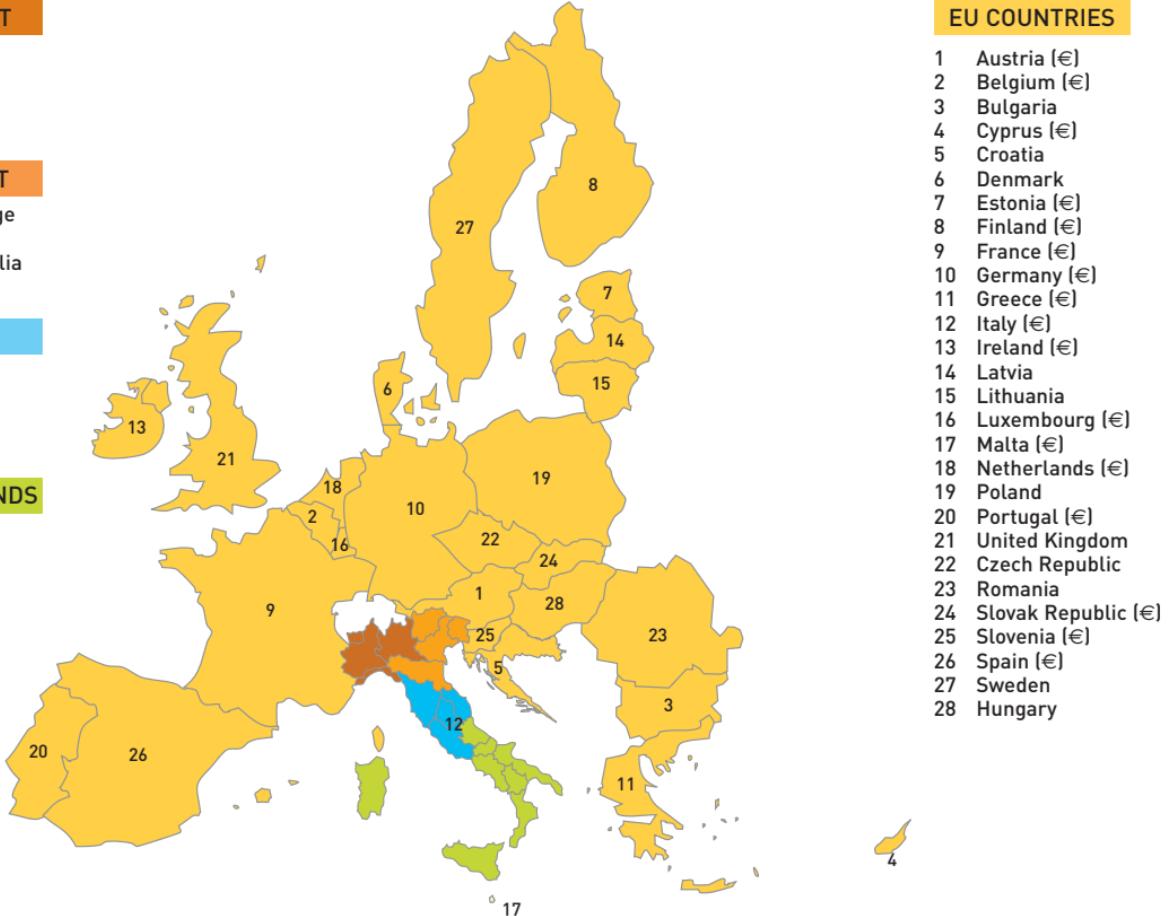
Trentino-Alto Adige
Veneto
Friuli-Venezia Giulia
Emilia-Romagna

CENTRE

Tuscany
Umbria
Marche
Lazio

SOUTH & ISLANDS

Abruzzo
Molise
Campania
Puglia
Basilicata
Calabria
Sicily
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