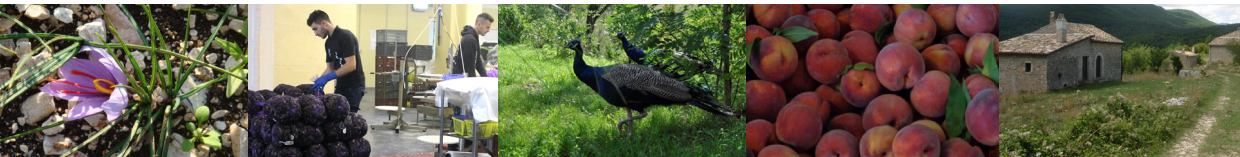


ITALIAN AGRICULTURE IN FIGURES 2015





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ROME, 2015

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The publication is available on the website: <http://www.crea.gov.it/publicazioni-scientifiche/>

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During the latest years, the Italian agricultural sector has assumed an important role also in the choices made by the national economic policy, thus involving no longer only the operators of the sector. This sector has finally succeeded in fulfilling the expectations, the ambitions and the commitment of over 1 million of Italian agricultural farms. There's no doubt that Expo Milan 2015 has represented an important occasion for showing how our agricultural model is steady. A universal exposition focused on the theme of the right to food and on the food security that has seen the Italian farmers, breeders and fishermen as main protagonists. Over 300 thousand people have brought their own daily experience to Expo; these are the people on whom we want to invest.

There are two types of data that well explain the state of the Italian agriculture: 16 thousand new jobs in the first semester of 2015, and 27 billion euro of agri-food export in 9 months. These numbers highlight not only a trend reversal but also an upward trend on

which Government is working since its settlement.

That is why, in the Stability law 2016, we have decided to earmark over 800 million euro to the growth of the agricultural sector, with a sizeable tax cut in favor of firms, which will be therefore able to invest and create new employment. There are, nevertheless, some tricky issues which still slow down the sector, starting from the need of a greater organization, of an improvement of the aggregation of the offer and an ever more needful strengthening of the safeguard of the producers' income, mainly when they are young.

We must provide useful answers to the young people who with courage invest their passion and competences in this sector. They choose this sector not so much as a return to the past, but rather in order to build a future, and it is not a case that the firms, run by people aged less than 40 years, are the most multifunctional firms with a tendency in generating a higher income. We are making a daily effort, along with them, in order to obtain a substan-

tial generational change which could lead to an increase from 5% to 8% of the share of the firms run by young people in our Country.

The booklet "The Italian Agriculture in figures" provides a tool for comprehending to what extent this challenge is important, also in numeric and economic terms. This 28th edition, edited by CREA which is engaged also in the agricultural economic analysis, confirms that this publication represents a quick and well-structured information tool on the trend of the Italian agri-food system.

This edition shows a significant novelty: a section entirely focused on the fishing sector. This sector has a sizeable importance in terms of production capacity – the Italian fishing fleet is among the most important of Europe – and of food procurement, in a correct relationship with the safeguard of the resources and of the marine ecosystem.

Minister of the Agricultural,
Food and Forestry Policies
Maurizio Martina



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ECONOMY AND AGRICULTURE

LAND AND POPULATION

The Italian territory extends for a maximum length of 1,200 kilometers, from Vetta d'Italia to Capo delle Correnti, and its total land area amounts to 302,073 square kilometers (excluding San Marino Republic and the Vatican City State). Mountains cover 35.2% of the national territory, while hills and lowlands cover respectively 41.6% and 23.2%.

In 2014, the protected land areas, included in the Rete Natura 2000, cover 19.3% of the national territory, thus ranking Italy over the EU-28 average (18.1% in 2013). The protected sea areas represent 3.7% of the territorial waters' surface area. In the period between 2008 and 2014 the surface area covered by protected areas, in Italy, has decreased from 20.6% to 19.3%. The highest share is located in the South, with 21.5% of protected surface area, followed by the Centre-North with 17.7%. The region with the highest share of protected territorial surface area is Abruzzo (35.7%), followed by Valle D'Aosta (30.3%) and the

Use of agricultural land (000 ha), 2013

	Italy	EU-28
Total surface	16,678	214,578
Utilised agricultural area	12,426	172,920
Arable crops	6,797	103,138
Cereals (%)	52.0	55.6
Dried legumes (%)	2.4	1.2
Potatoes (%)	0.8	3.0
Industrial plants (%)	5.7	11.6
Horticultural crops (%)	3.7	2.0
Flowers and ornamentals (%)	6.5	0.1
Rotating fodder crops (%)	28.8	19.2
	0.4	0.2
Agricultural woody crops	2,260	10,703
Vineyards (%)	28.1	28.6
Olive tree (%)	47.5	40.8
Citrus fruits (%)	5.7	1.0
Fruit crops (%)	17.2	29.0
Kitchen gardens	30	350
Permanent grasslands and pastures	3,339	57,945
Forestry surface	3,028	30,379
Not-utilised agricultural area	518	11,273
Other surface	707	480

Source: ISTAT-Eurostat, Farm structure 2013.

Autonomous Province of Trento (28.4%).

As of 31st December 2014 the total population, in Italy, amounts to 60,795,612, over 5 million of whom (8.2%) are foreign citizens. The number of inhabitants in our country has remained stable. The total balance has experienced a slight increase (+12,944 units).

Natural balance of the population (births minus deaths) has suffered a negative balance of almost 100,000 units, thus recording a peak never reached in our country since 1917-1918 (First World War).

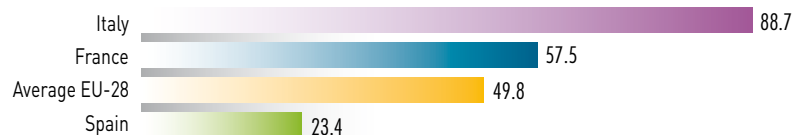
In the latest years immigration from abroad is slowing down. The people enrolled in the civil registry coming from a foreign country have amounted to almost 280,000, whereas those who left our country have been about 136,000, nearly 90,000 of whom Italians. The migratory trend, both from inside and from abroad, is mainly directed towards the northern and central regions. In an upward trend is the demand for citizenship: the new Italian citizens

amount to nearly 130,000 (+29%). There are about 200 different nationalities in our country. More than 50% (over 2.6 million inhabitants) is represented by European citizens, coming mainly from Romania (22.6%) and Albania (9.8%).

With an average population density of nearly 199.4 inhabitants/square Kms, Italy ranks fourth place in the EU for its population (after Germany, France and UK), compared to an EU-28 average of 112.7 inhabitants/square Kms. 20.3% of the Italian population is mainly located in rural areas.

In Italy, the total agricultural area (TAA) amounts to 16.7 million hectares, 12.4 million of which are represented by utilized agricultural areas. According to the survey carried out by ISTAT in 2013, the total surface area of the agricultural farms is decreased by 3.3% and the total agricultural surface area by 2.4%. It is therefore increased the average farm size from 7.9 to 8.4 hectares. Among crops, the most remarkable decreases in the surface areas have affected vegetables (-15.2%), durum wheat (-12.8%) and fruit trees (-8.4%).

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



Source: Eurostat.

GROSS DOMESTIC PRODUCT

In 2014, Italian economy has experienced once again a decline in volume of the GDP equal to -0.4% (-2.8% in 2012 and -1.7% in 2013). The economic trend has been negative for the first three quarters and steady during the fourth quarter. Since last summer the macro-economic framework has showed a slight improvement, boosted by a slow recovery in consumptions, both private and public, and by the lasting incentive of the foreign demand. In particular, the decrease of inflation has actively

contributed to the slight increase in the household consumption which have increased by 0.3%, with a slight recovery over the sizeable decrease recorded in the previous two years (-3.9% in 2012 and -2.9%

in 2013) and thanks to the spending for the use of services (+0.7%); on the whole, the rate of private consumption has recorded a positive 0.2%.

Another positive contribution to the

Trend in GDP per inhabitant (euro)

Years	GDP/Inhabitant	
	Values at current prices	Chained Values ¹
2009	26,413	26,498
2010	26,838	26,838
2011	27,287	26,892
2012	26,768	26,026
2013	26,538	25,454
2014	26,585	25,284

¹ The chained values express the real trend (in quantity) of the economic aggregate with reference to the year 2010.

Source: ISTAT.

Trend in GDP in Italy (million euro)



Source: Processing of ISTAT figures.

growth of the GDP is ascribable to the net foreign demand (3/10 of point), thanks to a trend in the volumes of export of goods and services (+2.6%) much higher than those of import (+1.8%). In 2014, these latest have increased again after two years, recording, furthermore, a remarkable decrease in prices (the variation of the index has amounted to -2.5%). The recovery has continued during the first months of 2015 and, according to the preliminary ISTAT estimates, during the first quarter, GDP has increased by 0.3% over the previous period, mainly boosted by the increase of the value added in manufacturing. From a review of the national accounting, performed by ISTAT in October 2014, in compliance with the new SEC 2010 standards, which envisage the inclusion in the value added of also some illegal activities (such as the import of smuggled goods, like drugs and tobacco), it has been detected an upward estimate of the GDP for nearly four percentage points.

The GDP, in the euro zone, is increased

again (+0.9%), although to a less extent compared to what expected.

This result has been a consequence of the expansive monetary policy of the European Central Bank, mainly in the second half

year, along with less severe budgetary policies, after the adjustments of the previous three-year period. The gaps among countries, in terms of growth, are now reduced thanks to the softening of edginess and

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

Countries	Incidence on the world GDP in 2014 ¹	2010	2011	2012	2013	2014
Industrialised countries						
United States	16.4	2.5	1.6	2.3	2.2	2.4
Japan	4.6	4.7	-0.5	1.8	1.6	..
Eurozone ²	12.3	2.0	1.7	-0.7	-0.4	0.9
UK	2.3	1.9	1.6	0.7	1.7	2.6
Canada	1.5	3.3	2.9	1.8	1.6	2.7
Emerging and developing countries						
Brazil	2.9	7.6	3.9	1.8	2.7	0.1
Mexico	2.0	5.1	4.0	4.0	1.4	2.1
China	16.5	10.5	9.3	7.7	7.7	7.4
South Korea	1.7	6.5	3.7	2.3	2.9	3.3
India	6.8	10.3	6.6	5.1	6.4	6.9
Russia	3.3	4.5	4.3	3.4	1.3	0.6
Turkey	1.4	9.2	8.8	2.1	4.2	2.9

¹ Measured in purchasing power parities, in %

² Eurozone with 18 countries

Source: Bank of Italy

fragmentation of the financial markets. The final trade balance has provided a positive contribution to the GDP in Germany and Italy (respectively 0.4 and 0.3 percentage points), whereas it has been negative in France and Spain (respectively -0.5 and -0.8 points).

In the rest of the world the trend in the economic activity, in 2014, has not met the expectations as it has recorded the same slow trend of the previous two-year period (3.4%). The economies in the developed countries have experienced a slight speedup to 1.8%, nevertheless it is increased the gap

between the more remarkable growth of the US and UK compared to the weaker growth recorded in Japan and in the EU zone. In the developing countries, the economic activity has suffered a slowdown, as it occurred in the previous three-year period, because of some structural weaknesses and, in some cases, of the worsening of mainly financial external restraints.

In Japan, the huge hike, triggered by the expansive policies launched in 2013, is slowed down and the activity suffered a stagnation, experiencing a strong decline over 2013 (+1.6%). In China, the growth of

the GDP, in 2014, is slowed down to 7.4% (from 7.7%), the lowest value of the last 25 years.

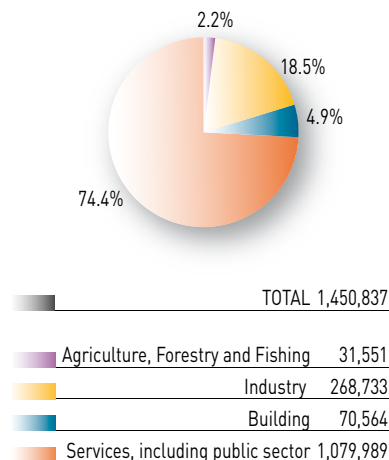
In 2014, in the United States, the GDP is increased by 2.4%. Private consumptions became slightly stronger, while the expansion rate of the non-residential fixed investments has doubled (+6%) over 2013. The trend in the Indian economy was instead in countertrend compared to what experienced in other main developing countries. GDP, in 2014, is increased to 7.2%, mainly due to the launch of a challenging program of reforms.

VALUE ADDED

In 2014, the total value added, in volume, has suffered a decrease of 0.4%, showing nevertheless a slight improvement compared to the negative variation of 1.4% in 2013; at current values, the variation has not registered substantial changes, registering a 0.1%. The year 2014 was once again a year that experienced a strong decrease in the sectors of agriculture, forestry and fishing, after the recovery registered in 2012. In particular, the value added of the sector is dropped in real terms by 2.2% whereas, at current prices, the decrease reached even 6.6%. Production costs have therefore suffered a negative variation, although in the latest months of the year the prices of the non-processed foodstuffs have confirmed a turnaround, thus registering an increase of 2.3%, in March 2015. Also the building sector, as in the previous three-year period, has experienced a sizeable decrease of the value added (-3.8%); conversely, in the manufacturing sector the decrease has decisively

slowed down (-0.4% compared to -5.5% in the 2012/2013 period), although with a

% breakdown of the value added at basic prices by sector, 2014 - Values at current prices (million euro)



Source: ISTAT.

strong heterogeneity among sectors: despite a net recovery in the transport and computer sectors, the electrical devices and metallurgy have suffered a heavy decrease. Stable, in real terms, was the productive result for the food industry whereas, at current prices, variation marked a positive +4.4% over 2013. As from the past autumn, industrial production has been experiencing an economic upturn that continued in the first quarter of 2015. Also the value added in the service sector has stopped its downward trend (+0.1% over -0.8% in 2013), mainly thanks to the sharp improvement detected in the services related to lodging and catering. It's worth noting that the worsening of the value added, concerning the primary sector during 2014, has mostly affected the regions in the South (-7.3%), Centre (-2%) and Islands (-4.3%). The North-West has showed a slight negative variation (-0.5%), whereas, in 2014, the North-East has witnessed a net recovery (+2.5%),

thus confirming the positive results of the previous year.

The contribution of the Italian agriculture to the national value added is slightly increased, thus registering 2.2% in 2014; this is slightly higher than the average of both the EU countries and the euro-area, whose percentage incidence of agriculture on the total value added amounts to 1.6%. At the EU level, the value added of the agricultural sector, in 2014, amounted to 193.5 million euro in volume, with a positive variation of 3.8%, over 2013. Measured at current prices, it has indeed registered a decrease of 2.7%. Besides Italy, the other countries with a negative result were Cyprus (-6.2%), Croatia (-3.5%), Slovakia (-1.3%), Hungary (+12.5%), Luxembourg (+13.5%) and Ireland (+21.3%).

% share of the agricultural value added* on the total value added of the EU countries, 2014

Countries	%	Countries	%
Romania	5.4	Portugal	2.3
Bulgaria	5.3	Slovenia	2.2
Hungary	4.4	Italy	2.2
Croatia	4.1	Netherlands	1.8
Greece	3.8	France	1.7
Slovakia	3.7	Ireland	1.6
Estonia	3.7	Sweden	1.4
Lithuania	3.5	Austria	1.4
Latvia	3.4	Malta	1.3
Poland	3.4	Denmark	1.3
Finland	2.8	Belgium	0.7
Czech Republic	2.7	Germany	0.7
Spain	2.5	UK	0.6
Cyprus	2.4	Luxembourg	0.3
Eurozone (19 countries)			1.6
EU - 28			1.6

* Value added at basic prices - current values in million euro

Source: Eurostat

EMPLOYMENT

In 2014, the EU labor market has experienced a certain upward trend: for the first time since 2008 the unemployment rate has been decreasing, although the same trend does not occur in Italy where it continues in increasing, despite a slight recovery in employment (+0.4% or 88,000 employees more over 2013). The employment rate is nevertheless still below 3.5% compared to 2008.

In the agricultural sector the rate is increased by 1.6%, mainly due to the number of employees (+2.4%), whereas the rate of self-employed workers has remained substantially unchanged (+0.7%). In an upward trend is the presence of men in the sector, but mainly in terms of employees (+5.5%), whereas the presence of women has remained stationary, although with opposed trends between the positive variation of the self-employed women (+4.4%) and the negative one of the female employees (-4.8%).

The number of workers has increased in all geographical areas, except in the South where the sharp decrease in the number of

employees, mainly that relating to women (-15%), has not been offset by the increase of the self-employed workers.

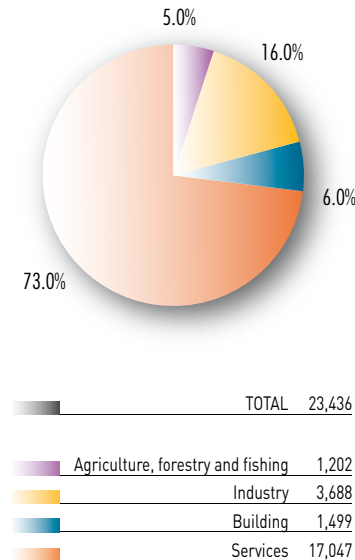
The sizeable increase of young workers in agriculture, aged between 15 and 34 (+4.3%), mainly in the central regions (17.8%) and in the North-East (+12.8%), allows us to presume that it has finally been launched a generational replacement process.

On the whole, the number of workers in agriculture has amounted to 812,000 units (27.7% of whom are women), located for 17.2% in the North-West, for 20.5% in the North-East, for 14.9% in the Centre and for 47.4% in the South and Islands.

During 2014, it is also increasing the incidence of part-time employees compared to the total employed in agriculture, thus reaching 14.3%.

In an upward trend is also the incidence of foreign workers in agriculture, reaching now 14.2% on the total workers in the agricultural sector, mainly in the Centre where one worker out of four comes from abroad.

Annual work unit (000), 2014



Source: ISTAT, national accounting

Foreigners employed in agriculture by geographical area (000)

		2012	2013	2014
North-West	Male	13	17	20
	Female	3	3	3
	Total	16	20	23
North-East	Male	17	11	11
	Female	4	5	6
	Total	21	16	17
Centre	Male	20	21	25
	Female	4	5	5
	Total	24	25	30
South and Islands	Male	30	29	34
	Female	12	11	11
	Total	41	40	45
Foreigners employed in agriculture (%)				
Italy	Male	13,5	13,5	15,4
	Female	9,2	10,5	11,1
	Total	12,2	12,7	14,2

Source: ISTAT, survey on the workforce

The employed people in agriculture in the EU (%), 2014

Employed in agriculture / Total employed					
	(15 years and more)	Female incidence ¹		(15 years and more)	Female incidence ¹
Austria	4.6	44.5	Luxembourg	1.5	0.0
Belgium	1.4	31.9	Malta	1.3	0.0
Bulgaria	6.7	30.7	Netherlands	1.9	27.9
Cyprus	3.1	23.7	Poland	12.0	39.9
Croatia	10.8	38.4	Portugal	10.2	35.3
Denmark	2.5	17.0	UK	1.0	26.6
Estonia	4.3	28.4	Czech Republic	3.0	25.8
Finland	4.1	26.6	Romania	29.3	45.2
France	3.0	28.3	Slovakia	3.3	21.4
Germany	1.4	32.9	Slovakia	8.5	45.6
Greece	13.7	40.1	Spain	4.3	24.1
Ireland	5.7	12.1	Sweden	2.0	21.9
Italy	3.6	27.7	Hungary	4.8	25.9
Latvia	8.1	30.2	EU	4.8	35.4
Lithuania	8.4	37.5	Eurozone (19 count.)	3.4	30.6

¹ On the total employed in agriculture

Source: Eurostat, Labour Force Survey

PRODUCTIVITY

In 2014, the productivity per hour worked has decreased by 0.7%, for all the economic activities, with a stronger variation in the agricultural sector (-4.5%) compared to the total registered in the manufacturing sector (-1.8%) and in the service sector (-0.3%).

In the agricultural sector, in particular, the work productivity has decreased as a consequence of the negative variation of the value added (-2.2%), since the hours worked have conversely registered an increase of the same value (+2.2%) over the previous year.

In the 2003-2014 period, the work productivity has increased by 0.1% in a yearly average, in an economic framework characterized by a downward trend both in the value added and in the worked hours (-0.3% and -0.4% respectively). The economic sectors that have experienced, in the same range, higher growing rates of work productivity have been those related to finance and insurance (+2.9%), agriculture (+1.9%) and information & communication (roughly +1.7% per year). Before the start of the

worldwide crisis, they have been detected some signs of productivity recovery, albeit only in the manufacturing sector, boosted by the reallocation among firms; the trend was then stopped after the double recession.

Keeping a long-term perspective, the dynamic of the hourly productivity remains moderate mainly if compared to the most important European countries, thus highlighting structural difficulties for our firms, undoubtedly exacerbated by the

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



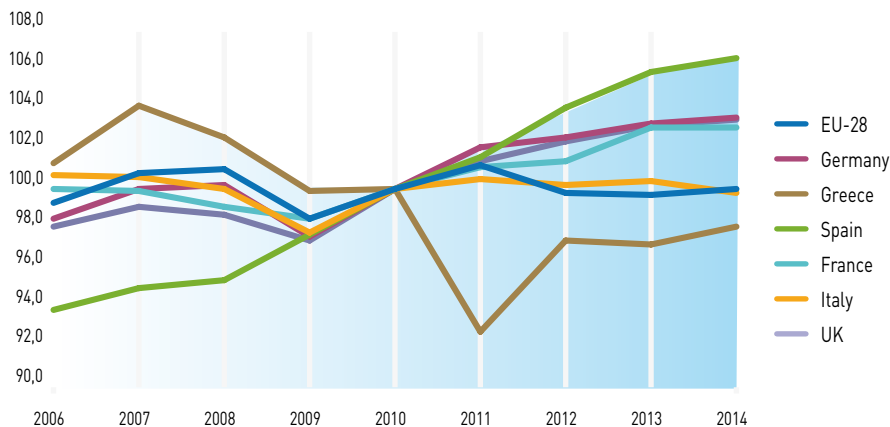
Source: ISTAT

worldwide economic crisis. In the specific, the hourly productivity for the manufacturing sector is increased by 1.1% in Italy, as yearly average during the 2000-2007 period, whereas it increased by little below 4% in France and in Germany; it then slo-

wed down to 0.6% in the period between 2008 and 2014 (1.6% in France, 0.5% in Germany). The data published in "Public policy and resource allocation: evidence from firms in OECD countries" have highlighted how the process of reallocation of resources

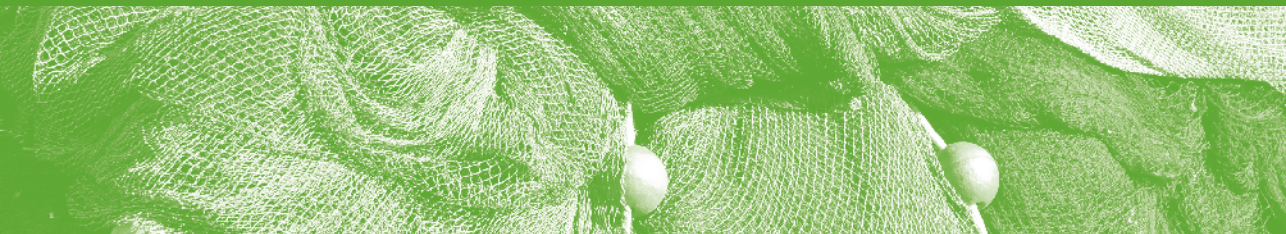
towards the most efficient firms, that provides the main support to the growth of productivity in most advanced countries, is less efficient in Italy, also due to a regulatory and institutional structure which little fits for being implemented at large scale.

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



Source: Eurostat

*Value added at chainlinked values



RECENT TRENDS IN THE SECTOR

The downward trend in the land values observed in the latest years in Italy, has continued also in 2014. The average land price has witnessed a yearly decrease of 0.6%, amounting to roughly 20,000 euro/hectare. The average variation hides remarkable differences at territorial level: it has been indeed detected a general decrease in prices in the northern and southern regions – more sizeable in the North-East (-1.2%) – whereas a slight increase has been observed in the central Italy (+0.1%) and on the Islands (+0.2%). In altitude terms, the most remarkable decrease in prices is mainly concentrated in the lowlands (-1.5%), thus reflecting a certain difficulty of the market that doesn't attract investors even in the most dynamic and suitable areas. Taking into account the yearly inflation, it is confirmed the progressive decrease of the value of the land heritage, although to a lesser extent over the previous years: land prices show, in real terms, a drop of 0.8%, bringing the

Average land values (thousand euro/hectare), 2014

	Altitude zone					Total	% change 2014/13
	Inland mountain	Coastal mountain	Inland hill	Coastal hill	Lowland		
North-West	6.1	16.3	24.5	84.3	33.8	26.3	-0.5
North-East	31.1	-	41.9	30.9	44.9	41.1	-1.2
Centre	9.3	21.4	14.7	16.8	22.5	14.8	0.1
South	6.5	10.0	12.2	17.2	17.6	12.9	-0.3
Islands	5.7	7.2	7.5	9.0	14.2	8.6	0.2
Total	11.9	9.0	15.5	14.8	31.8	20.0	-0.6

Source: CREA, Land values data bank

average land value to 91% compared to what registered in 2000.

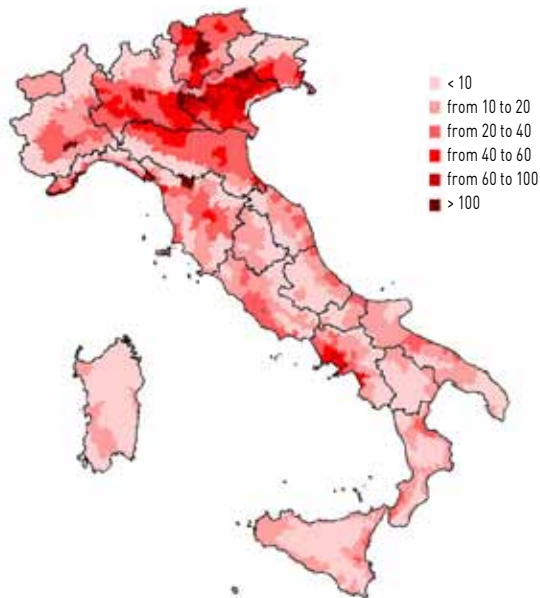
In many regions, the land market has experienced a very limited and decreasing trade volume over the previous year. The general economic-monetary crisis and that one of some agricultural sectors, along with the difficulties in accessing to credit and the increased taxation in agriculture (IMU) have discouraged land investments. The framework appeared to be further uncertain due to the slow launch of the CAP.

Demand relates mainly to those fertile lands equipped with infrastructures, and it is boosted mainly by agricultural entrepreneurs managing medium-large sized farms and by young farmers. In an increasing number of areas, the offer of land is prevailing, although it not always meets a corresponding level of demand, because of the high land values that discourage the potential buyers.

In a land market characterized by expensive land prices and by the stalemate in the

exchanges, the rental has represented the main way for farmers to enlarge the farm surface area. According to ISTAT, in 2013, the rented surface area amounted to 5.2 million hectares (42% of the national agricultural area), of which nearly 1 million are run for free. In 2014, the rental market has highlighted a greater dynamism in the northern regions, where the demand sharply exceeds the offer, whereas in the central regions the situation has remained stationary. In the South, it has been detected a shy increase in the demand by farmers who must comply with some access restraints set by some measures of the RDP. In some areas the introduction of the IMU tax has led to an increase in the rental rates.

Average land values by agricultural region for 2014, (thousand euro/ha)



Source: CREA land market data bank

INVESTMENTS

In 2014, gross fixed investments in agriculture, in real terms, have decreased by 4.1%; a reduction less remarkable than in the previous year (-8.7%) which actually has nullified the increase recorded in the previous years, as during 2012 (+1.1%), 2011 (+5.5%) and 2010 (+3.9%).

Compared to 2013, the incidence of the agricultural investments to the national total has remained stable at 3.8%, whereas it is increased the ratio with the agricultural value added (from 31.9% in 2013 to 32.6% in 2014). These results, much more negative than in the rest of the economy, arise from the missed investments in the sector and from the remarkable negative variation (-6.6%), over 2013, of the agricultural value added estimated at current prices.

Investments per agricultural working unit have amounted to 8,047 euro, down of 5.4% over 2013. It should be noticed that a sizeable incidence on the values of this indicator has been played by the dynamic of the use of work in the agricul-

tural sector; in the last five years it has been experienced a drop of 4.8% in the agricultural working units compared to a decrease of the fixed gross investments of the sector, equal to 6.7%. Such phenomenon has also involved other important sectors of our economic system.

The breakdown of the fixed gross investments by type of good has suffered

some changes due to the re-examination by ISTAT of the national accounting in compliance with the new SEC 2010 standards. In particular, the investments (in terms of volume) in the cultivated organic resources have highlighted a negative variation equal to -1.4%, compared to 2013, as well as the building sector (-5%) and the installations and machine-

Trend in gross fixed investments in agriculture

Year	Current Values million euro	Chained Values * million euro	% in ¹	
			tot. invest.	Agricultural VA
2008	11,497	11,864	3.3	37.7
2009	9,814	9,976	3.1	34.9
2010	10,362	10,362	3.2	36.5
2011	11,242	10,930	3.5	36.4
2012	11,749	11,053	4.0	37.1
2013	10,781	10,088	3.8	31.9
2014	10,277	9,672	3.8	32.6

* chainlinked values: express the real dynamic (in volume) of the economic aggregate with reference to 2010

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

Source: ISTAT

Gross fixed investments: characteristic relationships by main sector, 2014 *

	Agriculture	Industry	Building	Services ¹	Total
Investments per work unit					
euro	8,047	17,892	3,920	10,420	11,058
% change 2014/13	-5.4	-2.9	0.7	-4.1	-3.5
Net capital stock per worker²					
000 euro	164.4	201.6	51.0	261.7	233.8
% change 2014/13	-3.1	-1.8	1.3	-0.8	-0.7

* Chained values, reference year 2010

¹ Including investments in housing

² Net of depreciation

Source: ISTAT

ries (-2.9%). Only the investments in the products of intellectual property have experienced a slight positive variation (+0.3%), mainly ascribable to the funding in research and development.

In terms of dynamic of the stock of capital in agriculture, expressed in volume and to the net of amortizations, it's worth noting that it has been detected

again a decrease equal to 1.8% over 2013. Even more remarkable it has been the decrease of the stock of net capital per agricultural working unit (-3.1%) as a consequence of a contextual and slight annual increase of the labor employed in the sector.

The issue of the investments in the agricultural sector continues in being

a very tricky subject: tensions about financing conditions and the uncertainty about future perspectives have undoubtedly jeopardized this budget's item, although, during the past years, the agricultural sector has been characterized by a high firm's investment rate that brought to sizeable margins of unused productivity.

As of December 2014, the bank loans to the sectors of agriculture, forestry and fishing have amounted to 44.4 billion euro, with an incidence on the total economy equal to 5%. The loans for the agricultural sector have registered a slight increase over 2013 (+0.7%), despite a lasting decrease, although softer, of those for firms (-1.1%).

The geographical breakdown of the loans per agricultural sector highlights how most of financing is held by the northern regions, with a share amounting to 61.7% on the total loans. In particular, at the end of 2014, the North-West has pointed out a very slight negative trend, compared to 2013, equal to 0.3% (from +0.7% in September), whereas the North-East has experienced a positive variation equal to +1.5%, down compared to +1.9% of September. In December 2014, the Centre and the Islands show positive trends equal respectively to +1% and +2.7%, whereas in the South the variation is decreasing by 0.6% compared to December 2013.

The ratio between the bank's uses and the

Bank loans for agriculture, December 2014

	Agriculture ¹ (million euro)	% on total loans	% on agricultural production ²
North-West	12,386	3.9	99.7
North-East	15,012	6.3	94.8
Centre	8,618	4.2	100.8
South	5,157	5.4	39.8
Islands	3,248	7.8	46.4
Total	44,420	5.0	78.2

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 2014*

Type	(million euro)	2014/2013 (%)	Easy-term loans to tot (%)
Machinery and equipment	4,926	-3.2	4.5
Construction and rural buildings	5,725	-8.6	1.8
Other rural structures	2,604	-4.3	5.8
Total	13,255	-5.8	3.6

*Outstanding loans with maturity of over one year

Source: Bank of Italy

agricultural production has amounted to 78.2%, down by 2% over 2013; the number of loans to the sector is high and the sector suffers a greater difficulty in accessing to credit through public guarantee.

In March 2015, the figures on the agricultural credit, issued by SGFA (Society for the management of agri-food funds), have showed a change in the financial needs of farms compared to the needs of external financing. The datum on the single items shows indeed divergent trends: the short-term loans are increasing, the medium ones are decreasing and the long-term ones are stable.

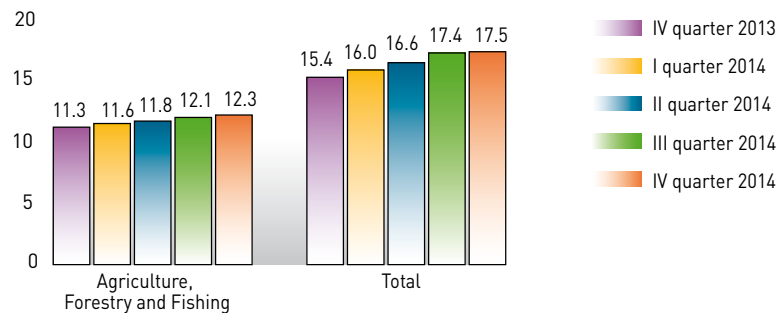
In particular, the share of short-term loans compared to the total has showed an average yearly exchange rate equal to 10%, since firms are now more in need to finance their ordinary management to the detriment of investments and property renovations. This is also confirmed by the low propensity in using long-term loans (-5.8% over 2013). This situation is the consequence of an overall decrease in loans with a persisting negative variation for those loans related to

buildings and rural constructions (-8.6%), followed by financing in other rural buildings (-4.3%) and in machineries and equipment (-3.2%).

In December 2014, the debts for the agricultural, forestry and fishing sectors have exceeded 5.4 million euro, a further increase compared to the 5 million euro registered at the end of 2013. Also the ratio gross debts/

uses has further stressed an increasing worsening of the credit quality for the agricultural sector (12.3%), although it is lower than what has been estimated for all the other economic activities (17.5%). The increase of the credit risk has led, also for the agricultural sector, to an increase of the share of the credit loans requiring real warranties, equal to +15.3% compared to 2013.

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



Source: Bank of Italy

INTERMEDIATE CONSUMPTION

In 2014, the spending for agricultural intermediate consumption, including those for the forestry and fishing sectors, has amounted to 25,219 million euro, thus recording a decrease of 2.9% compared to 2013, as a consequence of both the decrease in prices (-2.2%) and of the quantities used (-0.7%).

The agricultural sector has continued in suffering the decrease of the main categories of the intermediate consumption utilized. The items of costs that suffered the most the decrease have been the services related to financial and credit brokering - Sifim - (-9%) and motive power (-2.5%). Animal feeds, fertilizers and seeds have experienced a lower decrease (-1.4%). In countertrend are the plant protection products (+1.8%) and the re-employments (+2.3%).

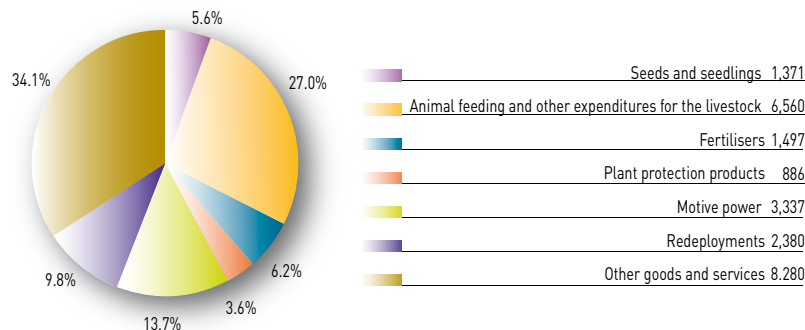
Also the prices of the main intermediate consumption used in agriculture have experienced a decrease, in countertrend compared to the latest years: mainly the

re-employments (-7%), the animal feeds and the various expenditure items for livestock (-4.5%), followed by fertilizers (-3.4%) and motive power (-2.7%). In an upward trend are, instead, the Sifim prices (+6.9%), followed by the plant protection products (+2.5%) and by the seeds and little plants (+1.1%).

The intermediate consumption related to

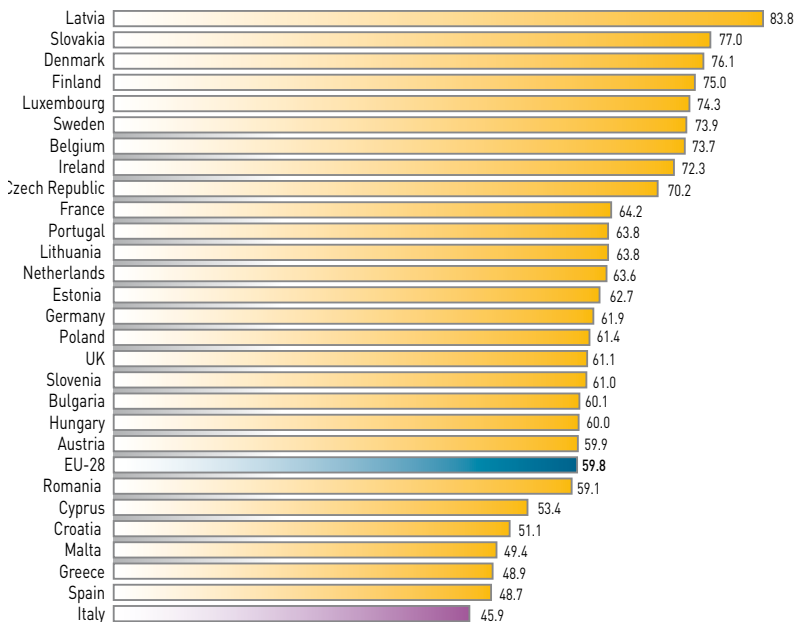
the forestry sector and to the use of wooded areas has amounted to 169 million euro, with a decrease in both the quantities used (-2.2%) and in the related prices (-1.4%); the intermediate consumptions for the fishing and aquaculture sectors have amounted to 742 million euro, with a drop in terms of volume and price equal to respectively 2.8% and 1.9%, thus bring-

Breakdown of the agricultural intermediate consumption (million euro), 2014



Source: ISTAT

Intermediate consumption on the EU-28 agricultural production* (%)



* Agricultural production of goods and services at basic prices and intermediate consumptions (current prices)

Source: Eurostat

ging to a negative variation (-4.7%) of the entire sector.

At the EU level, intermediate consumptions have highlighted, at current values, a decrease equal to 2.7% compared to 2013. This result is ascribable to a slight increase in the quantities used (+0.7%) and to a drop of the related prices (-3.6%), with particularly sizeable decreases for animal feeds (-8.6%) and fertilizers (-6.2%). Also at the European level the expenditure for the animal feeds represents the highest share (36.1%; 38.8% considering veterinary expenditures) of the total of intermediate consumptions.

The incidence of the intermediate consumptions on the agricultural production, at current prices, has reached, for the EU-28, an average value of 59.8%, in slight decrease (-0.4%) compared to 2013. Italy shows a lower value than the European average, being more similar to Spain and Greece.

2014 has been a particularly hot year in the whole national territory, with average temperatures higher than the climate average of reference (1971/2000) equal to $+1.6^{\circ}\text{C}$, with changes according to the geographical areas: $+1.9^{\circ}\text{C}$ in the North, $+1.6^{\circ}\text{C}$ in the Centre and $+1.2^{\circ}\text{C}$ in the South and Islands. Rainfalls have exceeded climate average by roughly 13%, with some differentiations within the territory: the North appeared to be much more rainy than usual (+36%) the Centre little more rainy (+12%), whereas the South and the Islands have on the whole suffered a rainy deficit (-12%).

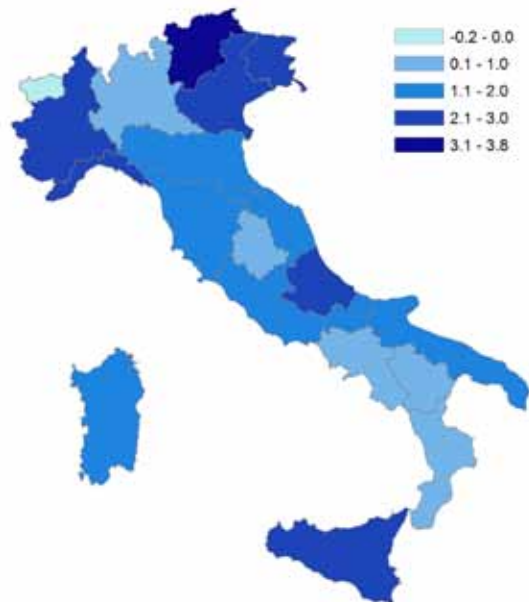
The first months of the year were characterized by thermal anomalies, with a particularly temperate winter in the central-northern regions, and many rainfalls, especially in the North-East where the rains have exceeded the climate average by 350% in February. The strong rainfalls have worsened the hydrogeological conditions in many water basins, mainly the we-

akest ones located in Liguria and Tuscany. The consequences in the agricultural sector have been sizeable and adverse on the crops (unusable lands because of the copious rains and overflows of rivers) and on the livestock sector (flooding of stables, farms and warehouses, besides drowning of animals), with damages to both productions and farms (greenhouses, machineries, etc.) and increase in the running costs. During the spring, it has continued the thermal trend characterized by temperatures above the seasonal average and with copious rainfalls, mainly in the South-East (+100%). The storms and floods, along with the hail, have damaged the seasonal crops (mainly melons, water melons, fruit trees, kiwis and vineyards in their greenery phase). The bad weather conditions have led to many difficulties in the countryside, mainly due to the impossibility of reaching the fields, thus leading, in many cases, at jeopardizing the production of vegetables and at a delay in the harvesting.

Summer has showed an anomalous trend due to rainfalls, with widespread bad weather conditions and a particularly rainy July (over 220 mm in the Central-Tyrrhenian areas), with negative effects on the agricultural productions in their ripening phase, on the usual harvesting and hay cutting. In terms of physical and economic damages, those which have most suffered the situation were the vineyards in Tuscany, the watermelons, tomatoes and melons in Emilia Romagna, agricultural farms and infrastructures in many regions of Italy (Piedmont, Lombardy, Emilia Romagna, Tuscany, Veneto, Puglia and Campania).

The autumn period proved to be very unusual with very high temperatures, mainly in November ($+3.3^{\circ}\text{C}$ compared to the average of the 1971/2000 period), along with bad weather conditions in both the South and the North. The regions that suffered the most were Sicily and Calabria, with damages to greenhouses, structures and ve-

Minimum average regional temperatures – deviation of 2014 values from the average 1971-2000 – in °C



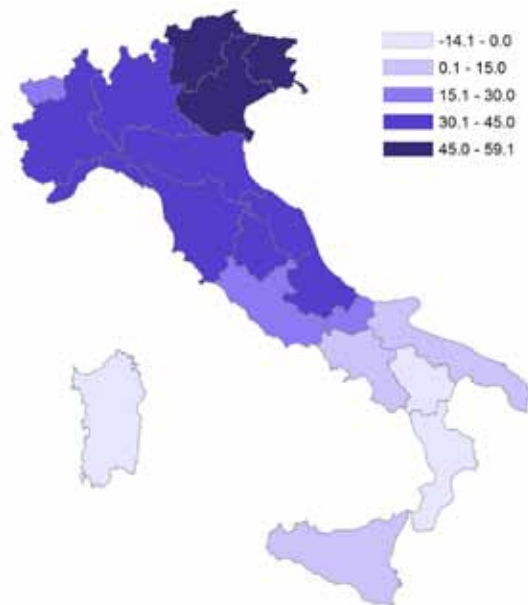
Source: CREA processing

Maximum average regional temperatures – deviation (°C) of the 2014 values from average 1971-2000



Source: CREA processing

Average regional rainfalls - deviation (°C) of the 2014 values from average 1971-2000



Source: CREA processing

getables (tomatoes and peppers), followed by Liguria, Piedmont, Veneto, Lombardy, Emilia Romagna and Tuscany struck by overflows and landslides. Phenomena of hail (Oltrepò Pavese) have damaged fruit trees, vineyards and fields ready to be seeded. The Orta lake and the Como Lake suffered overflows, as it occurred for the Seveso and Lambro rivers, whereas the Po river needed an extraordinary surveillance. In the southern area of Piedmont it has been detected a sizeable loss of maize and the impossibility in accessing to the fields where the wheat had been just seeded.

In the productive balance sheets, marked by the weather-climate trend, it should be pointed out the negative result of rice in terms of yield and production (down to 20/25% in some rural areas of Lombardy and Piedmont). A downward trend it has been detected also in the production of tomatoes, with negative values in the North and South respectively of 15% and 30%. The 2014-2015 olive oil campaign has ex-

perienced a drop of 35% in the olive oil production, also due to a tricky situation of the plant protection products. In Puglia and Calabria the recession has amounted to one third of the quantities produced in 2013, in Sicily and Campania respectively of 22% and 40%. The production in the Centre and

in the North appeared to be almost halved. A likewise negative result has been detected in the harvesting of chestnuts, that recorded a value never registered before at the level of national production, which is lower than the 18 million kilos detected in 2013, due to a surplus of rains and to

the attacks of *Dryocosmus kuriphilus*. The Spring favorable to seeding, along with the alternation of rains from June to August, have boosted the harvesting of maize (150q/ha, with peaks of 170) with an increase of the minced maize in the North, equal to 20-30% compared to the yields of 2013.

PRODUCTION LEVELS

In 2014, it has been detected a decrease (-1.5%) at constant prices over the previous year and, at the same time, the prices of the products sold are decreased by 3.5%. Therefore, the value of the output for

the agricultural, forestry and fishing sectors, at basic prices and in current terms, is decreased by 5%, amounting to 56.8 billion euro. The estimates of the national accounts, re-examined after the introduction

of SEC 2010, have highlighted that the overall production value is made up by 47.1% of vegetable crops (two percentage points less than in 2013), by 30% of livestock breeding, remained essentially unchanged, and by 11.4% and 7.6% by the support activities and the ancillary activities, up by roughly one percentage point compared to the share of 2013. By analyzing the trend by single sector, the most remarkable decrease has involved the woody crops (-8.9%), whereas it has been more contained for the flower crops (-1.2%). The unique agricultural sector to experience an increase of production, although moderate, has been the sector of the support activities (+0.2% at constant prices), especially the seeds' production, the sub-contracting and the field care and the maintenance of the landscape, conversely, the first processing of products has experienced a setback. In 2014, also the ancillary activities of farms are increasing (+2%), although to a lower rate than in 2013, with an increase in the production of renewable

Value of output and services at basic prices by main category, 2014

	Current value		% change 2014/2013		
	million euro	%	at current values	at chained values	implicit prices
Herbaceous crops	13,958	24.6	-3.7	1.9	-5.5
Fodder crops	1,637	2.9	-4.2	2.0	-6.1
Tree crops	11,145	19.6	-15.0	-8.9	-6.7
Livestock	17,041	30.0	-2.2	-0.5	-1.8
Support activities to agriculture ¹	6,469	11.4	1.3	0.2	1.0
Ancillary activities ²	4,306	7.6	-0.4	2.0	-2.3
Ancillary activities (-)	942	1.7	-5.4	-0.5	-4.9
Forestry	1,492	2.6	-4.1	-3.0	-1.2
Fishing	1,663	2.9	-3.3	-2.2	-1.1
Total³	56,770	100.0	-5.0	-1.5	-3.5

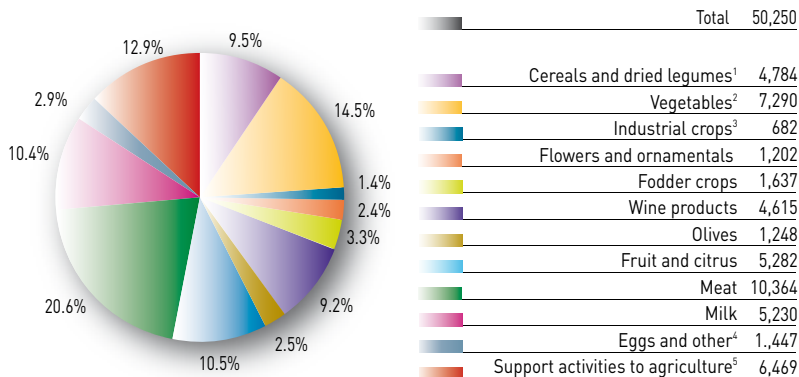
¹ Includes active and passive agricultural contract work, packaging of agricultural products, maintenance of parks and gardens, services connected to livestock farming, artificial insemination, new sport facilities

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

³ To the net of 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), 2014



¹ Dried legumes (92 million euro)

² Of which potatoes (689 million euro) and fresh beans (264 million euro)

³ Sugar beet (136 million euro), tobacco (160 million euro), sunflower (63 million euro), soya (290 million euro)

⁴ Of which honey (43 million euro)

Source: ISTAT

energy (mainly photovoltaic energy and biomasses), and a recovery of the activities relating to farm stays and social and

environmentally-friendly agriculture.

As far as the livestock rearing is concerned, it has been detected a drop both in produc-

tion (-0.5%) and in prices (-1.8%), arising from the tricky situation in which the beef meats (-2%) and pork meats (-1.8%) are.

In terms of quantities, almost all of the main woody crops are decreased, whereas the herbaceous crops have experienced a recovery of 5.3%. In particular, compared to 2013, most of the negative variations have involved the olive oil production (-35%), olives sold (-28.1%), cherries (-15.1%), grapes sold (-15.1%), wine (-14.8%), hazelnuts (-12.3%), table grapes (-9%); the tree crops that have showed a positive annual variation are very few and, among them, it's worth noting clementines (+28.7%), apricots (+12.2%) and apples (+10.1%). In an upward trend is the production of soya (+46.6%), onions (+22.8%), minor cereals (+12.5%), tomatoes (+11.7%) and maize (+11.6%); in a downward trend is, instead, the production of strawberries (-13.3%), soft wheat (-8.9%) and lettuce (-6.2%).

The livestock sector has pointed out a decrease in the overall quantity of meat produced (-1%), except for poultry meat

Main vegetable productions, 2014

	Quantity		Value ¹	
	000 t.	% change 2014/13	000 euro	% change 2014/13
Wine (000 hl)	16,768	- 14.8	2,939,924	- 20.6
Fodder (hay)	-	-	1,637,434	- 4.2
Hybrid maize	8,813,6	11.6	1,576,646	- 7.7
Durum wheat	4,049	2.0	1,512,128	10.9
Nurseries	-	-	1,383,433	- 0.4
Flowers and ornamental plants	-	-	1,202,445	- 1.8
Tomatoes	6,027	11.7	1,144,802	0.6
Sold wine grape	3,549	- 15.1	1,137,889	- 13.8
Oil	272	- 35.0	979,377	- 28.8
Apples	2,437	10.1	755,841	- 24.6
Potatoes	1,430	6.8	689,259	- 13.1
Family gardens	1,773	- 3.5	665,127	- 8.7
Soft wheat	3,047	- 8.9	611,471	- 21.1
Fennels	501	- 8.3	606,941	0.3
Oranges	1,705	- 0.3	589,093	- 8.1
Table wine grape	1,003	- 9.0	525,046	- 8.9
Artichokes	451	- 1.5	494,695	26.9

¹ Output at basic prices, at current prices

Source: ISTAT

and horse meat (+0.8% and +1.3% respectively). The production of cow milk and buffalo milk has remained substantially unchanged over the previous year (+0.3%), whereas the production of goat and sheep milk is decreased. (-1.5%). Also the live-stock breeding, besides the decrease in the prices' level, has suffered a decrease in the quantities produced, therefore the variation of the production value has been further negative. Eggs have showed a good productive result (+1.9%), although with a decrease in prices that affected the production value, down by 3.2%. In deep crisis is the honey production that has registered a further decrease in quantity (-16.3%), only partially offset by the increase in price (-4.7% variation of the production in value).

For the forestry sector it has been detected a decrease in the wooded cuts (-3.1%) and a drop in the harvesting of fruits in the woods (-19.9%); in particular, it is decreased the production of chestnuts due to the presence of the *Dryocosmus kuriphilus*

Main livestock output, 2014

	Quantity ¹		Value ²	
	000 t.	% change 2014/13	000 euro	% change 2014/13
Beef	1,307	- 2.0	3,260,774	- 3.3
Pigmeat	2,027	- 1.8	2,970,664	- 3.5
Poultry	1,736	0.8	2,875,378	- 3.9
Rabbits and game	387	- 0.8	989,172	0.7
Goat and sheep meat	58	- 3.0	177,560	- 5.4
Horsemeat	39	1.3	90,250	6.5
Cow milk and buffalo milk (000 hl)	111,164	0.3	4,755,934	- 0.8
Sheep and goat milk (000 hl)	5,143	- 1.5	474,208	6.6
Eggs (millions of unit)	12,749	1.9	1,392,363	- 3.2
Honey	8	- 16.3	43,302	- 4.7

¹ Live weight for meat

² Output at basic prices at current prices

Source: ISTAT

parasite. The harvesting of mushrooms and truffles has been favorable (+5%) fostered by a particularly rainy season.

The fishing sector has registered a decrease in production (-2.2%), as a consequence of a sharp drop in catches (-3.2%) and a slight increase in aquaculture (+0.8%).

The drop in consumption, along with the restraints due to biological recovery periods represent the main reasons of the bad trend in the whole fishing sector.

At the EU level, the agricultural crop 2014 has been characterized by a negative variation of the production value at current

prices (-2.5% compared to 2013), as a consequence of a sizeable decrease of production costs (-5.9%) and of an increase of the quantities produced (+2.9%). The drop in prices has been more accentuated in France (-5.5%) and Spain (-6.8%), and it has involved mainly potatoes (-27.7%), cereals (-11.9%) and fruits (-9.4%). The increase in production, in terms of volume, has involved most of crops and particularly the olive oil (+62.6%), sugar beet (+10.3%) and maize (+9.4%). In a downward trend are rice (-7.8%), barley (-7.1%) and tobacco (-1.6%). Substantially unchanged, compared to 2013, is the production value of the livestock sector (+0.1%), as a consequence of the increase in the quantities produced (+1.8%) and a decrease of the average prices for the producer (-1.7%). The increase, in volume, has involved both the meats (+1.2%) and milk production (+3.3%), whereas eggs have suffered a decrease equal to -1.2%.

Support activities and secondary activities in agriculture

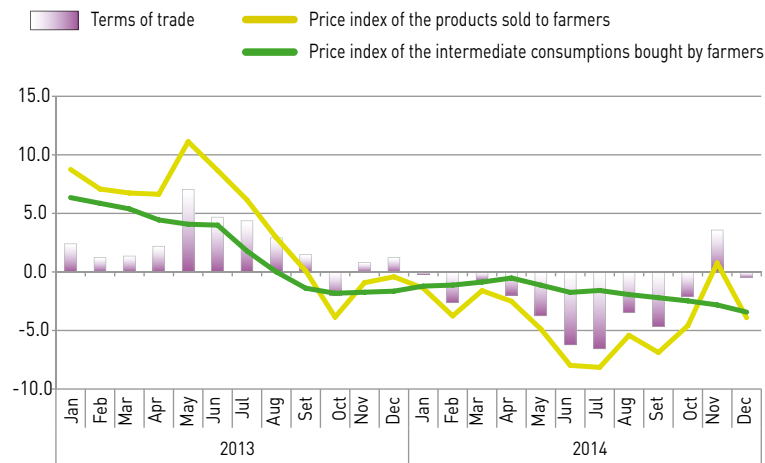
	Current values (million euro)					% changes (current values)	% changes (chained values)
	2010	2011	2012	2013	2014	2014/13	2014/13
SUPPORT ACTIVITIES							
Seed processing for sowing Lavorazioni sementi per la semina	248.6	209.7	236.9	275.6	286.2	3.8	2.4
New crops and plantations	231.4	235.2	251.5	246.1	234.7	-4.6	-5.1
Agricultural activities (subcontracting)	2408.1	2522.3	2706.3	2820.8	2934.9	4.0	1.7
First processing of agricultural products	2029.5	2089.3	2149.2	2138.8	2097.6	-1.9	-1.3
Maintenance of lands	464.6	492.6	511.1	535.4	546.7	2.1	0.6
Support activity to the livestock breeding	196.9	199.8	204.4	204.8	204.1	-0.3	-2.0
Other support activities	155.0	149.9	159.5	166.9	164.4	-1.5	-0.5
Total	5,734.1	5,898.8	6,218.9	6,388.5	6,468.6	1.3	0.2
SECONDARY ACTIVITIES							
Aquaculture	7.0	7.0	7.0	7.2	7.4	2.8	1.5
Processing of plant products (fruit)	141.0	157.8	152.8	175.1	165.1	-5.7	2.7
Milk processing	287.3	301.4	295.0	303.7	321.6	5.9	0.2
Farm stays, including social and recreational activities, educational farms and other ancillary activities	1,108.0	1,164.0	1,114.1	1,138.8	1,153.6	1.3	1.0
Processing of animal products (meat)	294.0	317.8	315.2	323.8	314.3	-2.9	-0.9
Renewable energy (photovoltaic, biogas, biomasses)	231.9	847.7	1,449.0	1,471.5	1,478.2	0.5	5.8
Handicraft (wood processing)	53.0	59.0	57.8	58.3	59.0	1.2	0.3
Production of feedingstuffs	177.0	195.9	201.0	207.1	190.3	-8.1	-1.5
Maintenance of parks and gardens	309.8	328.4	340.7	356.9	350.9	-1.7	-2.9
Direct sales/marketing	252.0	265.0	266.5	280.3	266.0	-5.1	0.0
Total	2,860.9	3,643.9	4,199.1	4,322.8	4,306.4	-0.4	2.0

Source: ISTAT

PRICES AND COSTS

In 2014, the terms of trade of the agricultural sector, measured by comparing the variation of the index of the production prices and the index of the intermediate consumptions, have worsened once again (-2.5%) after the positive result registered in the first 2013 semester. The decreasing pace in the prices of products sold by farmers has worsened in the period between the second and the third quarter, thus experiencing a decrease equal to 8% in the months of June and July. Also the prices of the products bought by farmers have suffered a downward trend although to a lesser extent than the production costs. On the whole, the annual average variation of the price index of the technical means and of the services of current use, along with the investment goods, has experienced a decrease of 1.7%, compared to a negative variation equal to 4.2% of the price index of the products sold. Among the products bought, the prices of the goods and intermediate consumption have highlighted a decrease of 2.6%, whereas the investment goods have experienced a slight increase, equal to

Annual change of price indices and terms of trade on monthly basis



Source: ISTAT

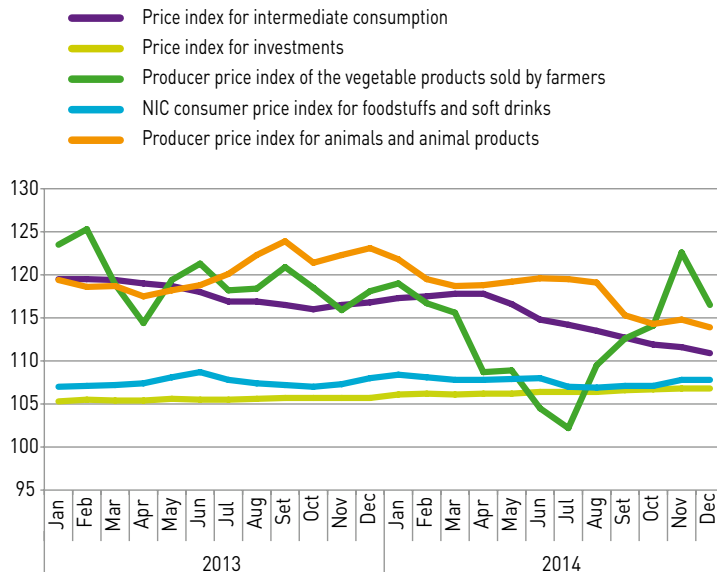
0.8%. The most remarkable decreases have involved animal feeds (-5.3%), fertilizers and soil improvers (-3.7%) and energy and fuels (-2.7%). Conversely, in an upward trend were the expenditure items for the repair

and maintenance of machineries (+2%) and plant protection agents (+1.9%). The prices of the vegetable productions have registered a sizeable decrease, equal to -5.7%; less accentuated was the drop for

the prices of the livestock sector (-2.1%). By deepening in detail the products, the highest decrease in prices has been detected for potatoes (-16.7%), whereas the olive oil is the unique product that has experienced an increase (+7.3%).

The trend of the Index of Consumer Prices for foodstuffs and soft drinks has highlighted a slight increase (+0.1%), although lower than the outcome registered in 2013 (+2.4%). In particular, the processed foodstuffs have pointed out a stationary trend (+0.9%), conversely, the prices for the unprocessed foodstuffs have highlighted a downward trend (-8%), mainly between the second and the third quarter, and only at the end of the year they have experienced a certain recovery, reaching +0.8%. Among the processed foodstuffs, it is remarkable the decrease of 3.3% in the price of sugar and the increase in the price of chocolate (+2.1%), whereas for the unprocessed foodstuffs it has been detected a decrease in the prices of potatoes (-3.2%), of fresh or frozen vegetables (-4%) and fruits (-4.1%).

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

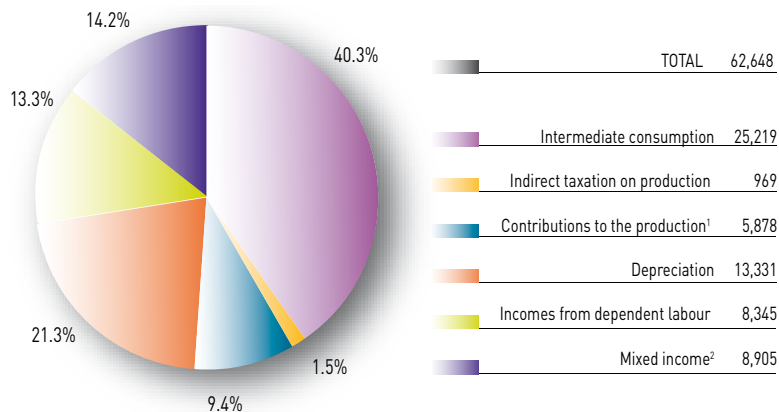


Source: ISTAT

AGRICULTURAL INCOME

In 2014, the agricultural, forestry and fishing sectors have generated a value added of 31.5 billion euro (at current prices), which is 2.2% of the GDP. Compared to 2013, the value added has registered a decrease of 6.6% in nominal terms and of 2.2% at constant prices. The breakdown of the total production value has highlighted, for the year 2014, an incidence of the intermediate consumptions equal to 40.3% (seeds, fertilizers, animal feeds, energy, services and other means of current use). The allocations that have been earmarked, both at the national and at the EU level, to the products and to the other farm's activities, have had an incidence of 9.4%, in an upward trend compared to 8.4% of 2013. Incomes of the employees have had an incidence of 13.3%, whereas depreciation, equal to 21.3%, has registered a further decrease compared to 24.3% of 2013. The salary of the self-employed work of the capital and firm, to the net of depreciation, has amounted to 14.2%, in a downward

Breakdown of the value of the agricultural output (million euro), 2014*



* 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 of the subsidies to production

Source: ISTAT

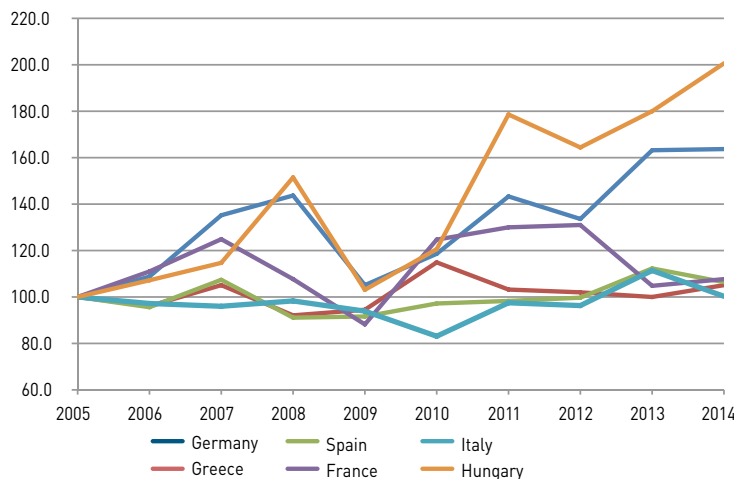
trend compared to 17.8% of 2013. The calculation of this latest economic value has particularly suffered the methodological

review and the higher range of information that have been taken into account and which have involved the estimates of the

national accounting. It should be pointed out that, compared to 2013, the share of the indirect taxes on production is slightly increased (from 1.3% to 1.5%), mainly due to fiscal novelties that have involved the sector.

At the EU level, according to the Eurostat estimates, the real agricultural income per work unit¹ has experienced a decrease equal to 1.2% compared to 2012 for the EU-28. The highest decreases have been detected in Finland (-17.4%), Belgium (-13.6%) and Denmark (-10.2%), whereas the highest increases have been observed in Slovenia (+13.4%), Hungary (+11.4%) and Czech Republic (+9%). Italy has registered a decrease of 10%, thus nullifying the good performance of 2013, substantially triggered by the increase in the working units in contrast with the decrease of the value added.

Trend of the real agricultural income per work units in some European countries



Source: Eurostat

¹ It corresponds to the real agricultural net value added, to the cost of factors, per total annual working unit



FISHERIES

FISHING GROUNDS

The Mediterranean sea is divided into 30 geographical fishing areas, the so-called Geographic Sub Areas (GSA), which differ by size and features. Seven of these areas are located in the Italian territory and they include more or less homogeneous areas.

The GSA 9 consists of the higher part of the Ligurian Sea and Tyrrhenian Sea and it covers a surface of 42,410 square Kilometers and over 1,245 square kilometers of coastal areas of Liguria, Tuscany and Lazio, divided into 10 maritime departments. In this area, one of the most heterogeneous of all the Mediterranean area, the most spread system is the trawling, mainly in the central area and on the Latium coasts.

The GSA 10 area extends for 20,255 square kilometers, the total surface includes 12 maritime departments and the coasts of 5 regions: Lazio (for a short section), Campania, Basilicata, Calabria (Tyrrhenian slope) and Sicily (northern coast), with a coastal extension of 1,129 kilome-

ters. This area, mainly the zone in the South and in the central Tyrrhenian Sea, has the most complicated marine structure of the entire Mediterranean Sea, also due to the presence of many islands. The fleet, in this area, is mostly constituted by small vessels (less than 12 meters long), which work within 12 miles from the coast by practicing small-scale fishing. The GSA 11 area is constituted by 1,846 square kilometers of Sardinian coast. Here, the trawling activities are characterized by a small-scale coastal fishing which, nevertheless, plays an important role in the regional context.

The GSA 16 area includes five maritime districts with an extension of 34,000 square kilometers; the zone is characterized by a very tricky topography where there is a continuous hydrographic movement between the western and the eastern Mediterranean basins, thus leading to a high productivity of the fisheries resources. In terms of fishing activities, also in this area the most important acti-

vity is represented by the trawling fishing along the Sicilian Channel, fostered, over years, by numerous economic incentives in the sector.

The GSA 17 area extends on a surface of 92,660 square kilometers and it includes the central-northern Adriatic Sea, from the Gulf of Trieste to the line of Gargano and to the border between Croatia and Montenegro, with 12 maritime departments. The zone is characterized by the trawling fishing, with fishing trips of over 24 hours, by clam fishing and by the fishing through the use of gillnets and traps, along the coast on fleets with one or two fishermen.

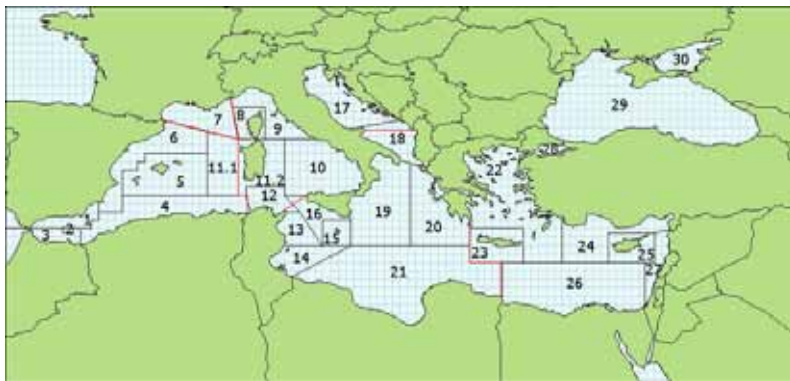
The GSA 18 area extends for 29,008 square kilometers and it includes the zone of the Adriatic Sea, the western Puglia, Montenegro and eastern Albania. In economic terms, the fishing activity in the southern Adriatic Sea has an high incidence on the national production, with a share of catches similar to that one obtained in the Sicilian Channel. The most remarka-

ble fishing activity in all the area is the trawling fishing, which is prevalent in the eastern coast with a share of catches of nearly 70% on the total catches of the entire area.

The GSA 19 area, lastly, extends for a surface of about 16,500 square kilometers and it includes all the area of the western Ionian sea, between Capo Otranto and Capo Passero, with 8 maritime districts.

The fishing techniques differ along all the area. Most of the fishing vessels are registered as multipurpose vessels and a sizeable share of them practice the trawling fishing.

The Mediterranean maritime geographical areas (GSA)



Source: CREA (2015), the fishing sector in figures - (to be published)

FLEET SIZE

According to the 2014 data, the Italian fishing fleet is among the most sizeable of Europe, after France in terms of motive power of the fleets and Greece in terms of number of vessels. The Italian fleet

ranks at second place in the EU for its number of vessels (14.5%) and motive power (15.4%), and to the fourth place in terms of capacity of gross tonnage (9.8%).

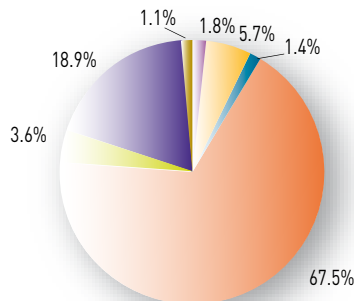
The fleet is mainly located in the low and medium Tyrrhenian Sea and in the high Adriatic Sea (GSA 10 and 17), where it has respectively 25% and 13% of the fishing vessels.

Consistency of the Italian fishery fleet by type of fishing systems. 2014

Fishery systems	N. of vessels	%	Capacity in gross tonnage GT	%	Motive power KW	%
Purse seine fishing	220	1.8	12,537.7	8.0	55,807.3	5.6
Hydraulic dredges	705	5.7	9,340.0	6.0	76,230.6	7.6
Longliners	173	1.4	5,141.0	3.3	34,384.3	3.4
Small scale fishing	8,403	67.5	16,098.7	10.3	241,328.1	24.1
Passive polyvalent	451	3.6	6,073.0	3.9	66,793.7	6.7
Trawling	2,347	18.9	97,342.0	62.1	475,460.5	47.6
Floating trawl fishing	141	1.1	10,344.0	6.6	49,753.2	5.0
Total Italy	12,440	100.0	156,876.4	100.0	999,757.8	100.0

Source: processing of MIPAAF figures - National Program of fishery data collection

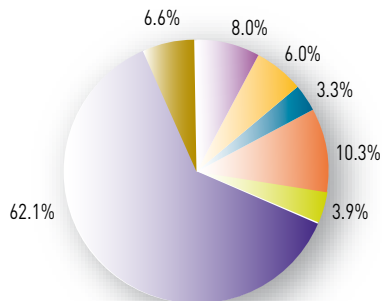
**Consistency of the Italian fleet by fishery systems:
n. of vessels, 2014**



	TOTALE 1,450,837
Purse seine fishing	220
Hydraulic dredges	705
Longliners	173
Small scale fishing	8,403
Passive polyvalent	451
Trawling	2,347
Floating trawl fishery	141

Source: processing of MIPAAF figures - National Program of fishery data collection

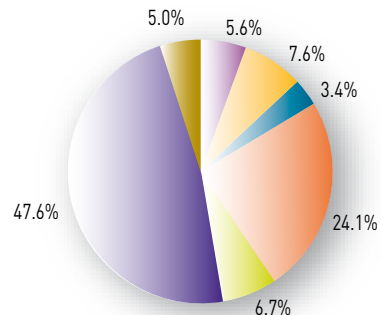
**Consistency of the Italian fleet by fishery systems:
n. of gross tonnage, 2014**



	TOTAL 156,876
Purse seine fishing	12,538
Hydraulic dredges	9,340
Longliners	5,141
Small scale fishing	16,099
Passive polyvalent	6,073
Trawling	97,342
Floating trawl fishery	10,344

Source: processing of MIPAAF figures - National Program of fishery data collection

**Consistency of the Italian fleet by fishery systems:
n. of motive power, 2014**



	TOTAL 999,758
Purse seine fishing	55,807
Hydraulic dredges	76,231
Longliners	34,384
Small scale fishing	241,328
Passive polyvalent	66,794
Trawling	475,460
Floating trawl fishery	49,753

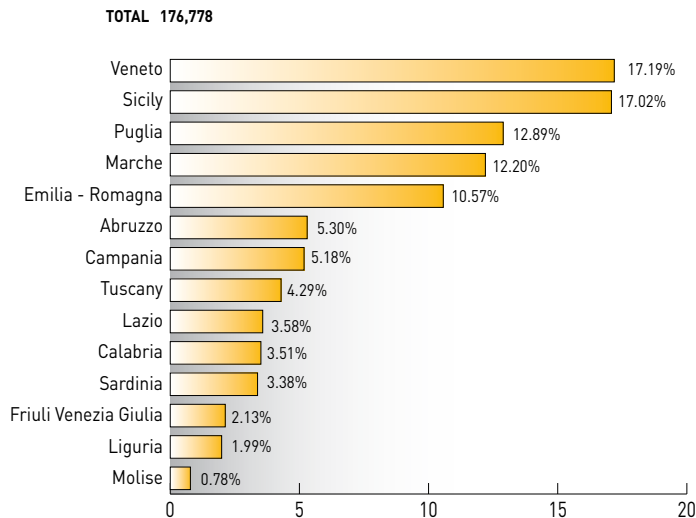
Source: processing of MIPAAF figures - National Program of fishery data collection

FISHING SYSTEMS

The fishing systems are mostly concentrated on the small-scale fishing, in terms of the number of vessels used, and on the trawling fishery with reference to the gross tonnage and the motive power. Over 8,000 boats are inferior to the thresholds envisaged for the systems of small-scale fishing, feature which makes Italy a country mainly devoted to the local artisanal fishing.

There's also a prevalence of trawling fishing and of a small-scale that represent over the half of all the fishing activity on the Italian territory. Of secondary importance is, instead, the fishing activity with hydraulic dredges. The trawling fishing has always represented the most profitable fishing system, both in terms of production and revenues, as well as the most practiced system. Even the small-scale fishing has a remarkable incidence on the incomes of the fishing sector (over 20% of the total).

Breakdown of the catches in the Italian territory, 2014



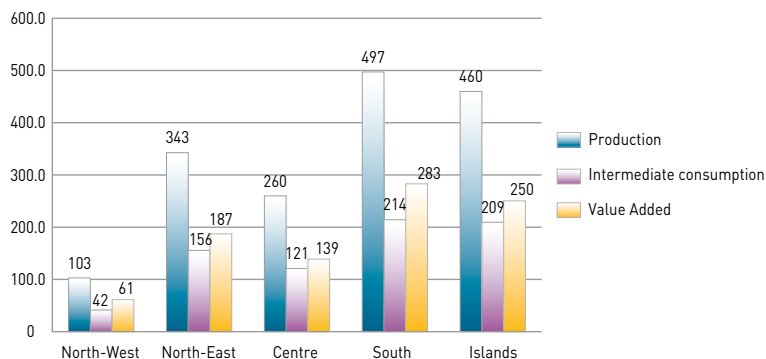
Source: processing of MIPAAF figures - National Program of fishery data collection

PRODUCTION AND ECONOMIC VALUE

In terms of the breakdown of the catches, there are five regions that reach a total tonnage percentage exceeding 10%: Veneto, Sicily, Puglia, Marche and Emilia Romagna.

Considering the most common species, the anchovies have an incidence of nearly 20% on the national production. They are, then, followed by sardines, clams, hakes, shrimps. For all other species, the incidence is lower than 4% of the Italian catches. In 2014, the fishing sector has suffered a decrease in production (-2.2%), as consequence of a sharp drop in the catches (-3.2%) and a slight increase in aquaculture (+0.8%). The decrease in consumption and the restrictions, due to the biological rests, are among the main factors of the downward trend in the sector. The value added of the fishing and aquaculture sectors represents little above 3% of the entire sector related to agriculture, forestry and fishing, and it has amounted to 920,754 million euro (-2% over 2013).

Value added of fishery and aquaculture by geographical area, 2014



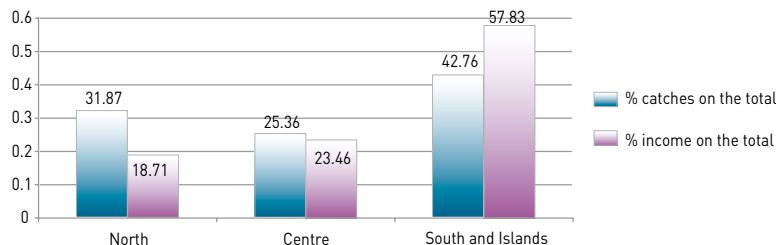
Fonte: elaborazione dati MIPAAF - Programma nazionale raccolta dati alieutici. Source: processing of ISTAT figures

This means a loss, in net terms, equal to 20 million euro over 2013.

By analyzing the production by geographic areas, it is observed that almost the half of the total production of the fishing sector, with the highest percentage of value added of the sector, comes from the sub-area of the central-northern Adriatic, that inclu-

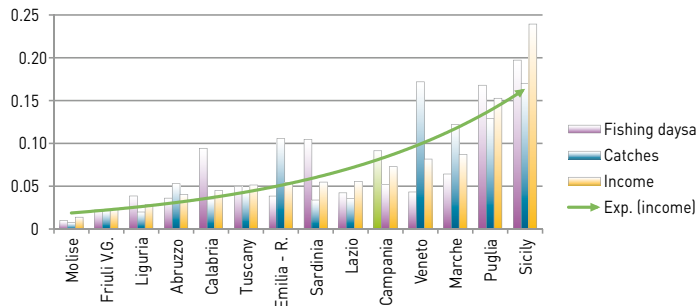
des the high area and the medium area of the Adriatic Sea, from Gulf of Trieste to Gargano. They are, then, followed by the southern area of the Adriatic Sea and the sub-area of the Sicilian Channel. The other areas that, in a decreasing order, contribute to the national production are the Ligurian Sea and Tyrrhenian Sea, the area

Incidence of catches and income by geographical area, 2014



Source: processing of ISTAT figures

% incidence of the fishing days, catches and income on total Italy, 2014



Source: processing of MIPAAF figures - National Program of fishery data collection

of the Ionian Sea and the Sea of Sardinia. The highest revenues of the fishing sector derive from the Italian southern regions, mainly devoted to the small-scale fishing; in particular, Puglia and Sicily have registered the highest number of earnings, respectively with 15.3% and 23.9% of the total Italy. In the North an exception is represented by Veneto, whose volume of catches amounts to nearly 20% of the total Italy, compared to total revenues lower than 10%. Worthy of note are also Calabria and Sardinia, which commit in the sector about 10% of the fishing days, compared to the national total.



AGRI-INDUSTRIAL SYSTEM

COMPONENTS OF THE SYSTEM

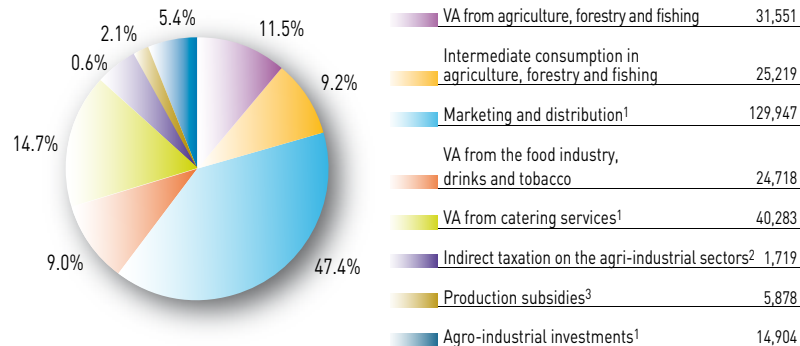
The agri-food system is the totality of those interrelated activities that contribute to the fulfillment of the value of the food product when it reaches the consumer table. In particular, in 2014, the agricultural value added, at basic prices, has amounted to roughly 31.6 billion euro, whereas that one for the food industry has reached 24.7 billion euro. The sum of the agricultural sector and the food industry, the so-called agri-food system, represents 4% of the Italian value added and 6% of the total output. The food chain involves also the service sector mainly with the distribution and the marketing of raw materials and of the processed products, as well as with catering services. The value added of this segment of the supply chain represents a sizeable share of the agri-food chain: the sector of marketing and distribution is worth 129.9 billion euro and the catering sector 40.2 billion euro.

The overall activities of the agri-food system is a fundamental part of the eco-

nomy of our country. When considering also the subsidies, indirect taxes paid and the investments made, the entire

system amounts to little more than 274 billion euro, and it represents 17% of the GDP.

Main components of the agri-industrial system at basic prices (million euro), 2014



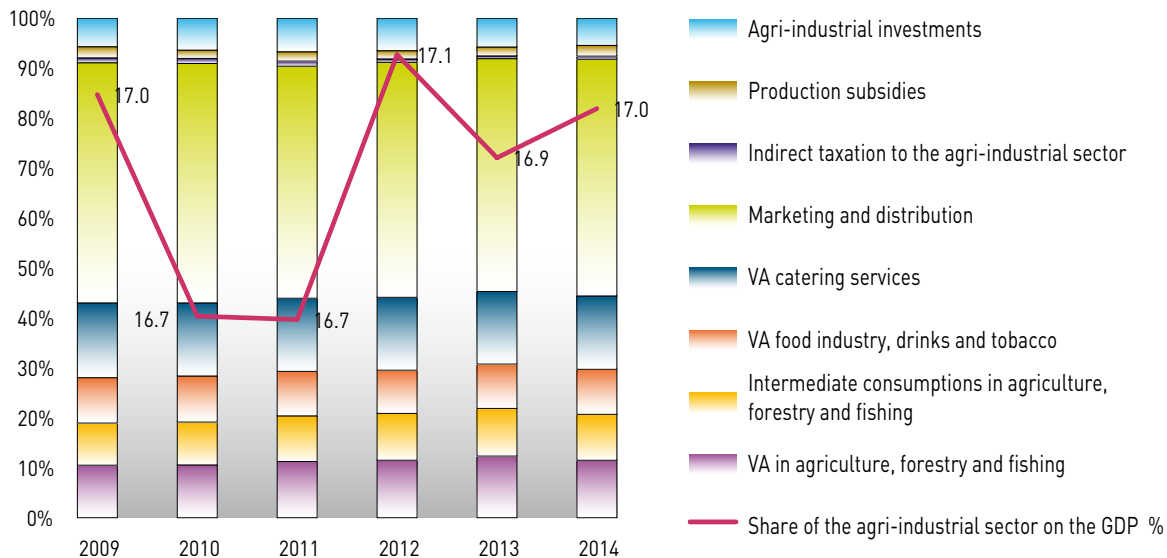
¹ Estimate

² The value of taxation for the agri-industrial sector is well below than that experienced in the past years for the changeover to SEC 2010

³ 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

Main components of the agro-food sector and incidence on the national GDP



Source: ISTAT

The agri-food industry has overcome the recession period better than the whole manufacturing sector. Foreign trade continues in representing a driving force of the system, and an incentive at investing, since the crisis and the low consumption have influenced the domestic market.

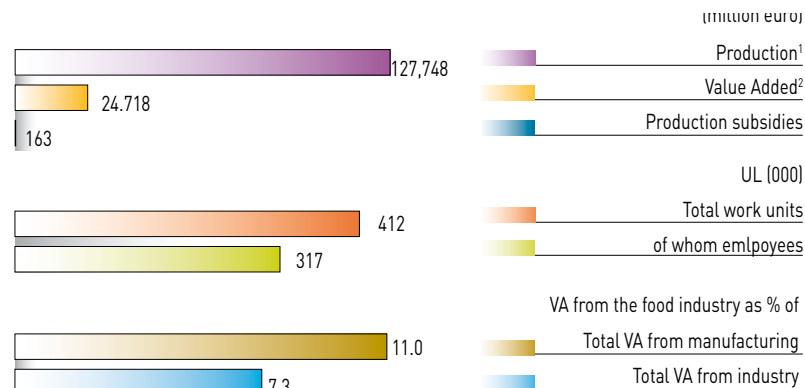
The ISTAT figures on the national accounting, updated at 2013, have highlighted an increase for the food, beverages and tobacco industries, with an output at current prices amounting to roughly 128 billion euro (+1.5% compared to 2012), and a value added of 24.7 billion euro (+1.4% compared to 20012), which represent, respectively, 14.5% and 11.1% of the production and of the value added of the entire manufacturing sector. The same economic aggregates, assessed at chained prices, have registered a substantially unchanged situation for production compared to 2012, and a negative outcome for the value added (-1.6%).

The working units in the food industries amount to 411.5 thousand units, with an increase of 1% over 2013, and an incident-

ce of 12% on the total working units of the manufacturing sector. Within the food, beverage and tobacco industries just the food-processing industry represents 95% of firms and 92% of employees.

The ISTAT figures concerning the structure of the firms (2013) have pointed out some interesting aspects of the Italian food industry. In particular, 65% of the working firms in the sector is related to the sector for

Food industry*: main macroeconomic aggregates, 2014



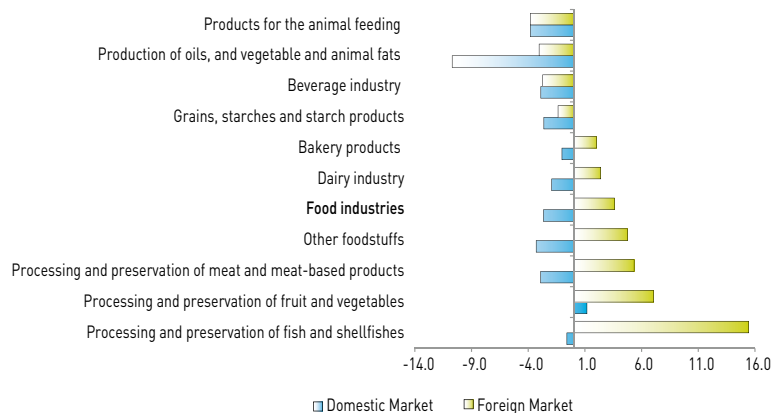
*Including drinks and tobacco

¹ Value of production at basic prices, at current values (estimate on ISTAT figures)

² Value added at basic prices, at current values

Source: ISTAT.

Index of the turnover in the food industry, by sector and reference market, average % change 2014/13



Source: ISTAT

the production of bakery and farinaceous goods, with an incidence of workers equal to 44%. To the second place are ranking the firms producing “other food products” (sugar, tea and coffee, ready meals, baby foodstuffs and dietary food, cocoa and sweets) with a share of 10% of active firms and

of 15% of workers on the total food industry. Furthermore, the most spread legal form is that one of the sole proprietorship with a share of 47% of the active firms and of 18% of the workers on the total food industries. Limited companies rank themselves at second place in terms of business numerosity

(17%) but they represent the highest share per number of employees (26%).

The monthly ISTAT figures, about the trend in the industrial production activity, have highlighted divergent signals, during 2014, with a slight increase in production (+0.6%) and a decrease of the turnover (-1.9%). The analysis by single sector highlights that the highest increases of the index of the industrial production, compared to 2013, have involved sugar processing (+53.7%), the processing and preservation of fruits and vegetables (+5.5%), the processing of coffee and tea (+4%), whereas, conversely, meat processing (-13%), ice-cream (-4%) distillation and blending of alcoholic drinks (-3.7%) have all registered a negative variation. In countertrend, compared to the pace of the domestic market (-2.7%), is the turnover of the food sector abroad which is increasing (+3.6%), mainly due to the good performance of the sector for the processing and preservation of fish and shellfish (+15.4%).

At the EU level there are 264,699 firms

working in the food industry, with 4.1 million employees, equal to 13.7% of the manufacturing sector (Eurostat figures, 2012). The overall production value has amounted to roughly 837 billion euro, and the value added, to the cost of the factors of the sector, has reached almost 170 billion euro in 2012.

The comparison with the main European countries ranks Germany at first place for its incidence in the food industry: it has little more than 29,000 firms (11% of the total food industries of the EU-28), with an assessed output of almost 152 billion euro (18.2%) and 815,000 employees (19.9%). It is then followed by France, with an output value of roughly 135 billion euro (16.2%), Italy with a share of 105 billion euro (12.6%) and Spain (9.7%).

Productions of the Food Industry - % change - 2014/2013

	% change 2014/13
Sugar	53.7
Processing and preservation of fruit and vegetables	5.5
Processing of tea and coffee	4.0
Cocoa, chocolate, sweets	3.8
Beer	2.3
Processing of grains and starch products	2.2
Processing and preservation of fish and shellfishes	1.5
Bread and fresh bakery products	1.5
Ready meals	1.4
Pasta couscous and farinaceous products	1.0
Rusks and biscuits; preserved pastry goods	0.8
Baby food and diet food	0.4
Dairy industry	0.1
Meat-based products	0.0
Wine from not auto-produced grapes	-0.5
Oils, vegetable and animal fats	-1.6
Soft drinks, mineral water and other bottled waters	-2.5
Seasonings and spices	-3.1
Distilling, rectifying and blending of spirits	-3.7
Ice creams	-4.0
Processing of meat, excluding birds	-13.0
Total in food industry, beverage and tobacco	0.6

Source: ISTAT

Value added in the food industry, beverage and tobacco by main sectors in the EU-28, 2012

	Value Added*			Employees		
	million euro	% on total industry ¹	% Italy on EU	000 units	% on total industry ¹	% Italy on EU
Food products	170.000	10.5	11.0	4.100	13.7	9.6
of which:						
Processing and preservation of meat and meat-based products	30.688	1.9	9.0	937	3.1	6.2
Processing and preservation of fish and shellfishes	3.988	0.2	7.0	114	0.4	4.8
Processing and preservation of fruit and vegetables	12.913	0.8	10.8	258	0.9	11.0
Oils, vegetable and animal fats	3.917	0.2	15.7	63	0.2	16.9
Dairy products	20.000	1.2	13.4	371	1.2	11.9
Milling of grains, starch and starch products	7.167	0.4	9.3	107	0.4	7.9
Bread, biscuits and pasta products	39.524	2.4	13.3	1.533	5.1	11.4
Other foodstuffs ²	42.506	2.6	10.6	601	2.0	9.7
Animal foodstuffs	9.530	0.6	5.8	122	0.4	5.8
Production of drinks	36.700	2.3	9.3	431	1.4	8.3
Tobacco products	7.335	0.5	0.7	42	0.1	1.3

* at factor costs

¹ Manufacturing industry

² Sugar, sweets, coffee, seasonings, diet food, etc.

Source: Eurostat

Main indicators of the Food Industry in the EU-28, 2012

	N. firms	Employees	Production	Value Added ¹	Turnover
	(000 units)		(million euro)		
Belgium	6.8	85.3	36,287	5,649	39,220
Bulgaria	4.8	80.4	3,535	646	3,779
Czech Rep.	7.3	100.8	9,828	1,899	11,852
Denmark	1.5	59.7	19,920	3,820	22,617
Germany	29.1	814.8	151,975	29,637	166,788
Estonia	0.4	12.7	1,180	246	1,372
Ireland	0.6	35.7	20,605	6,114	23,269
Greece	13.7	78.4	10,430	2,901	11,511
Spain	23.0	313.4	81,536	15,053	86,482
France	57.5	561.0	135,258	28,614	151,804
Croatia	2.8	56.4	3,558	918	4,557
Italy	55.1	394.0	105,137	18,682	106,834
Cyprus	0.8	11.0	1,140	292	1,273
Latvia	0.8	23.6	1,433	289	1,516
Lithuania	1.4	38.5	3,164	526	3,386

	N. firms	Employees	Production	Value Added ¹	Turnover
	(000 units)		(million euro)		
Luxembourg	0.1	5	570	203	697
Hungary	4.4	89.6	8,311	1,432	9,500
Malta	0	:	:	:	:
Netherlands	4.5	119.4	53,712	8,979	60,217
Austria	3.4	70.3	13,730	3,539	15,274
Poland	13.8	391.4	42,516	7,911	46,626
Portugal	9.3	90.2	10,824	1,921	11,668
Romania	7.7	164.5	7,548	1,441	8,521
Slovenia	1.2	14.2	1,548	363	1,857
Slovakia	2.4	34.6	2,911	599	3,712
Finland	1.7	34.8	9,315	2,081	9,750
Sweden	3.5	57.8	14,978	3,300	16,886
UK	6.7	358.7	85,875	23,064	92,539
EU-28	264.7	4,100.0	837,000	170,000	914,000

¹ At factor costs corresponds the VA at basic prices, to the net of the taxes on the production, including grants

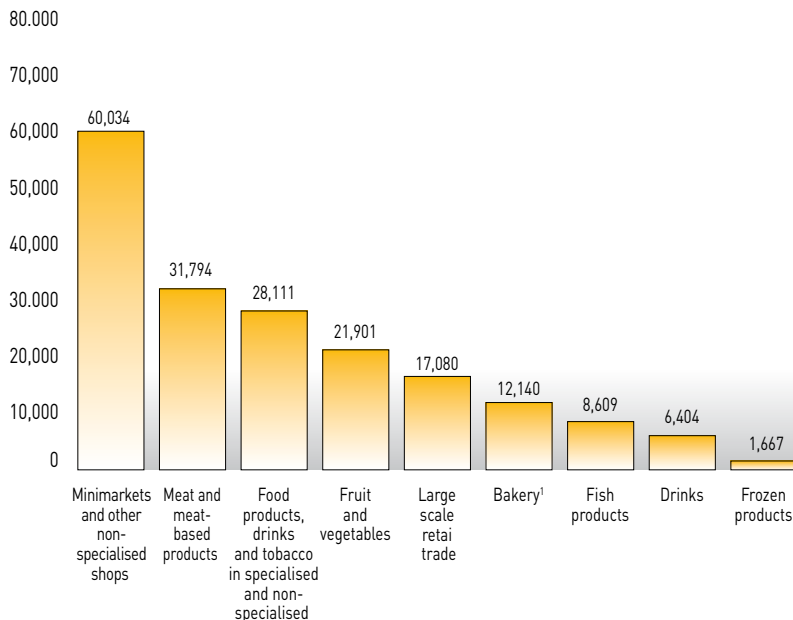
Source: Eurostat

DISTRIBUTION

In 2014, the number of the firms in the food sector with fixed location has experienced a slight increase compared to 2013 (+0.3%), to the net of tobacco shops, thus amounting to 187,740 retailers. In particular, the type of non-specialized selling, with a prevalence of foodstuffs and drinks (hypermarkets, supermarkets, mini-markets, discount, etc.) has amounted to 92,945, down by 1.7%. It continues to increase the number of food discount (+19.2%) and supermarkets (+1.8%), compared to a decrease of the mini-markets (-0.5%).

The specialized food retailers, with the most traditional ways of selling, amount to 94,795, a further increase over 2013 (+2.4%). It's worth noting the decrease in the number of shops selling meat or meat-based products (-1.4%) which, nevertheless, represent the most numerous category with 31,794 retailers. In an upward trend are, conversely, the retailers specialized in beverages (+5.2%), fruit and vegetables (+2.5%), bread, ca-

Food retail shops in fixed-location, 2014



¹ Including the selling of sweets and sugared almonds

Source: National Observatory of Trade, Ministry for the Economic Development

kes and sweets (+1.3%).

At the territorial level, it is confirmed the difference among the various areas of the country: the southern regions have an higher commercial density, equal to 5 retailers per 1,000 inhabitants compared to the northern regions having 3 retailers. In these latest regions there is a wide spread of selling channels with greater sizes (hypermarkets and superstores),

whereas in the South, and to a lesser extent in the Centre, there is a prevalence of retailers (free service and discount). The ISTAT index of the total retail selling has highlighted a decrease of 1.2% during 2014, as a consequence of a 1.1% decrease in the food products and of 1.2% in the non-food products. In the large-scale retail, the sales are increased both in the foodstuffs (+1.2%) and, to a lesser extent,

in the products other than foods (+0.1%). In the firms operating in the small areas, the sales have experienced a decrease of 0.2% for foodstuffs and 0.4% for the non-food products. In particular, the sales in the discounts and supermarkets have registered an increase (respectively of +3.1% and +1.1%), whereas hypermarkets have suffered lower sales (-2.5%). The ISTAT figures, concerning the hou-

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

	Index			% change		
	Oct '14	Nov '14	Dec '14	Oct '14/Oct '13	Nov '14/Nov '13	Dec '14/Dec '13
Non-specialised large-scale distribution						
Food	100.3	98.1	119.8	-0.7	-1.4	-0.1
non Food	94.7	95.0	154.6	-0.9	-0.3	1.0
Hypermarkets ¹	92.8	94.4	124.0	-3.3	-2.5	-2.5
Supermarkets ²	101.7	97.8	116.0	0.1	-1.5	1.1
Discount ²	114.6	108.3	122.2	2.7	1.2	3.1
Specialised large-scale distribution ²	112.3	110.2	148.8	2.4	3.6	3.2
Total	101.6	99.6	127.3	-0.2	-0.6	0.6

¹ Food

² Food and non food

Source: ISTAT

sehold consumption, have confirmed that the share of sales at hard discounts has remained essentially unchanged at the national level, but it is increased in the South and Islands (from 12% to 15%); in a downward trend is, conversely, the share of people who buy at traditional retailers or markets (down from 26.7% to 26.1%), whereas supermarkets are the most common places where to buy products, with an average rate of 57.7% for the food purchases.

Food shops in fixed-location per 1,000 inhabitants, 2014



Source: National Observatory of Trade, Ministry for the Economic Development.

Territorial breakdown of the large-scale retail trade surface, December 2014

	Supermarkets		Hypermarkets		Superette		Discount		Total	
	(sqm)	%	(sqm)	%	(sqm)	%	(sqm)	%	(sqm)	%
North-West	1,709,756	23.7	1,845,551	43.9	367,342	19.1	690,224	24.2	4,612,873	28.5
North-East	1,665,787	23.0	946,027	22.5	289,106	15.0	617,751	21.7	3,518,671	21.7
Centre	1,773,915	24.5	704,129	16.7	427,278	22.2	705,717	24.8	3,611,039	22.3
South and Islands	2,078,621	28.8	709,370	16.9	841,776	43.7	833,213	29.3	4,462,980	27.5
Italy	7,228,079	100.0	4,205,077	100.0	1,925,502	100.0	2,846,905	100.0	16,205,563	100.0

Source: The agro-food system in Emilia-Romagna. Survey 2014 - based on Nielsen figures

FOOD CONSUMPTION

In 2014, after a two-year period of downward trend, the average household spending has highlighted a slight increase (+0.7%), at current values, reaching 2,488.50 euro. The recovery is also confirmed by the values in quantities (+0.3%), with a net recovery compared to the remarkable decrease suffered in the latest two years (-3.9% and -2.9% respectively, in 2012 and 2013), mainly ascribable to the spending item for the consumption of services (+0.7%).

The rate of food spending remains substantially stable (roughly 436.06 euro/month). The spending rate for meat continues its downward trend (from 99.64 euro in 2013 to 97.20 euro in 2014), along with oils and fats (from 15.16 euro to 13.79 euro) and the soft drinks (from 20.61 euro to 19.66 euro), whereas it is increasing the spending for ready meals and other food preparations (from 9.52 euro to 10.5 euro).

The share of families who save both in

Breakdown of food consumption by main category of expenditure, 2014

Category of expenditure	Current value (000 euro)	% incidence	change 2014/13 (%)	
			at chained values	implicit prices
Foodstuffs and soft drinks	141,480	100	-0.1	-0.1
				2.4
Foodstuffs	130,666	92	-0.1	-0.1
- bread and cereals	24,354	17	0.2	0.4
- meat	33,109	23	-1.4	0.6
- fish	10,217	7	-0.9	1.5
- milk, cheese and eggs	19,215	14	-0.8	1.1
- oils and fats	4,427	3	-5.1	0.9
- fruit	11,978	8	3.1	-3.6
- vegetables	18,504	13	2.0	-2.3
- sugar, jam, honey, chocolate and pastries	6,162	4	0.3	1.1
- other	2,701	2	0.5	1.4
Soft drinks	10,814	8	-0.2	0.0
- coffee, tea and cocoa	4,072	3	3.2	-0.7
- mineral waters, sparkling drinks and juices	6,741	5	-2.2	0.5
Spirits, tobacco, narcotics	41,988	100	2.1	-0.2
- spirits	9,113	22	-2.2	2.5

Source: ISTAT

Food consumption in the EU*

	% on total food expenditure	change 2013/12 (%)			% on total food expenditure	change 2013/12 (%)	
		quantity ¹	implicit prices			quantity ¹	implicit prices
Austria	1.8	-0.2	3.2	Malta	0.1	-1.2	4.9
Belgium	2.7	0.4	3.4	Netherlands	3.5	-0.1	1.9
Bulgaria	0.5	-4.7	2.6	Poland	4.5	-2.3	2.3
Cyprus	0.2	2.5	0.2	Portugal	2.2	-	-
Croatia	-	-	-	UK	12.0	1.5	-1.0
Denmark	1.4	0.9	0.2	Czech Rep.	1.3	0.2	-0.2
Estonia	0.2	7.1	3.7	Romania	-	2.6	-
Finland	1.4	0.0	5.5	Slovakia	0.8	-2.2	3.5
France	16.2	0.8	1.2	Slovenia	0.3	-6.1	3.9
Germany	15.9	-0.1	3.7	Spain	8.7	-1.1	-
Greece	2.5	-4.2	0.9	Sweden	2.6	0.8	2.7
Ireland	0.8	-1.1	2.0	Hunagry	1.0	3.9	0.4
Italy	15.0	-3.0	2.3	Eurozone	73.5	-0.8	2.4
Latvia	0.3	4.4	0.0	EU-28	100.0	-0.5	1.9
Lithuania	0.6	2.6	2.0				
Luxembourg	0.2	0.9	3.7				

*Foodstuffs and spirits

¹Million euro, chained values, reference year 2010

Source: EUROSTAT

the quantities and in the quality of the foodstuffs bought is suffering a decrease compared to 2013 (from 62% to 59%), also due to the substantial steadiness in prices for the food products (+0.1%).

The share of the food spending goes down from 17.8% in 2013 to 17.5% in 2014, but it still represents over one fifth of the to-

tal expenditure in the South (down from 22.6% to 21.9%) and almost one fourth (24.3%) in Calabria.

At the European level, in 2013, latest available year, the household spending for foodstuffs, at current terms, is increased (+1.3%). It represents little more than 12% of the overall spending,

for a total amount of 943 billion euro, concentrated for almost the half in only three countries: Germany, France and Italy. The positive trend in consumption is mainly ascribable to the increase in prices (+1.9%), since in terms of volume they registered a slight decrease equal to -0.5%.

In 2014, the positive trend, experienced by the agri-food system in the latest years, suffers a setback, with a total output value decreasing by almost 3%, due to a negative dynamic of the primary component (-5%) compared to a positive performance of the industry (+2%). Therefore, also the value of the apparent consumption suffers a worsening (-2.5%), ascribable also to the trend in the commercial exchanges. In 2014, imports have exceeded exports, exactly 2.9% compared to 2.7%. Nevertheless, in terms of balance of trade, the year 2014 experiences an improvement of 4% compared to 2013, with a total amount of -6.414 million euro. Also in terms of total volume in the exchanges, it has been detected an increase of 2.8% compared to the previous year.

In 2014, the dynamics of the main indicators of the agri-food system has depicted a framework in which both the propensity to import (+2.4%) and to export (+2.3%) are improving, but it is nevertheless wor-

sened, although to a lesser extent, the self-procurement rate (-0.5%) and the rate of

commercial coverage (-0.2%).

The Italian agri-food trade balance has

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

MACROECONOMIC AGGREGATES		2000	2013	2014
Total agri-industrial output ¹	(P)	67.899	83.884	81.420
Imports	(I)	25.358	39.201	40.508
Exports	(E)	16.867	32.217	33.246
Balance	(E-I)	-8.491	-6.984	-7.262
Volume of trade ²	(E+I)	42.225	71.418	73.754
Apparent consumption ³	(C = P+I-E)	76.390	90.868	88.682
INDICATORS (%)				
Degree of self-provision ⁴	(P/C)	88,9	92,3	91,8
Propensity to import ⁵	(I/C)	33,2	43,1	45,7
Propensity to export ⁶	(E/P)	24,8	38,4	40,8
Degree of trade cover ⁷	(E/I)	66,5	82,2	82,1

* 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 Agri-industrial output plus imports minus exports

⁴ Output-consumption ratio

⁵ Import-output ratio

⁶ Export-output ratio

⁷ Export-Import ratio

Source: ISTAT

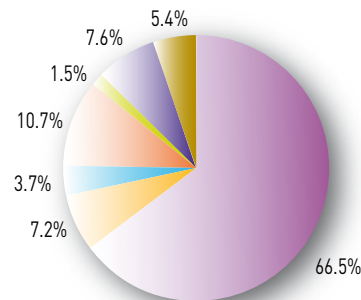
highlighted a deficit amounting to little more than 6 billion euro, in a context of increase of the agri-food commercial flows. In particular, exports, equal to almost 35 billion euro, have registered a positive performance, with an increase, compared to the previous year, that has exceeded the average of the economy (+2% for the total exports). Imports have amounted to little more than 41 billion euro, with a positive trend which is in countertrend compared to the total commercial flow (which, conversely, is decreasing by -1.6%).

In terms of share of the agri-food sector on the total, the sales abroad have remained substantially unchanged compared to 2013, compared to a profit of 0.6% of the purchases over the share of the previous year.

In 2014, commercial exchanges have suffered the depreciation of the euro compared to the dollar (conversely to what happened in the previous year), besides the decrease in prices of the energy raw materials.

The positive trend of exports is ascribable to the increase of volumes (+4.6%) despite a decrease of their value (-1.8%) and it is much more evident during the last trimester of the year; the increase in imports is more remarkable during the first and last trimester, and also in this case

Destination of the Italian agro-food exports, 2014



Source: ISTAT

the increase has been influenced by quantities (+11%), by offsetting the decrease in prices (-7.3%).

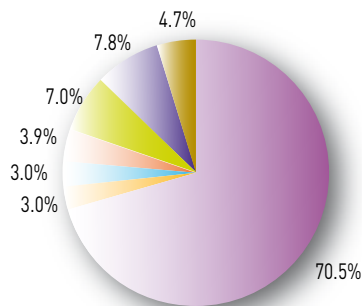
In terms of geographical distribution of the exchanges, the sales dispatched to the EU-28 countries have increased by 2% over 2013, and also the purchases deri-

	TOTAL	34,629
	EU 28	23,027
	Germany	6,195
	Other non-Med. European countries	2,481
	Swiss	1,340
	TMC (Third Mediterranean Countries)	1,280
	Turkey	232
	North America	3,717
	USA	3,051
	Centre-South America	515
	non-Mediterranean Asia	2,621
	Japan	750
	Others	1,877

ving from this area are increased by the same percentage. In terms of share, the incidence of the commercial flows remains unchanged compared to 2013, with 66.5% of the total sales dispatched to the EU-28 partners, and 70.5% of the total incoming flows. North America represents our second market of exchange, towards which it is dispatched 10.7% of the Italian products and which represents 3.9% of the total imports of the country.

Other markets for our exports are represented by the non-Mediterranean Asiatic countries, with a share of 7.6% of the total, and the other non-Mediterranean European countries that absorb 7.2% of the total outflows. In 2014, the sales towards Asia are increased by 9.3%, whereas those dispatched to the other European countries have suffered a decrease of 2.8%. In terms of imports, 7.8% of the total agri-food products purchased comes from the Asian market, along with South America, from which it originates 7% of the total Italian supplies. The performance

Origin of the Italian agro-food imports, 2014



Source: ISTAT

of the Asian countries, in 2014, is positive with an 8% increase, and even more positive is the result for South America that increases its sales towards Italy by 10.6%. It should be noted the decrease of the imports from the African developing countries, with a drop of 20.7% from year

	TOTAL	41,043
	EU 28	28,933
	France	5,795
	Other non-Med. European countries	1,239
	TMC (Third Mediterranean Countries)	1,239
	Turkey	511
	North America	1,581
	USA	993
	South America	2,884
	Brazil	948
	non-Mediterranean Asia	3,218
	Indonesia	1,076
	Others	1,949

to year.

Our main suppliers belong to the European zone, with an unchanged positioning, compared to 2013, which ranks at the first places France, Germany, Spain, Netherlands and Austria, with stable shares over the previous year, oscillating between 14.1%

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

	2014 (million euro)			change (%) 2014/2013	
	Import	Export	Sn (%)	Import	Export
Cereals	0.5	5.1	82.6	-50.0	50.0
Fresh fruits	541.9	2,358.5	62.6	-5.3	-3.8
Fresh vegetables	292.8	924.2	51.9	-3.1	-2.6
Flowers and plants	139.6	504.6	56.7	3.3	-0.9
AGRICULTURAL "MADE IN ITALY"	974.7	3,792.4	59.1	-3.5	-3.1
Rice	111.6	535.9	65.5	38.5	8.6
Processed tomatoes	151.8	1,655.6	83.2	19.9	4.9
Other vegetables and prepared or preserved fruit	523.3	977.9	30.3	9.6	7.0
Cured meats	270.1	1,322.3	66.1	6.3	6.6
Cheese	193.4	1,551.7	77.8	11.9	3.2
Olive Oil	1,365.1	1,343.6	-0.8	20.0	0.5
Other processed products	284.9	829.7	48.9	0.0	8.5
Fruit juices and cider	228.1	543.1	40.8	-2.3	-5.7
Vinegar	15.6	242.3	87.9	-9.3	1.9
Bottled wine	58.0	4,738.0	97.6	0.5	3.0
Bulk wine	62.3	393.6	72.7	-38.4	-17.8
Mineral waters	6.6	395.2	96.7	-4.3	7.2
Essences	45.1	105.5	40.1	30.3	29.8
PROCESSED "MADE IN ITALY"	3,315.8	14,634.5	63.1	11.1	3.3
Pasta	77.9	2,232.9	93.3	6.6	4.3
Bakery products	824.7	1,608.9	32.2	3.6	4.1
Cocoa-based sweets	740.2	1,345.2	29.0	10.6	7.0
Other derivatives from cereals	16.7	135.7	78.1	-16.9	7.2
Ice creams	121.4	223.2	29.5	0.4	7.6
Coffee	155.1	1,071.5	74.7	19.8	7.4
Spirit and liqueurs	182.2	582.2	52.3	5.3	-8.1
MADE IN ITALY of the food industry	2,118.1	7,199.6	54.5	6.9	4.2
TOTAL "MADE IN ITALY"	6,408.6	25,626.4	60.0	7.2	2.5

Source: ISTAT

Foreign trade by main agro-food categories (million euro), 2014

	Import	Export	Sn (%)		Import	Export	Sn (%)
Seeds	501	251	-33.2	Sugar	885	140	-72.7
Cereals	2,690	122	-91.3	Sweet products	883	1,514	26.3
Fresh legumes and vegetables	638	1,067	25.2	Fresh and frozen meats	4,527	1,116	-60.4
Dried legumes and vegetables	274	46	-71.1	Prepared meat	377	1,404	57.6
Citrus	280	178	-22.3	Fish products	3,500	369	-80.9
Tropical fruit	572	67	-79.0	Processed vegetables	1,000	2,281	39.0
Other fresh fruit	543	2,324	62.1	Processed fruit	579	1,024	27.8
Dried fruit	1,118	412	-46.2	Milk and dairy products	4,016	2,722	-19.2
Stringy vegetables	82	9	-81.2	of which milk	820	23	-94.6
Oil seeds and oleaginous fruits	783	26	-93.6	of which cheese	1,834	2,157	8.1
Cocoa, coffee, tea and spices	1,412	76	-89.8	Oils and fats	3,579	1,885	-31.0
Flowers and plants	458	652	17.5	of which olive oil	1,510	1,370	-4.9
Raw tobacco	37	228	72.2	Oilcakes and feedingstuffs	2,126	882	-41.3
Live animals	1,357	67	-90.6	Other products from the food industry	1,827	3,115	26.1
of whom for breeding	177	34	-67.4	Other food products	1,557	401	-59.0
of whom for rearing and slaughtering	1,159	19	-96.9	TOTAL FOOD INDUSTRY	26,178	21,528	-9.7
Other livestock products	453	68	-73.9	Wine	291	5,248	89.5
Forestry products	653	128	-67.3	of which quality sparkling	118	702	71.1
Fishing products	1,034	232	-63.4	of which liqueurs and aromatic spirits	6	226	95.0
Game products	120	20	-71.7	of which quality bottled wine	39	3,247	97.7
TOTAL PRIMARY SECTOR	13,004	5,971	-37.1	of which quality bulk wine	56	188	54.1
Rice	112	536	65.5	Other alcoholic drinks	886	869	-1.0
Cereal derivatives	1,211	4,141	54.7	Soft drinks	199	709	56.3
of which pasta	78	2,233	93.3	TOTAL FOOD AND DRINKS INDUSTRY	27,566	28,387	1.5
of which baked goods	825	1,609	32.2	TOTAL AGRO-FOOD BALANCE	41,043	34,629	-8.5

Fonte: ISTAT.

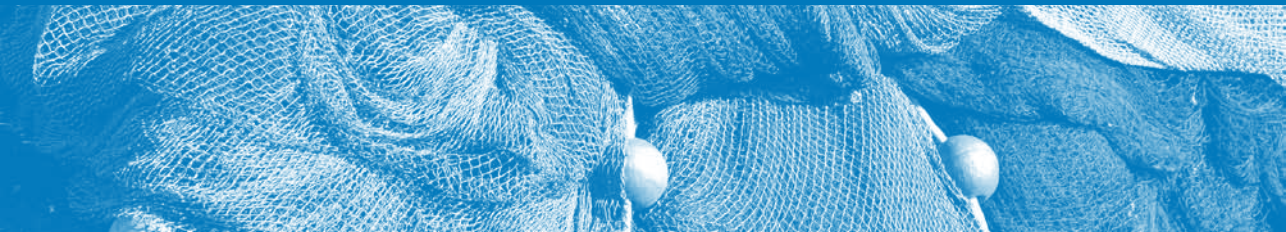
and 3.5%. During 2014, Indonesia gains a placement, thus exceeding Poland and becoming the 7th supplier for Italy. In terms of exports, the most important recipients of our agri-food sales are Germany, France, US, UK and Switzerland; whose share ranks between 17.9% and 3.6%. Among the recipients, worthy of note is the dynamic of Spain that, in 2014, ranks before Belgium, thus gaining the 8th placement in the ranking.

In terms of goods, the primary sector, in 2014, has suffered a slight worsening, with a loss of 1.4% of the value of the normalized trade balance, equal to -37.1% due to the decrease in exports (-0.6%) and the increase in imports (+2.5%). The situation is stable for the food and beverage industries, whose normalized trade balance amounts to 1.5%, as in 2014. By taking into account the total of the agri-food trade balance, the primary sector has an incidence of 31.7% compared to 67.2%

of the food and beverage industry in terms of imports, whereas, in terms of exports, the primary sector amounts to 17.2% and the food and beverage industry to 82%.

The “made in Italy”, or the basket of products considered by consumers as typical products of our country, continues suffering a slight worsening, also in 2014, with a loss of 1.4% in terms of normalized trade balance, as a consequence of a slight increase of the trade balance of imports and a slight worsening of the trade balance of exports. In particular, also the processed products, a source of strength of our agri-food sector, have suffered a decrease, whose values of the normalized trade balance have amounted to 63.1%, worsened by 2% compared to 2013. This is the result of a joined dynamic of both flows, which is, nevertheless, more sizeable for the imports (+10.6%) and less remarkable for the exports (+3%). As far as our typical agricultural products are

concerned, the normalized trade balance is remained stable, over years, with a value of 59%. The products with the most remarkable dynamic for the agricultural sector are cereals which gain 48% between 2013 and 2014, essentially ascribable to the increase of the volumes exported. For the sector of the processed products, it has been detected an increase in exports equal to 29.8%, also in this case with a strong incidence of the quantity component, followed by the increase in rice (+8.6%), boosted by the increase in price, whereas the cask wine loses 17.8% due to the decrease in price. In terms of absolute values, the products that boast the better performance in 2014 for the three categories of the “made in Italy” (agricultural products, processed products and industry), are respectively represented by fresh fruit, packaged wine and pasta, in the same way as it occurred in 2013.



FOOD AND THE EATING HABITS OF ITALIANS

THE EATING HABITS OF ITALIANS

The ISTAT survey, on the daily life aspects, provides annually a framework on the eating habits of Italians, on the basis of the frequency in the consumption of the main foodstuffs, with a specific focus on the regional products. In order to analyze the temporal trend in the consumption profiles, in the following analysis we refer to the figures of the last three-year period published by ISTAT.

Daily food consumption

The consumption of bread and pasta is more remarkable in the Centre-South than in the North, although with a slight tendency in decreasing over time.

In terms of milk consumption it has not been detected a remarkable geographical differentiation, conversely to what occurs with cheese. Actually, the whole North-West, North-East, except for Emilia Romagna, and Sardinia have highlighted a percentage of daily consumption of cheese exceeding the national average.

Vegetables are mostly eaten in the northern and central regions, whereas fruit experiences higher consumption percentages in the Centre-South.

By analyzing the consumption trend of these types of food groups, it has been observed, in the three-year period 2011-2013, a slight decrease in the percentage

of those Italians consuming the groups of foodstuff with a daily frequency, that is to say bread, pasta (-2.1%), milk (-3.7%) cheese (-8.9%), fruit (-2.4%). Only the consumption of vegetables remains unvaried.

In the three-year period, it has been detected a slight decrease in the green percentage of the daily consumers of green vegetables and fruit (-1.8%) and, among them, an increase of people eating only one portion (+8.5%). At the regional level they have been observed different trends, not so much in the whole percentage but instead in the distribution per portions.

Consumption by type of foodstuff by region, eaten at least once a day*

Regione/P.A.	% average 2011-2013						green vegetable, vegetables or fruit
	bread, pasta	milk	cheese	green vegetables	vegetables	fruit	
Piedmont	82.1	56.0	31.0	61.2	54.9	78.7	88.3
Valle d'Aosta	80.6	53.1	35.6	54.7	47.9	67.8	80.2
Liguria	78.9	60.9	23.9	49.4	43.0	77.6	84.2
Lombardy	79.4	55.7	29.2	53.8	46.1	73.2	84.1
Bolzano	70.6	59.6	42.1	52.8	42.0	65.3	76.7
Trento	81.1	57.0	36.3	66.2	54.5	70.4	81.8
Veneto	81.8	55.9	28.4	58.7	49.4	71.8	84.5
Friuli-Venezia Giulia	79.5	57.4	32.3	61.8	47.5	71.1	83.2
Emilia-Romagna	82.0	52.1	21.1	56.8	48.9	72.7	82.7
Tuscany	84.9	63.2	19.3	53.7	48.4	75.7	85.1
Umbria	85.6	62.7	17.0	58.5	51.9	78.4	86.9
Marche	87.2	57.5	15.7	57.5	47.0	75.3	85.0
Lazio	81.7	65.9	16.8	59.0	48.8	73.7	84.0
Abruzzo	88.2	59.3	16.4	46.8	41.0	78.2	85.1
Molise	87.9	60.7	16.3	36.3	28.9	76.1	82.2
Campania	85.3	57.2	10.2	41.5	35.5	75.5	81.6
Puglia	84.7	68.7	16.5	37.6	33.9	81.4	86.6
Basilicata	88.0	54.4	17.8	29.2	25.7	74.1	79.0
Calabria	88.9	54.3	21.9	40.8	34.3	75.8	82.1
Sicily	89.1	54.8	22.2	43.3	36.5	78.7	83.7
Sardinia	82.2	59.5	31.3	45.6	42.7	77.5	84.5
Italy	83.2	58.3	22.5	51.4	44.1	75.3	84.1

LEGEND AVERAGE VALUES

over the national average

below the national average

equal to the national average

* People aged 3 years or over per 100 people with the same characteristics

Source: processing on figures based on "Indagini Multiscopo - Aspetti della Vita Quotidiana" (ISTAT)

Consumption by type of foodstuff by region, eaten at least once a day*

Region/Autonomous Province	% change 2013/2011						
	bread, pasta	milk	cheese	green vegetables	vegetables	fruit	green vegetable, vegetables or fruit
Piedmont	-2.1	2.5	-2.2	3.8	3.3	1.3	1.1
Valle d'Aosta	1.5	3.4	-22.3	9.8	10.2	3.0	4.9
Liguria	-0.6	-6.3	-16.2	-11.0	-16.1	-7.5	-7.7
Lombardy	-5.2	-7.8	-8.6	0.9	2.9	0.8	1.2
Bolzano	0.8	3.6	-6.1	0.6	-3.9	-3.4	1.5
Trento	-7.8	-8.0	7.3	-11.4	-17.3	-10.2	-8.9
Veneto	-1.9	-1.4	-7.4	-2.7	-0.6	-1.1	-0.9
Friuli-Venezia Giulia	-3.8	-2.6	-11.4	-3.5	-5.2	-8.1	-5.2
Emilia-Romagna	-2.3	-4.1	-13.2	-2.9	-4.1	-3.8	-4.2
Tuscany	0.7	-0.8	-8.0	-10.6	-10.5	-1.7	-2.0
Umbria	0.4	-5.7	2.9	6.1	4.9	0.0	-0.1
Marche	-0.2	-6.1	-18.5	-7.7	-16.5	-6.9	-4.9
Lazio	-4.4	-4.0	-14.2	0.7	4.9	-3.2	-1.9
Abruzzo	-2.3	-3.7	-4.7	-3.1	0.0	-5.5	-2.7
Molise	-4.6	-10.8	-1.8	2.5	-8.3	-8.6	-8.4
Campania	-2.3	-6.4	1.0	8.2	13.0	-3.0	-1.8
Puglia	-0.5	-3.5	-30.0	0.8	-1.5	-0.7	-1.6
Basilicata	1.1	0.0	-7.2	10.6	21.0	-1.2	-1.0
Calabria	-4.7	-4.8	-15.4	2.6	4.4	-6.5	-4.1
Sicily	2.4	3.9	-2.7	8.9	17.1	-2.9	-3.6
Sardinia	-3.1	-9.8	-5.8	-6.3	-7.5	-6.8	-4.1
Italy	-2.1	-3.7	-8.9	0.0	0.9	-2.4	-1.8

LEGEND % CHANGE

in increase

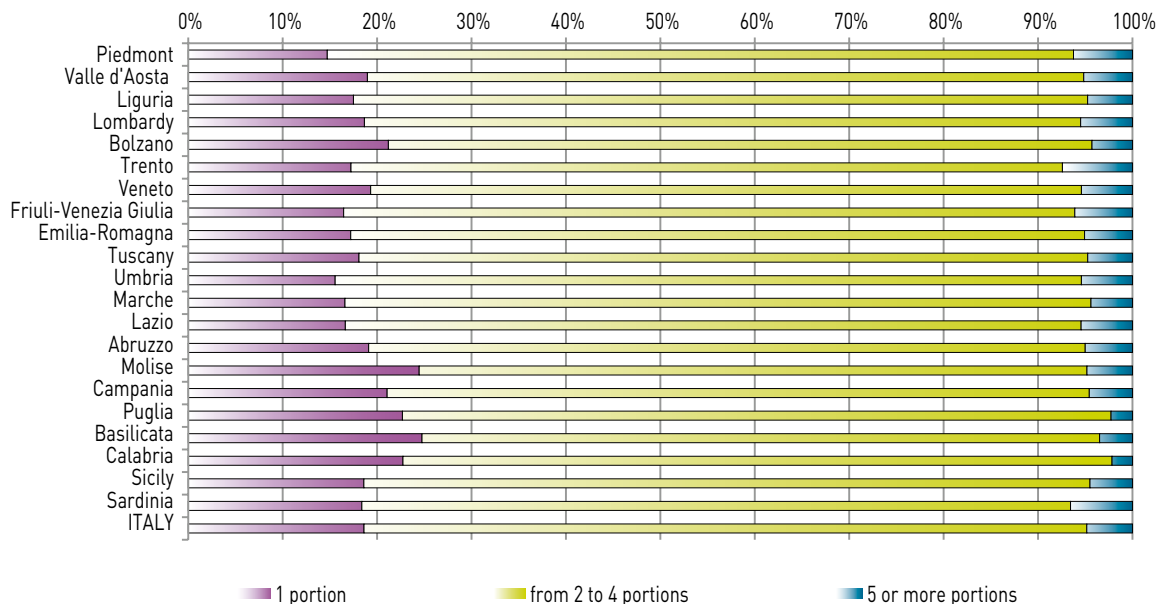
in decrease

costant

* People aged 3 years or over per 100 people with the same characteristics

Source: processing on figures based on "Indagini Multiscopo - Aspetti della Vita Quotidiana" (ISTAT)

Regional breakdown of consumers of “green vegetables, vegetables or fruit” by number of portions eaten per day (%) average in the three-year period 2011-2013



Source: processing on data “Indagini Multiscopo - Aspetti della Vita Quotidiana” by ISTAT

Consumption of foodstuffs sometimes a week

Region/Autonomous Province	% average 2011-2013								
	legumes	snack	sweets	cured meats	white meat	beef meat	pigmeat (excluding cured meats)	eggs	fish
Piedmont	36.08	22.64	51.59	55.18	84.07	71.31	37.91	60.23	52.8
Valle d'Aosta	40.98	22.37	49.16	61.87	85.37	76.73	42.15	58.23	53.44
Liguria	37.85	22.72	50.42	61.5	81.87	68.61	34.86	63.71	60.32
Lombardy	38.45	30.62	54.18	65.11	83.6	65.41	41.03	53.14	56.34
Bolzano	22.39	16.52	49.13	63.13	52.52	45.14	29.4	54.69	33.8
Trento	40.4	19.88	44.36	59.46	74.68	55.21	43.35	46.96	48.59
Veneto	35.21	27.81	56.89	58.64	80.85	64.85	42.23	51.66	52.03
Friuli Venezia Giulia	35.95	22.1	51.24	60.74	79.54	62.26	45.97	54.53	48.26
Emilia-Romagna	40.73	21.94	51.21	65.93	82	63.91	48.78	51.18	52.6
Tuscany	48.66	19.46	48.21	57.04	84.38	69.57	49.75	54.4	56.33
Umbria	55.09	19.61	52.07	65.08	85.84	73.7	62.69	60.4	60.66
Marche	43.04	19.41	52.74	64.71	86.1	71.04	51.07	56.01	63.28
Lazio	48.6	23.07	44.72	51.94	81.77	72.83	44.86	63.33	63.24
Abruzzo	57.19	24.46	50.61	59.72	83.27	68.72	52.06	63.22	60.72
Molise	64.86	31.7	51.11	71.72	84.34	70.93	58.08	66.74	61.96
Campania	73.87	31.52	41.45	63.9	83.7	72.27	55.35	64.15	68.26
Puglia	57.89	26.68	43.51	59.24	79.1	66.44	44.65	57.44	61.17
Basilicata	70.62	30.34	46.1	67.26	82.05	67.85	51.32	63.96	62.32
Calabria	67.39	29.98	43.97	65.57	82.25	72.15	52.24	67.07	64.69
Sicily	50.16	26.07	42.58	58.41	81.06	71.96	46.05	63.72	61.39
Sardinia	38.25	24.57	50.37	55.24	78.75	68.95	58.32	56.61	53.89
Italy	47.38	25.76	48.81	60.46	82.1	68.38	46.07	58.05	58.31

LEGEND OF THE AVERAGE VALUES

over the national average

below the national average

equal to the national average

Consumption of foodstuffs sometimes a week

Region/Autonomous Province	% change 2013/2011								
	legumes	snack	sweets	cured meats	white meat	beef	pigmeat (excluding cured meats)	eggs	fish
Piedmont	18.9	14.3	2.9	-8.9	0.2	-4.3	-0.5	5.3	-0.6
Valle d'Aosta	14.0	-6.1	-6.3	-1.5	2.7	-1.7	11.9	7.2	-4.1
Liguria	-3.1	-8.7	-12.4	-1.1	1.1	-2.7	-10.8	2.0	-8.8
Lombardy	13.0	-5.7	1.7	-11.1	0.0	-6.6	-2.0	2.9	-0.2
Bolzano	-11.2	-6.2	-9.1	4.4	0.8	-6.5	-2.6	6.1	-2.2
Trento	1.5	5.7	-6.1	4.0	-3.0	-7.5	1.8	4.0	-13.3
Veneto	2.3	-1.1	-0.5	-2.7	3.3	-6.6	-6.7	2.9	-0.4
Friuli Venezia Giulia	0.0	4.1	-6.8	-8.6	1.5	-2.6	4.6	8.0	-5.0
Emilia-Romagna	3.4	5.5	-1.7	-7.9	-1.1	-7.0	-10.1	-1.4	-2.4
Tuscany	7.7	27.5	10.6	-4.3	-1.0	-3.7	-6.9	-2.4	-4.1
Umbria	-4.4	4.7	2.1	1.4	-2.3	-5.3	-2.7	0.3	-11.1
Marche	7.4	1.6	-8.5	-7.5	0.6	-4.1	2.2	2.2	-3.9
Lazio	23.9	17.8	11.0	-5.8	3.2	-0.9	-3.8	7.4	-2.6
Abruzzo	7.4	-6.7	0.6	4.0	-1.3	-8.5	-3.5	7.4	1.2
Molise	4.4	-4.4	1.2	0.7	3.0	3.8	-8.9	5.2	1.2
Campania	1.9	9.7	-2.5	-1.9	1.2	-4.2	2.7	4.1	-3.1
Puglia	5.0	-12.1	-2.5	-7.8	-0.8	-3.0	-3.8	1.9	-10.0
Basilicata	8.7	3.9	-9.0	5.2	-4.5	-6.0	10.2	0.5	-4.1
Calabria	-3.4	10.5	2.0	-11.5	-2.7	-2.6	-6.7	-3.5	-4.4
Sicily	5.4	9.7	0.2	0.5	5.8	0.0	-1.8	10.8	3.6
Sardinia	-2.4	14.1	1.4	5.5	3.8	-3.1	7.6	12.8	-4.2
Italy	6.9	4.3	0.8	-5.3	1.0	-4.2	-2.8	3.7	-2.5

LEGEND OF THE AVERAGE VALUES

in increase

in decrease

constant

Source: processing on data "Indagini Multiscopo - Aspetti della Vita Quotidiana" by ISTAT

% change of daily consumers of green vegetables, vegetables or fruit, average 2011/2013

	Total	by number of portions		
		1 portion	from 2 to 4 portions	5 and more portions
Piedmont	1.1	2.8	4.4	18.6
Valle d'Aosta	4.9	9.9	9.6	-42.9
Liguria	-7.7	22.8	0.5	-4.0
Lombardy	1.2	8.0	8.6	-25.9
Bolzano	1.5	11.7	0.7	9.1
Trento	-8.9	28.2	-4.7	-10.8
Veneto	-0.9	12.6	4.0	-17.5
Friuli Venezia Giulia	-5.2	26.5	0.7	-20.3
Emilia-Romagna	-4.2	19.6	0.9	-8.0
Tuscany	-2.0	24.8	-2.6	52.8
Umbria	-0.1	9.7	5.4	-21.0
Marche	-4.9	21.2	2.6	-28.3
Lazio	-1.9	-1.8	3.6	70.3
Abruzzo	-2.7	47.6	1.6	-52.3
Molise	-8.4	21.0	2.1	-36.1
Campania	-1.8	-8.3	5.7	51.4
Puglia	-1.6	12.3	4.2	-33.3
Basilicata	-1.0	0.8	10.4	-45.7
Calabria	-4.1	5.7	6.3	-25.0
Sicily	-3.6	-9.2	5.2	44.4
Sardinia	-4.1	30.3	3.3	-43.8
Italy	-1.8	8.5	4.1	0.0

Source: processing on data "Indagini Multiscopo - Aspetti della Vita Quotidiana" by ISTAT

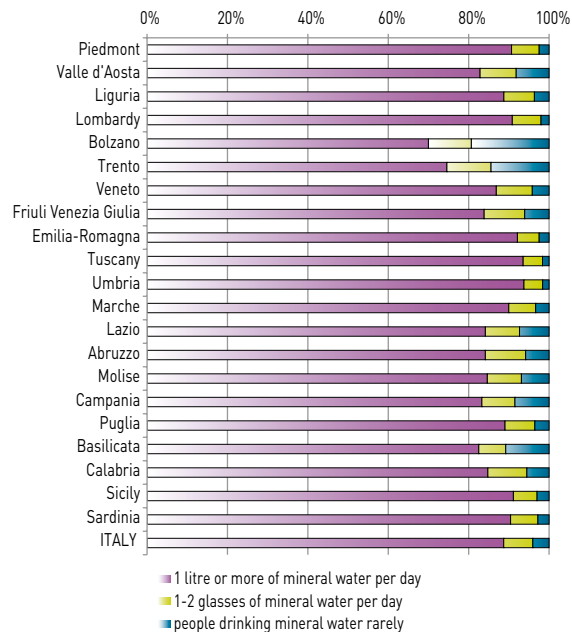
Weekly food consumption

In the 2011/2013 period, the trend of the foodstuffs with daily consumption has experienced an increase in the frequency percentages of the weekly consumption of legumes (+6.9%), snack (+4.3%), eggs (+3.7%), white meats (+0.9%) and sweets (+0.8%); in a downward trend is the consumption of cured meats (-5.3%), beef (-4.1%), pig meat (excluding cured meats) (-2.8%) and fish (-2.5%).

The only region with all of the consumption percentages over the national average is Molise. Nevertheless, on the whole, the regions with the highest consumption values for the protein-based foodstuffs (vegetables, legumes or animals, meat, fish, eggs) are the regions located in the South.

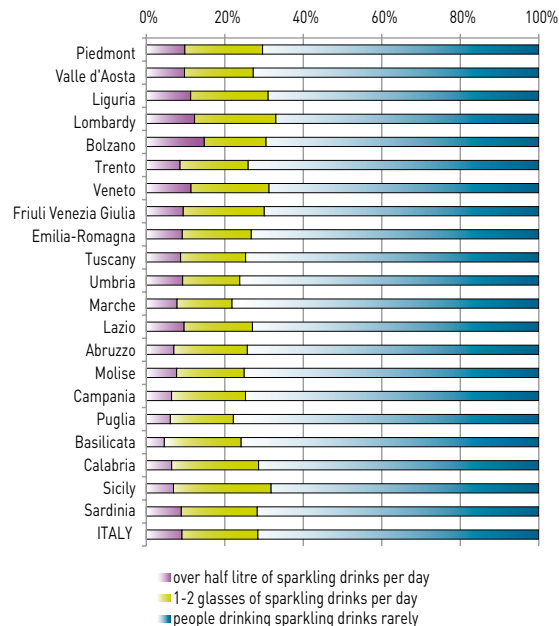
In the three-year period, the consumption of beef meat is decreased in 19 regions out of 20 (except for Molise and Sicily); the consumption of fish is decreased in 17 regions out of 20, whereas eggs have increased in 17 regions out of 20.

Regional breakdown of mineral water consumers, by quantity and frequency (%), average in the three-year period 2011-2013



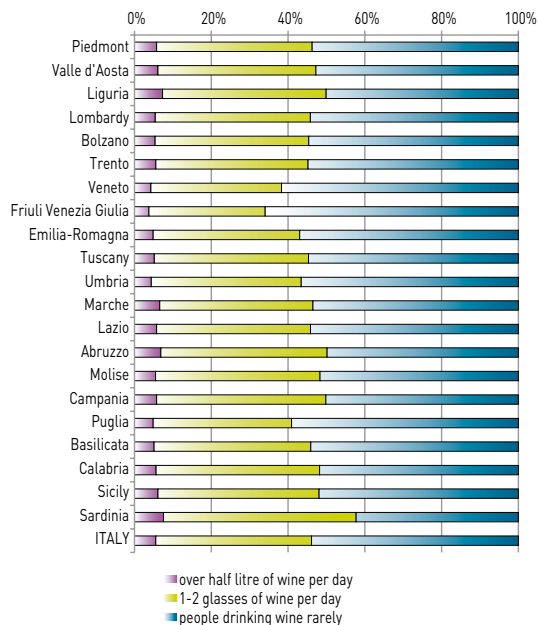
Source: processing on data "Indagini Multiscopo - Aspetti della Vita Quotidiana" by ISTAT

Regional breakdown of the consumers of sparkling drinks by quantity and frequency (%), average in the three-year period 2011-2013

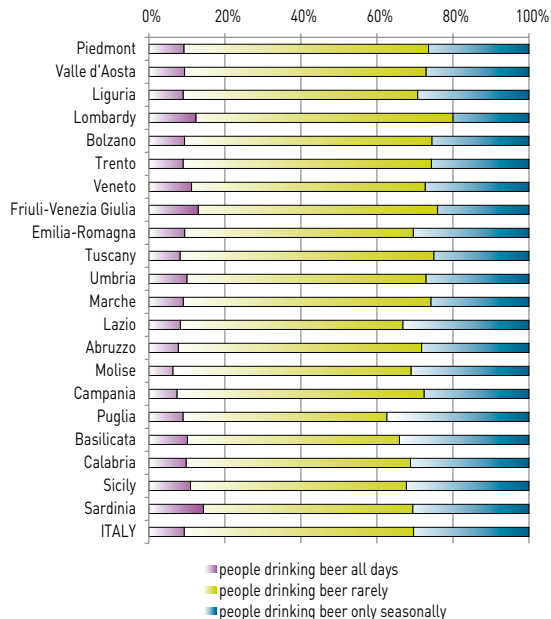


Source: processing on data "Indagini Multiscopo - Aspetti della Vita Quotidiana" by ISTAT

Regional breakdown of wine consumers by quantity and frequency (%), average in the three-year period 2011-2013



Regional breakdown of beer consumers, by quantity and frequency (%), average in the three-year period 2011-2013



Source: processing on data "Indagini Multiscopo - Aspetti della Vita Quotidiana" by ISTAT

Source: processing on data "Indagini Multiscopo - Aspetti della Vita Quotidiana" by ISTAT

Change in the consumption of drinks in Italy in the population aged 11 years and over (%), in the three-year period 2013/2011

	total	By quantity of consumption		
		over half litre per day	1-2 glasses per day	sporadic consumption
mineral water	0.3	2.3	-15.9	-12.8
sparkling drinks	-2.5	2.3	-8.4	-3.5
wine	-3.0	-13.8	-12.6	1.6
	total	Frequency in consumption		
		daily	rarely	only seasonally
beer	-1.7	-6.7	-1.8	0.0
	total	Frequency in consumption		
		less than once a week		
spirits between meals	-0.4	4.2	-	-

Source: processing on data "Indagini Multiscopo- Aspetti della Vita Quotidiana" by ISTAT

Drinks

Drinks can be divided into two main groups: mineral water, characterized by a daily consumption, and the other drinks with lower consumption frequencies (fig. 2-5).

Mineral water appears to be in an upward trend among people aged between 11 and over, conversely, the consumption of sparkling drinks and alcoholic drinks are in a downward trend, mainly ascribable to a lower use of this type of drinks.

Oils and salt

In terms of eating quality it has been detected a sizeable use of olive oil, and vegetable oil, used for both cooking and for dressing (with a minimum in Trentino Alto Adige).

67% of Italians pay attention to the consumption of salt, and the use of iodized salt involves 42% of the population.

Consumption of oils and vegetable fats, attention to the use of salt and iodised salt, 2011-2013

Region/ Autonomous Province	% of consumers in the three-year period 2011-2013				% change 2013/2011			
	cooking with olive oil and vegetable fats	raw condiment with olive oil and vegetable fats	people paying attention to the con- sumption of salt	people using iodised salt	cooking with olive oil and vegetable fats	raw condiment with olive oil and vegetable fats	people paying attention to the con- sumption of salt	people using iodised salt
Piedmont	94	97	70	38	1.7	1.3	4.4	-2.7
Valle d'Aosta	90	96	67	67	4.1	0.5	3.4	12.1
Liguria	96	98	66	34	-1.4	-0.8	-1.2	1.2
Lombardy	91	96	69	45	2.4	-1.2	2.7	10.3
Bolzano	86	89	62	71	-0.4	-2.9	-1.1	5.3
Trento	93	96	70	60	0.2	2.8	-3.9	4.8
Veneto	95	98	71	53	2.3	0.7	6.3	4.2
Friuli Venezia G.	93	96	70	47	1.7	1.4	1.3	0.0
Emilia-Romagna	95	97	70	49	-0.5	0.0	-1.3	7.7
Tuscany	97	97	68	46	1.4	1.9	-1.2	-0.2
Umbria	98	98	70	57	2.1	1.7	-2.0	0.2
Marche	97	97	70	37	1.4	1.2	6.6	6.0
Lazio	97	98	65	33	0.5	0.6	-0.5	2.7
Abruzzo	97	97	65	36	-0.8	-0.4	-0.9	-7.0
Molise	98	99	67	44	1.0	0.0	-3.9	-4.3
Campania	98	98	63	38	0.0	0.1	2.6	15.6
Puglia	99	99	66	44	0.7	0.5	0.5	-3.5
Basilicata	96	97	72	54	1.6	1.8	5.4	2.8
Calabria	97	98	66	45	-0.3	0.2	-1.9	-3.0
Sicily	95	96	57	31	1.7	1.7	5.1	13.6
Sardinia	98	98	68	28	2.2	1.3	2.9	23.8
Italy	95	97	67	42	1.2	0.4	1.8	5.2

Source: processing on "Indagini Multiscopo" - "Aspetti della vita quotidiana" by ISTAT

FOOD WASTE

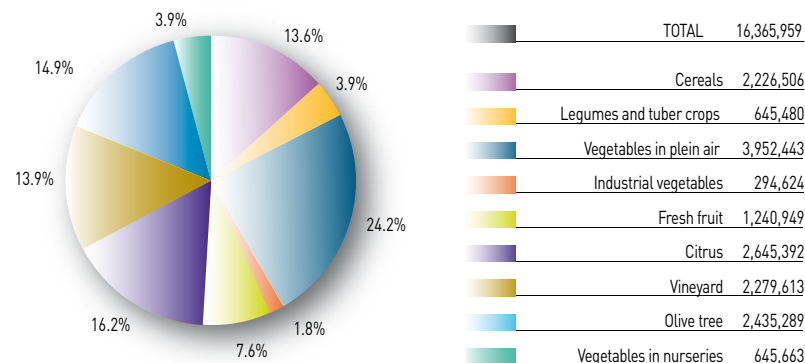
One third of the edible worldwide food production, nearly 1.6 billion tons of foodstuff, suffers losses and waste (Food Losses and Waste – FLW) along the entire agri-food supply chain (FAO, 2014); the first ones are substantially ascribable to climate, technical and environmental factors, the second ones are mainly attributable to economic and commercial reasons. In 80% of cases they are products still edible (for 45% fruit and vegetables), equal to 3.6 times the quantity necessary to feed people suffering hunger in the world, almost 795 million.

On the whole, the phases of the agricultural production (510 million tons) and of the post-harvesting and storage (355 million tons) have an incidence, respectively, of 32% and 22% on the total FLW; the phases of the food industry and distribution 11% and 13%; the final phase of consumption (household and catering), with 345 million tons of wasted food, has an incidence of 22% on the total. A share of 56% of the FLW occurs in the industrialized countries (over 40% at the distribution and consu-

mers levels), and 44% in the developing countries where, conversely, more than 40% of the FLW takes place after the harvesting and during the processing of products. In Europe, the total food waste amounts to 100 million tons, equal to 170 million tons of CO₂/year (3% of the total emissions of the

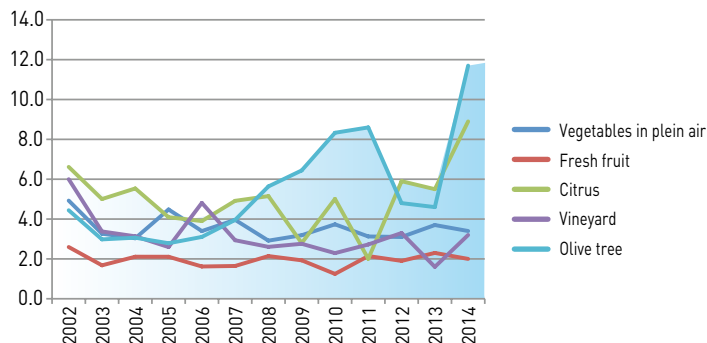
world), besides the agricultural losses and the throwing in the sea of the fishes. 5% of FLW takes place during the distribution and selling phases, 14% in catering, 39% during the industrial processing and 42% (38 million tons) in the household consumption. Also in Italy, most of waste (42%) occurs

Agricultural output left on the field by sector in Italy, 2014



Source: processing on ISTAT figures

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



Source: processing on ISTAT figures

in the final consumption phase (2.2 million tons in the household consumption and 800,000 tons in catering), with a cost of nearly 8.7 billion euro/year, equal to 0.57% of the domestic GDP (that is, 6.5 euro/week per family, equal to 630 grams/week of wasted food), whereas 39% of the FWLs are concentrated in the industrial production

phase and distribution, where it has been detected a loss, respectively, of 2.3 million tons of food/year (Waste Watcher, 2015). The phases of production, collection and storage are still little analyzed. In 2014, according to the ISTAT figures, the leftovers left on the fields, that is the difference between the total production and the agri-

cultural output really taken away from the place of production, have amounted to 1.6 million tons (3.1% of the total output), 24% of which is ascribable to the vegetables in plain air, 16.2% to citrus fruits and 14.9% to the olive trees.

In line with the EU strategy, for a circular economy at zero waste, the Ministry of the Environment has fostered, in 2014, the national Plan on the prevention of food waste. At the local level, over 700 Italian municipalities have underwritten the “Chart for a network of territorial entities at zero waste”, promoted by “Last Minute Market”, an academic spin-off of the University of Bologna since 2013.

Thanks to the law 155/2003, known as “Legge del buon samaritano”, during the first months of 2014 have been distributed foodstuffs in the city can- teens and in the charity organizations through the “onlus Banco alimentare associations” of 18 Regions, thus providing food to nearly 4,100,000 needy people (AGRA figures).

WINE AND FOOD TOURISM IN ITALY

In 2014, the total amount of tourists who stayed in Italy, according to the latest survey carried out by the national Observatory of the tourism supply chains, edited by Unioncamere, is amounted to over 511.4 million of presences, who have triggered consumptions for an estimated value of over 75 billion euro; 54.3% of this value has been triggered by the Italian tourism, whereas 45.7% by foreigners.

Compared to the overall touristic flow, the share of the wine and food tourism is equal to 24%, in terms of presences, and to 16% in terms of consumptions. The wine and food tourism seems to be the 10th main reason of the stay of tourists, by attracting 14.3% of Italians and 16.1% of foreigners.

The 12.4 billion euros of consumptions, arising from the food and wine tourism, have positive influences on the other economic activities, in particular they have an incidence of 27% on the recreational and cultural activities, and of 19% on the

Wine and Food tourism: estimate of the presences in Italy, 2014

	Italian people	Foreign people	Total
Estimate of the presence in private houses	42,994,440	22,938,789	65,933,230
Presences in touristic accommodations	26,673,039	29,554,267	56,227,305
Total	69,667,479	52,493,056	122,160,535

Source: National Observatory of the tourism supply chains - data by Unioncamere

Wine and Food tourism: focus on the wine and food motivation (% on total tourists), 2014

	Italian people	Foreign people	Total
Cheese	15.3	18.4	16.5
Fish	21.9	3.7	14.8
Sweets	16.9	8.8	13.7
Wine	12.8	15	13.7
Pasta	4.8	15.9	9.2
Cured meats	5.1	9.4	6.8
Oil	6.1	6.3	6.2
Bakery products	8.5	2.4	6.1
Green vegetables	2.8	10.8	5.9

Source: National Observatory of the tourism supply chains - data by Unioncamere

agri-food sector.

Besides the wine and food sector, the economic impact of the touristic spending in

the agri-food sector has been estimated, in 2014, to 10.7 billion euro, that is 14% of the 75.8 billion euros spent, on the who-

Breakdown of the tourists' expenditure, by wine and food motivation, by visited region (million euro), 2014

Sicily	32.6
Tuscany	24.1
Piedmont	16.0
Veneto	14.5
Friuli Venezia Giulia	12.4
Lombardy	8.4
Liguria	7.3
Sardinia	6.3
Emilia-Romagna	6.1
Campania	5.0
Lazio	3.7
Puglia	2.6
Trentino-Alto Adige	1.1
Marche	0.7
Umbria	0.7
Calabria	0.4
Basilicata	0.3
Valle D'aosta	0.2
Abruzzo	0.0
Non-Classified Region	1.9

Source: processing on Bank of Italy's figures

le, by tourists. In monetary terms, the agri-food sector represents, therefore, the third sector of the tourists' expenditure, thus ranking after accommodation and catering (36.6 billion euro) and recreational and cultural activities (17.4 billion euro). The average expenditure of the food and wine tourist is estimated at 179.06 euro/person for the trip, 56.75 euro/day for the accommodation and 76.52 euro/day for the other expenditures on the spot, slightly higher than what spent usually by tourists (equal to 75.57 euro). The main products attracting foreigners are cheese (18.4%), pasta (15.9%), wine (15%) and vegetables (10.8%). Italian tourists are mainly attracted by fish (21.9%), swe-

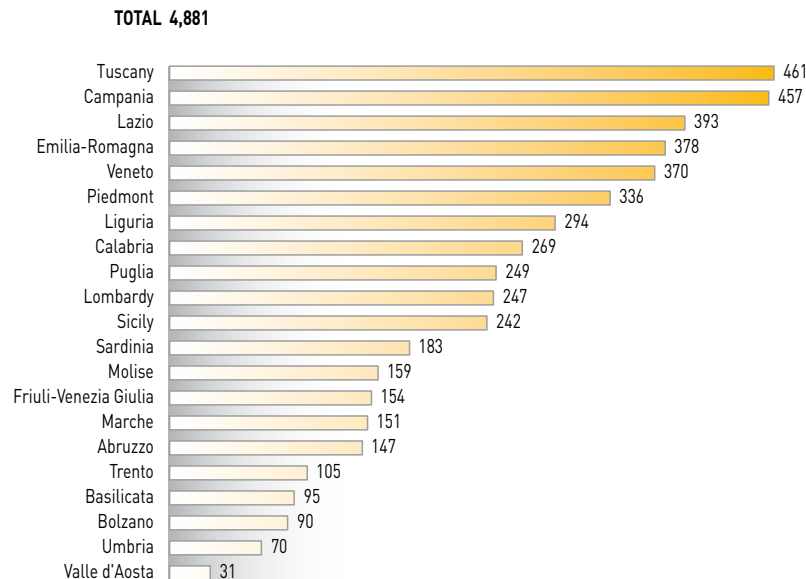
ets (16.9%), cheese (15.3%) and wine (12.8%). Besides the food and wine sector, the other main reasons of the stay are represented by a context with a high naturalistic value, along with a remarkable artistic heritage, thus confirming, once again, that the trinomial food-nature-culture is what needs to be fostered by the Italian territories in order to better express their touristic vocations.

The sample survey on the international tourism, carried out by the Bank of Italy, has highlighted that Sicily is the region with the highest share of expenditure by foreigners in the food and wine sector (23%), followed by Tuscany (17%), Piedmont (11%) and Veneto (10%).

TRADITIONAL AGRI-FOOD PRODUCTS

The traditional agri-food products are represented by the niche foodstuffs with a high culinary and cultural value but which, nevertheless, do not enjoy of the EU safeguarding as it occurs in the case of the designations of origin. The main requirement at which they refer to is represented by the tradition in the method of processing, conservation and seasoning, which has to be consolidated over times (for a period of at least 25 years). They have been formally recognized by the legislative Decree 173/98 that has established a national list at MI-PAAF, yearly updated by the Regions. Since 2008, they have been recognized as part of the Italian cultural heritage, as well as the historical, artistic and architectural goods. The 15th review of the list quotes 4,881 traditional food specialties, 68 specialties more than the previous year. Among the different regional specialties, there's a prevalence of bakery products (1,486), followed by fresh and processed vegetables (1,365), cured meats and fresh meats (782), cheese (488).

Traditional agri-food products by Region (n.), 2015



Source: 15th review of the national list of the traditional agri-food products, MIPAAF Decree 20 June 2015



FARM STRUCTURES

According to the latest ISTAT survey on the farm structures and productions (SPA 2013), our country continues in suffering a decrease in the number of agricultural farms and, although to a lesser extent, of the total cultivated surface areas.

Compared to the 2010 Agricultural Census, in 2013 the number of farms is decreased by 9.2%, whereas the utilized agricultural area decreases by 3.3% and the total surface area by 2.4%. It is, therefore, increasing the average surface area of farms, from 7.9 to 8.4 hectares. In terms of geographical breakdown, the northern farms have pointed out an average size higher than that of the farms located in the South (15.5 and 10.5 hectares, respectively, in the North-West and North-East, compared to 5.4 hectares in the South, excluding Islands). Puglia and Sicily detain the highest number of the agricultural farms (respectively 17.4% and 13.5% compared to the total

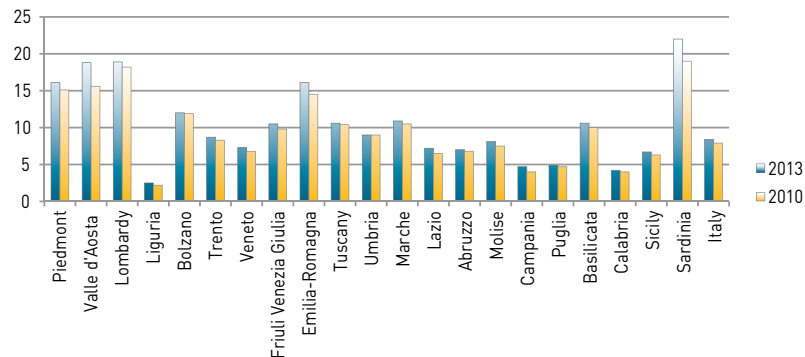
Italy) and the highest share of national UAA (10.1% and 11.1% respectively).

The most wide spread form of management continues to be the family run management (92.9%), a further expression of the feature of the Italian agriculture.

In terms of land ownership, the exclusive property concerns 70.3% of the total

farms and it involves 40.8% of the total national UAA. This form of ownership has highlighted a decrease, compared to 2010, both in the number of farms (-14.3%) and in the UAA (-15%). Conversely, the farms with rented land are increasing (+2.2% the number of farms and +8% the relating UAA).

Average agricultural surface area utilised, 2013-2010



Source: ISTAT

Farms and utilised surface area, 2013

	Farms		UAA (ha)		TAA (ha)	
	2013	% change 2013/10	2013	% change 2013/10	2013	% change 2013/10
Piedmont	59.308	-11,7	955.473	-5,5	1.269.044	-2,3
Valle d'Aosta	2.807	-21	52.872	-4,9	104.917	-12,1
Lombardy	49.169	-9,5	927.450	-6	1.136.414	-7,6
Liguria	16.479	-18,5	41.992	-4,1	101.038	3
Bolzano	19.182	-5,3	230.662	-4,1	451.989	-6,6
Trento	15.511	-5,7	135.284	-1,4	432.387	5,8
Veneto	111.155	-6,9	813.461	0,2	1.084.244	7,5
Friuli Venezia Giulia	20.176	-9,6	212.751	-2,6	266.575	-3,5
Emilia-Romagna	64.480	-12,2	1.038.052	-2,5	1.348.363	-0,9
Tuscany	66.584	-8,4	706.474	-6,3	1.298.353	0,2
Umbria	34.125	-5,8	305.589	-6,5	505.751	-5,8
Marche	41.003	-8,6	447.669	-5,1	588.800	-4,5
Lazio	82.777	-15,7	594.157	-7	867.826	-3,7
Abruzzo	63.154	-5,5	439.510	-3,1	655.073	-4,7
Molise	21.780	-17,1	176.674	-10,6	222.514	-11,8
Campania	115.895	-15,3	545.193	-0,8	699.360	-3,2
Puglia	255.655	-5,9	1.250.307	-2,7	1.331.403	-4,1
Basilicata	46.633	-9,9	495.448	-4,6	639.284	-4,4
Calabria	129.642	-5,9	539.886	-1,7	713.407	1
Sicily	203.765	-7,2	1.375.085	-0,9	1.529.106	-1,3
Sardinia	51.907	-14,6	1.142.006	-1	1.432.448	-2,6
Italy	1.471.185	-9,2	12.425.995	-3,3	16.678.296	-2,4

Source: ISTAT

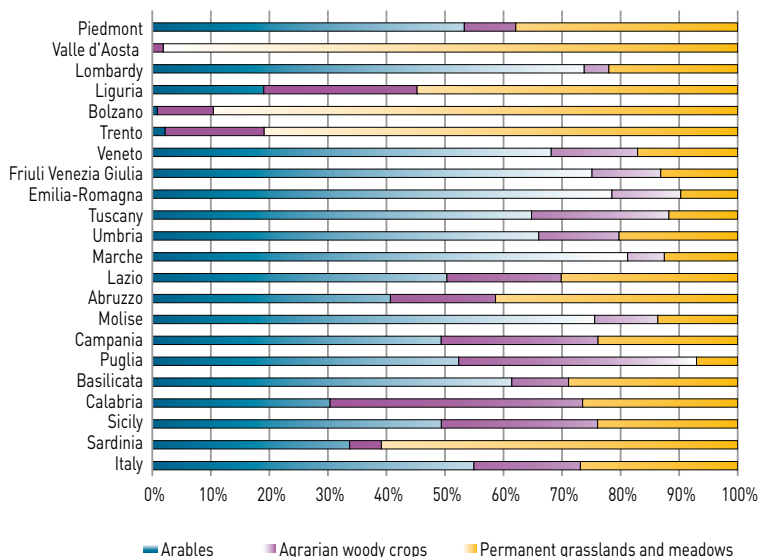
CROPS

More than the half of the national UAA continues to be cultivated with arable crops (54.9%), followed by permanent grasslands and grazing lands with 26.8%, and the agrarian woody crops (18.2%). The decrease of UAA, compared to 2010, has affected each of these crops (-3% arable crops, -5.1% the agrarian woody crops, -2.8% permanent grasslands and grazing lands).

The UAA cultivated with arable crops, practiced by about half of the agricultural farms, is concentrated for 41.5% in Emilia Romagna, Lombardy, Sicily and Puglia. Cereals are prevailing both for the number of farms (468,000) and cultivated surface area (3.5 million hectares). In this group, durum wheat is the main crop (43% of the farms and 35% of the cereal UAA).

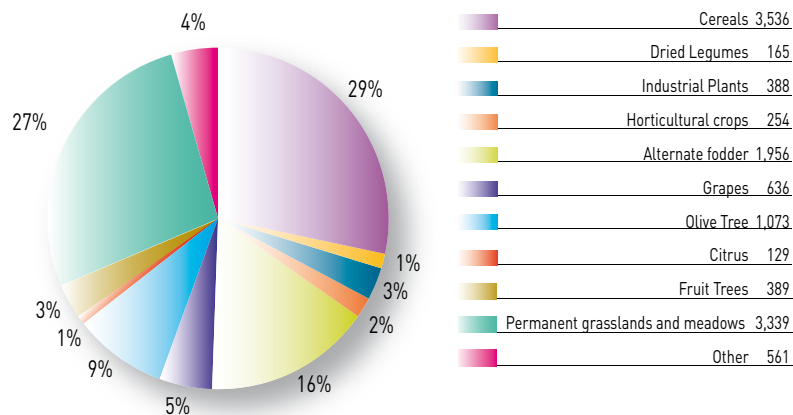
The surface area under permanent grasslands and grazing lands is managed by over 290,000 farms. It is located for 20.8% in Sardinia, 9.8% in Sicily and 45.5% in the northern regions.

Breakdown of the agricultural surface area by main uses (%), 2013



Source: ISTAT

Cultivated surface area by main crops (%), 2013



Source: ISTAT

The agrarian woody crops, including olive trees, vineyards, citrus trees and fruit trees, with a surface area of nearly 2.3 million hectares concentrated for 49% in Puglia, Sicily and Calabria, continue to be the most widespread crops: they are present in 72.3% of farms. Among the woody crops, the olive tree represents the national species most spread (825,202 farms and over one million of hectares cultivated).

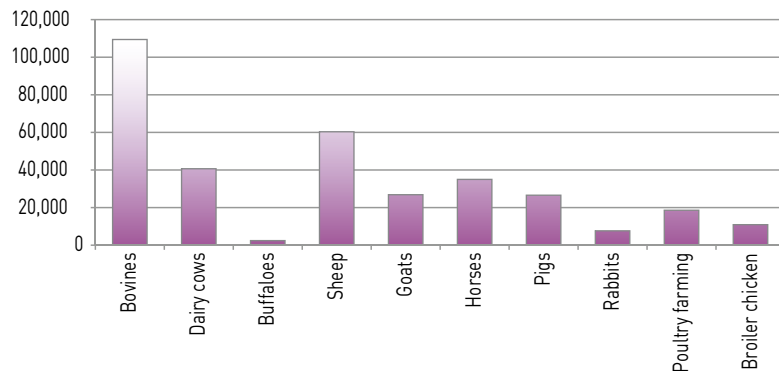
LIVESTOCK

The active livestock farms, in 2013, are almost 190,000 units, thus representing nearly 12.9% of the total agricultural farms. Compared to 2010, they have decreased by about 17,250 units (-8.3%), nevertheless, their incidence on the total farms is remained essentially unchanged.

There is a prevalence of farms specialized in cattle (57.7%), followed by the farms rearing goats (31.8%). Also the number of animals for each species reared has suffered a decrease at the national level over 2010, except for goats and sheep (+0.5%).

Two-third of the bovine cattle is concentrated in Piedmont, Lombardy, Veneto and Emilia Romagna (64.8%). The pig sector, mainly concentrated in Lombardy, Piedmont and Emilia Romagna (76.7% of the total pig meat) has suffered a higher decrease (-7.9%). The goats and sheep, located for 41% in Sardinia, have highlighted an increase in most of the Italian regions. The poultry heritage, in slight decrease at the national level, has pointed out an increase of 6.4% in Veneto, region that represents almost one third of the total number of the poultry reared.

N. of farms by type of livestock and by region, 2013



Source: ISTAT

N. of heads by main livestock species, and by region (000), 2013

	Bovines	% change 2013/10	Pigs	% change 2013/10	Sheep and goats	% change 2013/10	Rabbits	% change 2013/10	Poultry	% change 2013/10
Piedmont	751	-7.9	1,208	8.7	151	8.6	938	11.3	9,428	-11.6
Valle d'Aosta	31	-7.4	-	-79.7	5	-17.6	-	-83.2	-	-76.2
Lombardy	1,418	-4.5	4,310	-9.4	183	11.7	105	-74.7	26,380	-0.5
Liguria	15	3.1	1	-36.4	18	1.6	2	-84.6	66	-17.5
Bolzano	134	1.1	2	-52.9	61	42.7	-	-98.3	64	-33.3
Trento	43	-5.9	3	-40	34	2.5	5	-95	671	-33.9
Veneto	762	0.8	824	3.3	90	46.1	4,218	57.9	49,126	6.4
Friuli Venezia Giulia	85	-5.1	200	-7.7	14	1.2	130	-80.7	6,457	-7.1
Emilia-Romagna	530	-4.9	1,086	-13	127	77	330	-52.9	25,258	-10.6
Tuscany	86	1.1	183	53.3	437	-9.5	29	-65.9	1,806	-9.6
Umbria	46	-24.3	113	-40.6	135	22.2	15	-73	5,707	-0.8
Marche	52	-10.1	113	-43.7	150	-24.1	382	73.7	9,923	14.7
Lazio	203	-7.2	45	-41.6	616	-0.6	73	-64.6	3,261	-27.8
Abruzzo	61	-22.1	81	-14.6	212	-5.4	57	-76.9	5,824	-12.2
Molise	54	13.7	23	-9.1	62	-35.7	4	-82.1	7,745	30.9
Campania	166	-9.2	110	28.6	271	24.7	251	-32	3,803	0.1
Puglia	174	9.7	40	-5.1	294	-9.2	160	-7.2	3,663	15.3
Basilicata	87	-1.6	55	-35.6	330	2.5	136	8.3	270	-15.4
Calabria	93	-5.7	41	-20.8	416	9.5	43	116.1	537	-55.2
Sicily	316	-6.1	42	-9.5	887	4.4	5	-97.2	4,455	-2.2
Sardinia	237	-6	128	-24.3	3,189	-2.5	6	-92.9	584	-52.7
Italy	5,344	-4.5	3,090	-7.8	7,682	0.5	5,844	-4.2	129,220	-1.5

Source: ISTAT



ECONOMIC RESULTS OF FARMS

OUTPUT AND INCOME

In 2013, the Italian FADN farms have registered a gross saleable output amounting to an average of 58,116 euro, and a net income, as result of all factors produced by the entrepreneur and his family, of nearly 20,000 euro, thus representing almost more than one third of the gross saleable production.

In the northern regions, the economic performance of the agricultural farms are decisively higher than those detected in the central-southern regions. These results are mainly ascribable to the concentration

in the North of livestock farms with a high economic value, in particular of farms specializing in milk and in pigs and poultry. Furthermore, in the northern-western regions, it has been detected a higher structural endowment both in terms of UAA and LU, as well as AWU. Nevertheless, the southern farms (Islands included) are the most efficient in terms of income on the output value; the share of gross saleable production, at disposal of the entrepreneur and his family, amounts to 38.8%. This result is ascribable to the containment of

current costs (equal to 35.6% of the gross saleable production compared to 43.3% of the national average). Conversely, in the southern areas the incidence of the labor cost (wages, social security contributions for the employees and the family workers), along with the cost relating to the depreciation of firm's goods, seems to be higher (26.4% compared to 22.2% of the national average).

Here, the greater presence of small-sized companies implicates smaller scale economies.

Structural data and main economic results by geographical area, farm averages, 2013

	GSP/HA	GSP/ LU	GSP/AWU	NI/FWU	NI/GSP (%)	NI/HA	NI/LU
North-West	5,191	2,879	74,073	28,447	34.0	1,765	979
North-East	5,741	6,801	67,016	27,820	34.2	1,965	2,328
Centre	3,075	7,911	42,124	12,227	24.1	741	1,907
South - Islands	2,617	7,623	35,367	18,830	38.8	1,015	2,957
Italy	3,686	5,440	48,905	21,304	34.4	1,266	1,869

Source: Italian FADN

Structural data and main economic results by geographical area, farm averages, 2013

	UAA	LU	AWU	FWU	GSP	Current costs	long-term costs	Distributed incomes	Off-farm management	Net Income
	ha	n.			euro					
North-West	20.2	36.4	1.4	1.3	104,862	49,349	7,265	10,686	-1,900	35,663
North-East	14.5	12.3	1.2	1.0	83,442	37,994	5,618	10,859	-408	28,563
Centre	17.7	6.9	1.3	1.1	54,552	28,214	5,759	8,067	636	13,149
South - Islands	14.6	5.0	1.1	0.8	38,285	13,638	3,424	6,679	307	14,851
Italy	15.8	10.7	1.2	0.9	58,116	25,167	4,692	8,228	-64	19,965

Source: Italian FADN

VEGETABLE TYPE OF FARMING

Among the main vegetable type of farming, the farms specializing in the horticulture sector, although characterized by small-sized surface area (roughly 3.7 hectares), have highlighted productive and income results which have largely exceeded those of the other firms.

Decisively higher are also the expenditures, fixed and variable, paid by the firms in the horticulture sector in terms of production cycle. This agricultural activity requires both a sizeable use of structures and workforce, and a considerable spending for the technical inputs, mainly for the purchase of seeds. Conversely, the olive oil sector has lower production values

and lower income. Nonetheless, the containment of current costs allows the olive oil farms to enjoy of a great efficiency in terms of earnings compared to the total revenues (45% compared to 30% of the specialist horticulture type of farming). Specialist wine and specialist orchards fruit farms highlight similar production values, even though, in the specialist wine farms, the higher incidence of current costs on the gross saleable production leads to a lower efficiency in terms of earning (the net income represents 42% of the gross saleable production in the specialist wine farms, whereas in the fruit tree sectors it is equal to 46%). In

terms of productivity of the factors “land” and “labor”, in the north-east regions it has been noticed the better performance of the specialist wine farms, while in the Centre it has been detected the greater average size (13 hectares compared to 7 hectares in the North-East). The farms specializing in cereals are characterized by a wide UAA, roughly 22.5 hectares, especially in the North-West, where the UAA exceeds 30 hectares and where have been detected the best economic results of the sector, although with a low productive value: in this type of farming, the land productivity is roughly inferior to 2,000 euro/hectare.

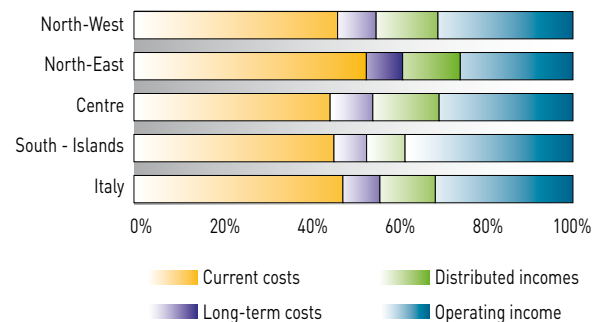
Structural and economic figures by geographical area, specialist COP TF: 2013

	UAA	AWU	GSP/HA	GSP/AWU	NI/FWU
	ha	n.	euro		
North-West	30.2	1.2	2,559	62,785	17,466
North-East	17.4	0.8	2,096	47,229	11,095
Centre	25.0	1.0	1,513	36,102	11,846
South - Islands	21.4	0.7	1,359	42,004	17,161

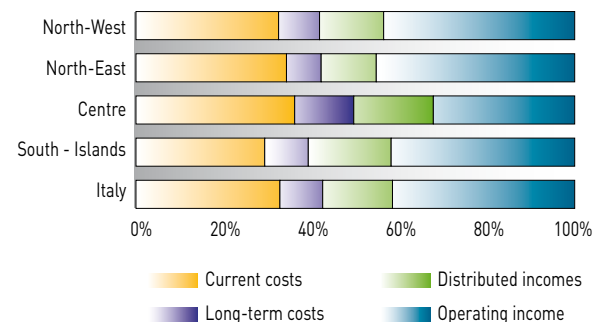
Structural and economic figures by geographical area, specialist wine TF: 2013

	UAA	AWU	GSP/HA	GSP/AWU	NI/FWU
	ha	n.	euro		
North-West	6.5	1.3	6,612	33,695	17,878
North-East	6.9	1.1	8,736	54,336	29,446
Centre	12.8	1.6	4,813	37,547	17,345
South - Islands	6.4	0.9	4,156	29,903	17,029

Farms specialising in cereals: % composition of the GSP, 2013



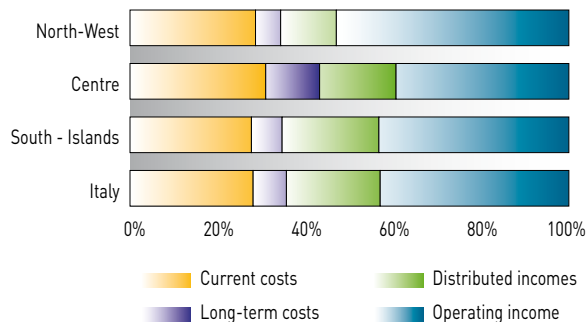
Farms specialising in vineyards: % composition of the GSP, 2013



**Structural and economic figures by geographical area, specialist olives
TF: 2013**

	UAA	AWU	GSP/HA	GSP/AWU	NI/FWU
	ha	n.	euro		
North-West	3.6	0.9	9,979	38,940	22,557
Centre	7.8	1.0	3,284	26,589	12,581
South - Islands	7.1	1.0	3,484	25,450	15,443

Farms specialising in olives: % composition of the GSP, 2013



ZOOTECHNICAL TYPE OF FARMING

By analyzing the economic results of the livestock farms, worthy of note are the results registered by the farms specializing in the breeding of granivores. The gross saleable production exceeds 2.8 times the one of the specialist dairying TF, and more than ten times that one of the sheep, goats and grazing livestock type of farming. The extraordinary result is ascribable to the presence, in the type of farming, of large farms located in the northern regions and characterized by intensive breeding: in this case, the average farm consistency exceeds 5 ti-

mes the one of the farms specializing in cattle-dairying, thus exceeding 13 times the average production of the farms specializing in goats and sheep.

Also the type of farming cattle-dairying has highlighted a high productivity, although more contained. Also in this case, the best performance has been observed in the northern regions, especially in the North-West, where there is a sizeable presence of intensive farms specializing in dairy cows.

Conversely, the farms specializing in goats and sheep, more spread in the

Centre-South, have pointed out considerably lower productive and income values. Nonetheless, the lower incidence of the current costs on the gross saleable production allows to obtain a greater efficiency in terms of earnings on the farm revenues: 46% of the revenues represents earning for the entrepreneur and his family, compared to 26% of the granivores and 38% of the dairy cows. The sector is characterized by a more extensive rearing, with wide UAA (roughly 44 hectares) with a lower livestock density (0.7 LU/ha).

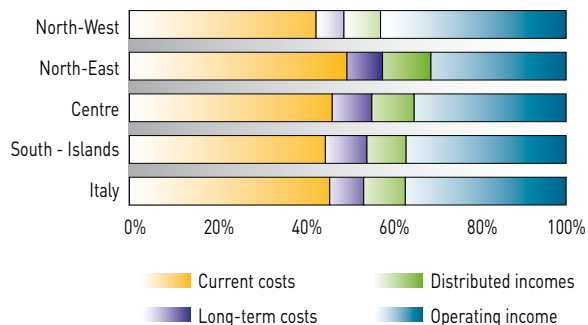
Structural and economic figures by geographical area, specialist dairying TF: 2013

	UAA	LU	AWU	GSP/HA	GSP/UBA	GSP/AWU	NI/FWU
	ha	n.		euro			
North-West	37.3	107.6	2.1	7,262	2,519	126,771	64,491
North-East	22.7	57.3	1.8	7,168	2,837	89,320	38,014
Centre	30.6	80.5	2.2	5,863	2,228	82,261	37,400
South - Islands	23.3	63.6	1.9	5,507	2,021	68,975	32,766

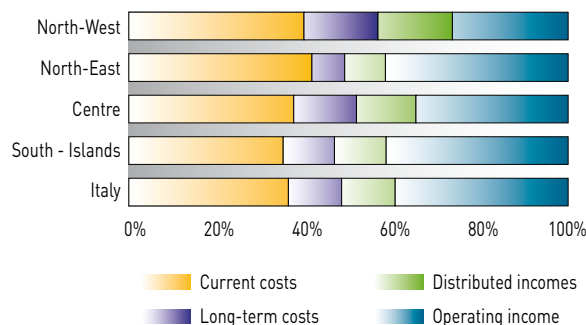
Structural and economic figures by geographical area, sheep, goats and other grazing livestock TF: 2013

	UAA	LU	AWU	GSP/HA	GSP/UBA	GSP/AWU	NI/FWU
	ha	n.		euro			
North-West	54.4	30.9	1.4	924	1,627	35,221	13,642
North-East	11.3	13.3	1.2	3,465	2,942	31,792	13,287
Centre	32.9	27.2	1.3	1,609	1,943	39,728	16,618
South - Islands	51.1	32.4	1.3	964	1,521	38,161	20,550

Farms specialising in dairy cattle: % composition of the GSP, 2013



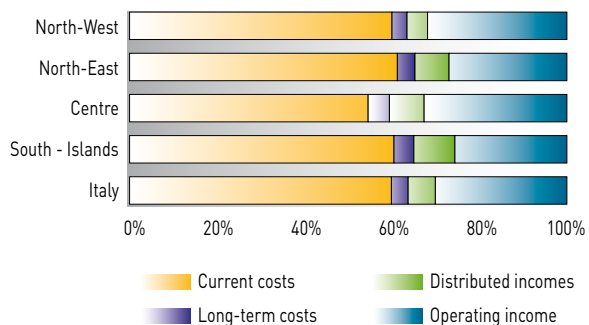
Farms specialising in sheep and goats: % composition of the GSP, 2013



**Structural and economic figures by geographical area, specialist granivores
TF: 2013**

	UAA	LU AWU		GSP/HA	GSP/LU	GSP/AWU	NI/FWU
	ha	n.		euro			
North-West	40.7	776.8	3.0	21,525	1,129	296,593	112,537
North-East	19.4	300.4	2.4	23,053	1,490	185,593	68,182
Centre	33.1	281.2	2.6	11,461	1,351	145,247	73,339
South - Islands	14.3	79.5	1.6	10,354	1,860	91,003	34,263

Farms specialising in granivores: % composition of the GSP, 2013



THE ITALIAN PROFESSIONAL AGRICULTURE IN THE EUROPEAN CONTEXT

FADN survey, carried out through a shared methodology in all of the Member States of the European Union¹, provides a framework of the EU professional agriculture and of the economic condition of the European farms. The comparison between the different performance of the farms of the 28 countries, whose agricultures differ in the endowment factors of climate production and environmental contexts, and potential markets, can be carried on through an EU typological ranking that allows to gather the farms by type of farming (TF).

The productions, both in the vegetable sector and in the livestock's one, practiced in the EU farms, have highlighted very differentiated trends, both in terms of output and in the profitability of the productive factors.

In the following analysis they have been examined, for the last available three-year period 2010-2012, some of the most

remarkable productions for the domestic agriculture, both in the vegetable sector and in the livestock's one, thus pointing out the positioning of Italy compared to the other EU countries. The diagrams will display the main expenditure items that, having an incidence on the output value, have contributed in determining the farms' performance, synthetically expressed in terms of family net income, whereas the charts show the indices of productivity and profitability of the land, labor and livestock.

The three types of farming (TF) hereafter analyzed – specialist wine, specialist olives and specialist COP – have registered a positive net family income for all the countries, except for Bulgaria that suffered a negative result in the viticulture. In terms of zootechnical TF, they have been detected cases of negative net incomes, that is cases where the production value is not enough to remunerate the ex-

plicit costs: this is the case of dairy cattle in Slovakia, goats and sheep in Denmark and granivores in Malta. They are, nevertheless, sectors non particularly relevant for these countries, also in terms of farms represented.

In the European context, Italy ranks well in terms of the livestock sector: the production value and the net income, per working units, of the Italian farms specializing in dairy cattle, goats and sheep and granivores, are roughly over the European average. The Italian farms specializing in viticulture and cereal growing, conversely, do not reach the average EU level in terms of production results and profitability compared to the workforce employed. In particular, in terms of costs, in the Italian dairy farms, the intermediate consumptions represent 47% of the GP, compared to 55% of the average in the EU; depreciations absorb 7% compared to 12% of the gross production of the Euro-

¹Detailed information on the FADN survey are available at the website <http://ec.europa.eu/agriculture/rica>

pean average. The Italian breeding farms have a lower average size, 28 hectares compared to 38 of the EU, - offset by a greater presence of livestock per surface unit (2.5 LU/ha compared to 1.3 of the European average). All of this explains better their performance in terms of income per family working unit, over 51,000 euro compared to the EU average equal to 18,000 euro, with the highest productivity and profitability per hectare of surface area.

Romania represents the country with the highest number of farms specializing in goats and sheep, equal to almost half of the total of the European farms in the sector: it is a country with an old tradition for this type of breeding, where, recently, many investments have been made, especially for slaughtering². At a remarkable distance, in terms of number of farms, is ranking Italy, then Spain and Greece, with little more than 23% of the farms

specializing in goats and sheep. In terms of livestock units, it's worth noting the UK, where the average number exceeds 150 units, i.e. a value five times higher than the European average.

The Italian farms are roughly in line with the European figures in terms of livestock reared, with wide surface areas, whereas they exceed the European average in terms of profitability and incidence of the net family income on the production value.

In the type of farming, specializing in granivores, there are types of very specialized rearing, with issues very different among them, as pork and poultry, both in terms of eggs and meat. In Italy, although this sector, in terms of numbers, does not have a sizeable importance, with its 7,700 specialized farms compared to 165,000 farms in the European context, it is nevertheless important within the national agriculture, with farms that stand out in

the European framework, both in terms of endowment of factors and for revenue results and profitability: 452 LU compared to 523 of the European average, over 152,000 euro of net farm income compared to the European average that is lower than 40,000 euro, and 36% of the production value which represents the net income, whereas in the average of the European farms specializing in granivores it doesn't exceed 13%.

The Italian farms specialist wine TF, which represent nearly 48% of the represented EU universe, are characterized by small-sized structures (little more than 7 hectares compared to the over 23 hectares of the French farms and 13 of the total EU average); these farms use, to a greater extent, the family labor, with ratio FWU/TWU equal to 73% compared to little less than 50% of the French farms and 64% of the EU average; furthermore, they employ, on the average, about the

² <http://www.cameradicommercio.ro/it/scheda-agricoltura-romania.html>.

half of the work units compared to the French farms. This type of structure has consequence on costs: the external factors (wages, rents and passive interests) have an incidence of 13% on the production value, whereas in the French farms such incidence reaches 26%, and 19% in the EU average.

Over 90% of the European farms with specialist olives TF is distributed among Italy, Greece and Spain. The olive growing sector, in Spain, is characterized by wider surface areas than the Italian ones, making use of a greater workforce and a lower incidence of family working units, equal to 67%, whereas in Italy and

in Greece, this incidence amounts to respectively 70% and 87%.

The olive-growing farms, in Italy, which have roughly 6.6 hectares of UAA and 0.16 WU/hectare, have highlighted the highest productivity per hectare, whereas they rank second place, after Portugal, in terms of productivity per worker. The Italian farms are at first place also for the profitability of the "land" factor, whereas the best performance on the profitability per family working unit is outlined by the Spanish and Portuguese firms.

In the three-year period taken into account, about 20% of the total farms specializing in cereal growing are located

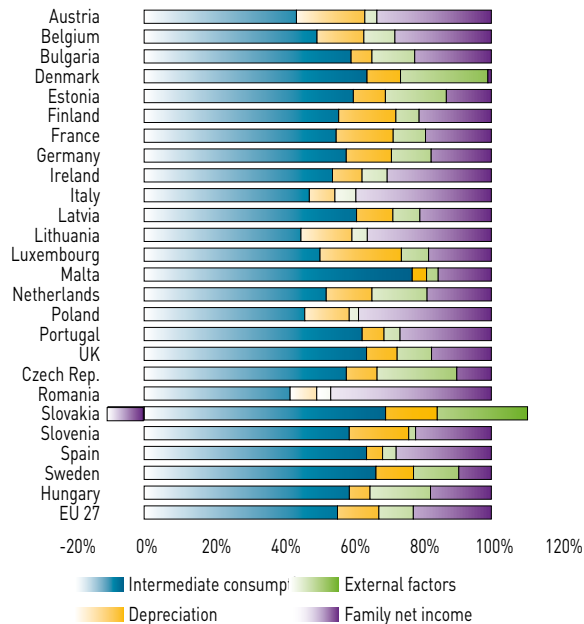
in Italy; the Italian farms have pointed out high values of productivity and profitability per hectare, thus exceeding the total EU average. These results have to be considered along with the reduced endowment of lands of the Italian farms (23 hectares compared to 74 of the EU average), and a higher use of family labor (92% compared to 71% of the EU average). The Italian farms have highlighted a percentage incidence of the depreciations on the production value which is higher than the European average, but a lower incidence of the intermediate consumptions (43% compared to 47% in the EU).

Farms specialist dairying: average farm results in euro (three-year period 2010-2012)

	TO/HA	TO/LU	TO/AWU	NI/HA	NI/LU	NI/FWU
Austria	2,195	2,371	40,034	949	1,025	17,687
Belgium	3,556	1,754	99,285	1,127	556	32,034
Bulgaria	1,646	967	8,046	435	255	3,255
Denmark	4,772	2,894	278,821	52	32	6,378
Estonia	1,102	2,271	50,528	176	362	32,235
Finland	2,433	3,005	68,249	758	937	24,625
France	2,020	1,864	96,041	454	419	23,677
Germany	2,954	2,205	104,976	593	443	28,786
Ireland	2,627	1,384	93,116	905	477	37,252
Italy	6,746	2,565	96,350	2,833	1,077	51,320
Latvia	685	1,459	17,092	187	397	6,246
Lithuania	844	1,628	16,154	401	773	8,717
Luxembourg	2,092	1,715	108,393	515	422	29,243
Malta	50,362	2,096	87,905	8,943	372	18,308
Netherlands	5,936	2,463	172,095	1,188	493	38,558
Poland	1,538	1,428	17,697	704	653	8,341
Portugal	3,646	1,756	41,354	1,143	550	15,241
UK	3,545	1,913	144,394	669	361	43,848
Czech Rep.	1,423	2,311	38,175	185	300	33,317
Romania	1,732	1,356	6,942	903	708	3,822
Slovakia	857	2,194	29,778	-126	-323	-135,436
Slovenia	2,996	1,934	26,321	816	527	7,266
Spain	4,444	1,855	65,559	1,369	571	22,495
Sweden	2,691	2,700	139,728	300	301	21,113
Hungary	1,697	2,235	42,275	381	502	30,160
EU 27	2,744	2,033	58,211	714	529	18,058

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

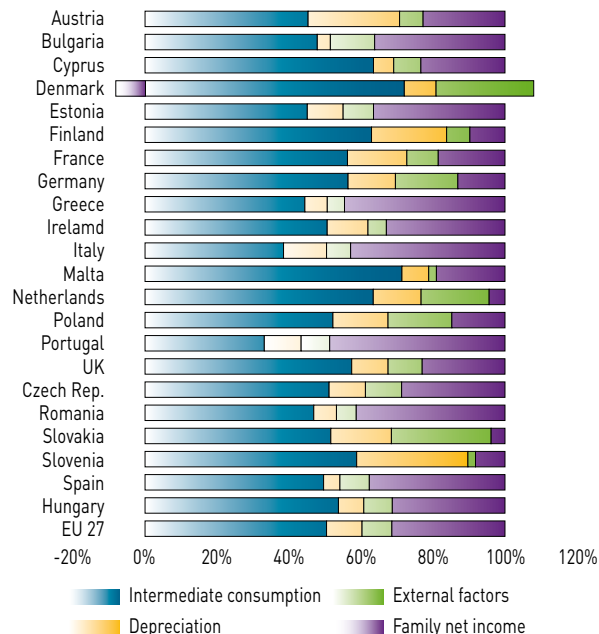
Farms specialist dairying: % composition of the GP, 2010-2012



Farms specialist in sheep and goats: average farm results in euro (three-year period 2010-2012)

	TO/HA	TO/LU	TO/AWU	NI/HA	NI/LU	NI/FWU
Austria	1,904	2,363	31,533	585	725	10,552
Bulgaria	1,210	818	4,821	550	372	2,949
Cyprus	3,683	2,219	32,185	1,005	606	11,836
Denmark	3,531	5,454	125,620	-311	-481	-15,808
Estonia	249	1,044	9,811	177	741	7,846
Finland	1,044	2,337	33,527	201	449	6,965
France	1,052	1,389	55,016	275	363	15,862
Germany	926	1,839	47,550	181	359	12,891
Greece	2,618	1,175	23,280	1,462	656	15,106
Ireland	481	589	20,983	279	342	12,600
Italy	961	1,439	33,635	509	762	20,300
Malta	8,995	2,755	14,617	1,903	583	3,165
Netherlands	8,275	3,203	133,531	380	147	8,341
Poland	677	1,153	8,899	149	254	2,409
Portugal	365	708	9,854	282	547	8,488
UK	403	695	67,939	135	233	27,870
Czech Rep.	442	1,202	18,403	294	800	15,359
Romania	1,684	928	9,285	762	420	4,631
Slovakia	311	1,102	11,360	28	98	4,748
Slovenia	1,050	1,476	9,753	123	173	1,151
Spain	985	1,211	41,543	457	562	23,602
Hungary	432	757	19,217	230	403	14,773
EU 27	905	1,062	21,335	367	430	9,919

Farms specialist sheep and goats: % composition of the GP, 2010-2012

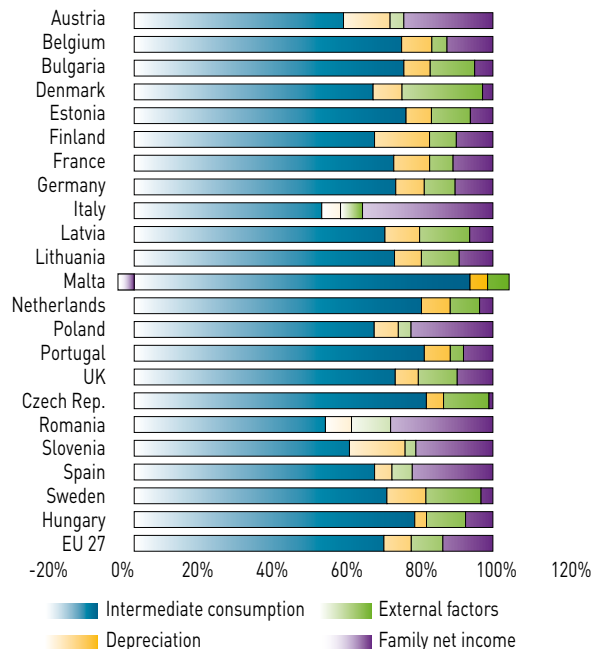


Source: processing of FADN-EU figures, European Commission, DG AGRI

Farms specialist granivores: average farm results in euro (three-year period 2010-2012)

	TO/HA	TO/LU	TO/AWU	NI/HA	NI/LU	NI/FWU
Austria	5,660	1,711	110,142	1,545	467	30,895
Belgium	19,928	1,078	305,482	2,606	141	41,631
Bulgaria	11,482	1,098	31,009	602	58	6,438
Denmark	7,008	1,417	358,031	210	42	33,461
Estonia	5,747	871	97,491	381	58	54,765
Finland	3,717	1,273	150,399	490	168	24,996
France	7,333	926	199,435	850	107	29,738
Germany	5,639	1,378	192,800	636	155	28,814
Italy	17,475	802	166,925	6,320	290	93,432
Latvia	5,826	922	69,804	423	67	19,040
Lithuania	6,921	1,238	56,268	678	121	50,549
Malta	111,408	951	66,750	-5,398	-46	-4,257
Netherlands	71,489	1,282	420,487	2,668	48	20,641
Poland	4,033	1,313	51,784	990	323	16,370
Portugal	36,077	918	74,378	3,081	78	8,449
UK	16,364	1,138	194,834	1,654	115	61,372
Czech Rep.	45,154	1,318	90,824	513	15	10,863
Romania	10,251	1,053	24,205	3,121	321	12,319
Slovenia	3,927	965	54,347	1,031	253	14,806
Spain	7,451	609	116,629	1,735	142	37,246
Sweden	4,527	976	212,719	160	35	10,862
Hungary	8,563	1,472	70,855	688	118	16,218
EU 27	7,992	1,070	124,833	1,165	156	28,391

Farms specialist granivores: % composition of the GP, 2010-2012



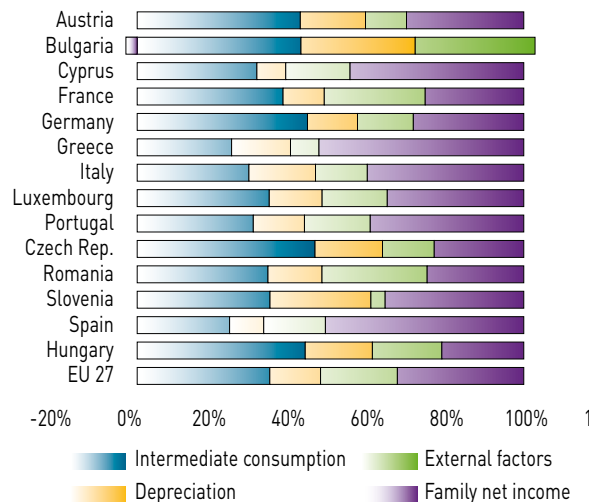
Source: processing of FADN-EU figures, European Commission, DG AGRI

Farms specialist wine growing: average farm results in euro (three-year period 2010-2012)

	TO/HA	TO/TWU	NI/HA	NI/FWU
Bulgaria	3,179	13,886	-102	-3,629
Romania	2,485	11,516	654	9,124
Slovenia	7,350	14,298	2,936	5,980
Spagna	1,304	22,375	775	17,754
Austria	4,112	43,809	1,458	19,299
Cipro	2,565	7,763	1,777	6,851
Francia	8,604	75,604	2,230	39,927
Germania	10,730	56,621	3,261	24,666
Grecia	4,464	17,813	2,803	13,514
Italia	5,489	35,076	2,334	20,066
Lussemburgo	15,501	68,253	6,360	49,429
Portogallo	2,914	16,520	1,372	11,682
Repubblica Ceca	5,857	27,282	1,603	12,306
Ungheria	3,870	21,196	942	12,463
UE 27	5,205	42,364	1,789	22,847

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

Farms specialist wine growing: % composition of the GP, 2010-2012

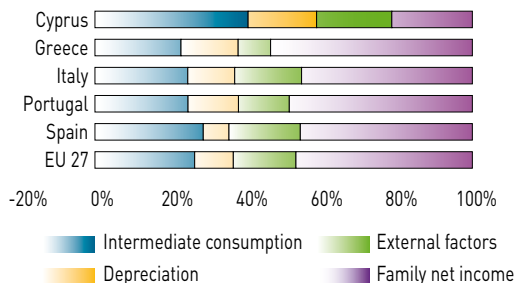


Farms specialist olives: average farm results in euro (three-year period 2010-2012)

	TO/HA	TO/TWU	NI/HA	NI/FWU
Cyprus	1,531	11,064	515	5,774
Greece	2,177	11,198	1,592	9,405
Italy	3,083	19,087	1,722	15,464
Portugal	672	19,803	443	22,800
Spain	1,289	18,363	846	17,930
EU 27	1,741	16,617	1,100	14,302

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

Farms specialist olives: % composition of the GP, 2010-2012

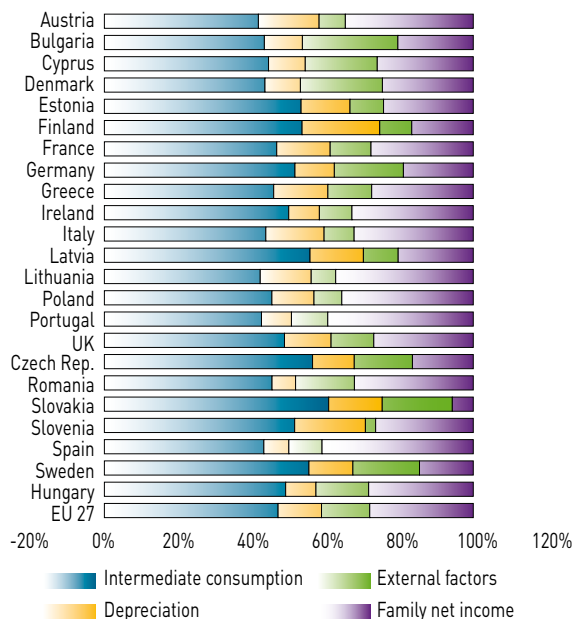


Farms specialist COP: average farm results in euro (three-year period 2010-2012)

	TO/HA	TO/TWU	NI/HA	NI/FWU
Austria	1,309	74,897	645	38,491
Bulgaria	703	39,059	171	68,579
Cyprus	582	34,045	246	17,257
Denmark	3,168	241,625	850	102,665
Estonia	501	71,431	168	44,176
Finland	598	64,093	199	22,260
France	1,379	124,243	465	48,235
Germany	1,389	131,771	325	52,117
Greece	1,068	30,787	431	13,277
Ireland	1,394	109,406	585	51,716
Italy	1,408	36,262	574	16,000
Latvia	617	55,142	164	33,074
Lithuania	635	39,283	321	26,989
Poland	920	24,036	424	13,098
Portugal	777	24,573	448	17,303
Romania	641	35,712	252	27,748
UK	1,406	152,136	460	78,220
Czech rep.	964	59,099	201	28,606
Slovakia	912	51,028	64	16,517
Slovenia	1,233	20,720	529	8,967
Spain	563	35,304	316	21,619
Sweden	1,105	140,783	196	29,509
Hungary	841	53,963	307	42,031
EU 27	1,021	58,486	359	28,946

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

Farms specialist COP: % composition of the GP, 2010-2012





ENVIRONMENT AND NATURAL RESOURCES

SOIL CONSUMPTION

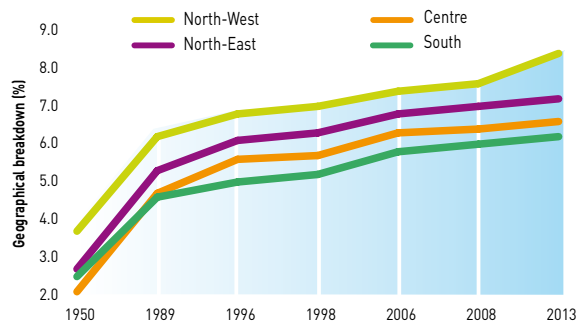
The soil consumption is the result of the expansion of artificial surface areas on lands that were originally agricultural, natural or semi-natural areas, with irreversible consequences on an environmental resource not renewable. In Italy, the phenomenon has acquired, over time, sizeable dimensions, thus exceeding, to a great extent, the European average estimated with the latest

figures of the LUCAS survey on the use of soil, carried out by Eurostat.

At the national level, the ISPRA figures, have highlighted an increase in the soil consumption from 2.7% to 7%, in the period between 1950 and 2013, that, in absolute terms, represents a variation of the soil exploited from 810,000 to 2,100,000 hectares. In terms of geographical break-

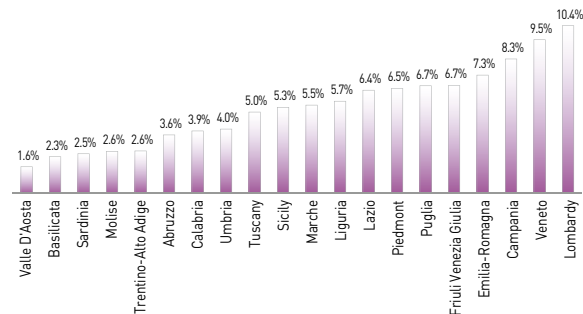
down, the highest percentages have been detected in North-Italy, with Triveneto and Emilia Romagna characterized by a high rate of urban settlement in the lowland of Po-Venetian valley. At the regional level, the highest percentages have been observed in Campania, Veneto and Lombardy (8.3%, 9.5% and 10.4%). Since 1950 to 2013, by considering the da-

Estimate of the soil used (%) by geographical breakdown



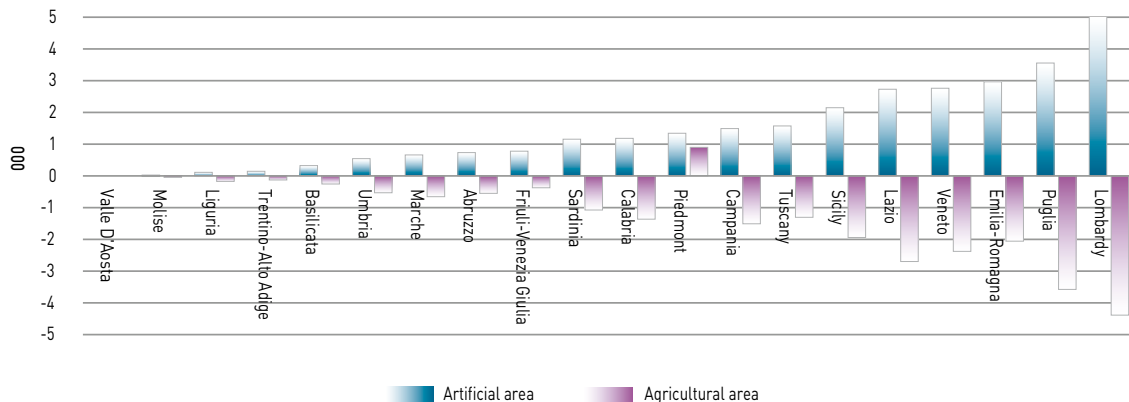
Source: processing of ISPRA figures

Percentage of soil used by Region, 2012



Source: processing of ISPRA figures

Change of the surface area of the artificial and agricultural areas (ha); calculation based on Corine Land Cover figures, 2006-2012



Source: processing of ISPRA figures

tum related to the resident population, the surface area exploited, every year, per capita is considerably increased, rising from 167 to 345 square meter/inhabitant.

The soil consumption jeopardizes directly the agricultural lands in the areas of ur-

ban and peri-urban fringe, thus involving also surface areas inside the cities that have important ecological values for the eco-system.

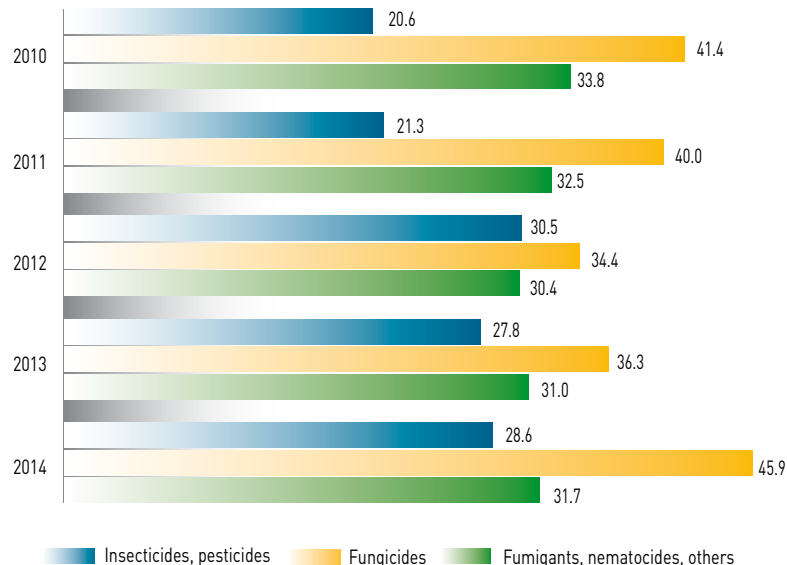
Furthermore, it has been detected a progressive increase of the artificial surface

areas to the detriment of the agricultural ones. In the 2006-2012 period, they have been detected 5,000 hectares/year of increase in the artificial surface area and 4,000 hectares/year of decrease for the agricultural lands.

USE OF CHEMICALS

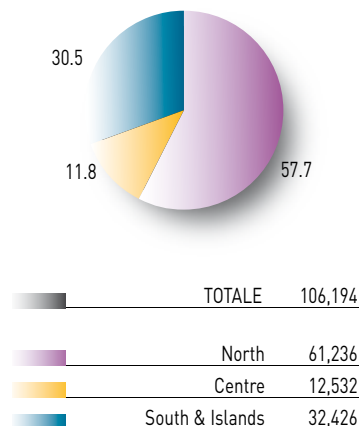
In 2014, they have been used, for agricultural purpose, 106,194 tons of plant protection products, with an increase of 11.6% over 2013. In particular, it has been observed a strong use of fungicides (+26.4%) with a wide range of action, due to both the rainy and wet climate conditions that have led to greater infectious contamination of the grapevine in the northern regions, and to the safeguarding of crops, mainly vegetables. The increase of herbicides has been rather modest, used mostly for maize and straw cereals, which along with fumigants and nematicides have highlighted an increase of +2.3%; also the insecticides for the safeguarding of fruit crops and the seed treatment have experienced only a slight increase (+2.9%). The regions in the northern Italy are the main users of plant protection products (57.7%), although the highest use has been registered in the southern regions with an increase of +9.8%.

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



Source: Agrofarma, data refer to the member farms

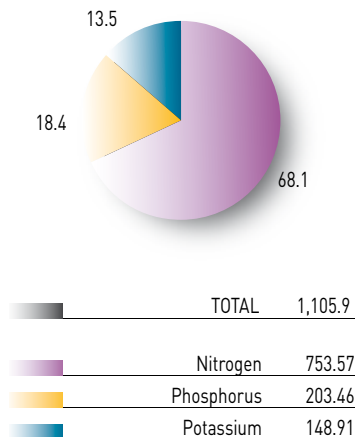
Use of plant protection products by geographical areas (t), 2014



Source: Assofertilizzanti

The market of the plant protection products has reached, in 2014, 923 million euro (+13.1%), as a consequence of the greater demand for fungicides, whose value is increased by 22.7%.

Composition of fertilizers used (000 t), 2014

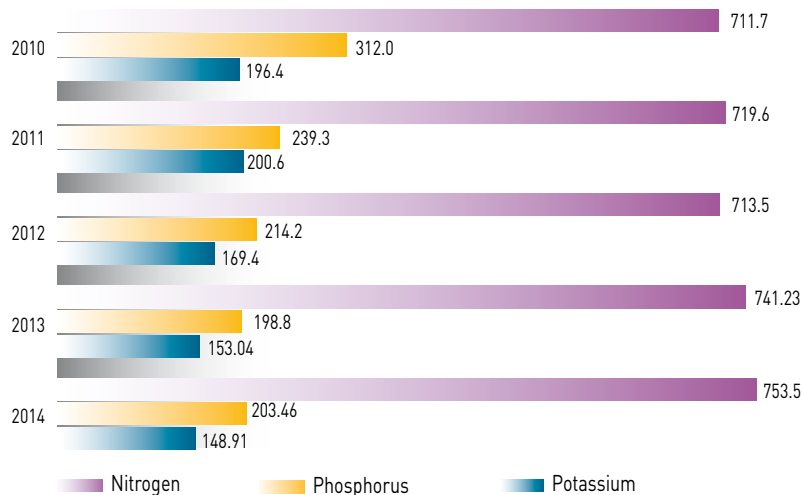


Source: Assofertilizzanti

In the latest years, the tendency in using a mix of agrochemicals with fewer active principles to contrast insects and diseases of plants, fruits and vegetables, has been regulated by the EU normative that

obligates farmers to adopt environmental-friendly agricultural practices by substituting, where it is possible, chemicals products with bio-active molecule based products, natural extracts and substances of animal origin typical of the integrated pest management. In order to complete the set of engagements and measures for a sustainable use of the plant protection products (Directive 2009/128/EC, Legislative Decree n. 150/2012, National Action Plan), the Ministry for Agricultural, Food and Forestry Policies, and the Ministry of the Environment have issued the guidelines for the safeguarding of the aquatic environment, of the drinkable water and of the natural protected areas, thus listing the measures for weakening the drift, the run-off and the leaching of the plant protection products, as well as the measures for limiting/substituting/avoiding the plant protection products in the case of some specific critical circumstances.

Evolution in the use of fertilizers (000 t)



Source: Assofertilizzanti

Also the use of fertilizers has experienced an increase (+1.2%), in 2014, for a total of 1.1 million of tons used. Along with the consolidation of environmental-friendly agronomical techniques, the micro and mesoelements based fertilizers, and the simple nitrogen based fertilizers, have registered an increase in volumes, especially for the organic-mineral ones (+1.7%). Potassium has suffered a decrease of 2.7%, whereas the most remarkable increase has been observed in the phosphorous based fertilizers (+2.3%).

The first figures released by the third national Inventory of forests and carbon sinks (INFC2015) have confirmed an increase of the national forestry surface of nearly 600,000 hectares, compared to what has been detected by the previous inventory relating to 2005. The surface area, covered with woods, amounts to 10,982,013 hectares (34% of the total national area).

The State Forest Department in its survey entitled “Il contenuto di carbonio delle foreste italiane” has assessed the total organic carbon, contained in the epigeous component of the Italian woods, in a value equal to 427.7 million tons.

The health of the Italian forests

The annual report “Forest Condition in Europe 2014”, on the health of the European forests, has analyzed the potential damages to the treetops caused by biotic and abiotic factors, by using as main parameter the

density of the green foliage. In Italy, out of a sample of 5,092 selected trees, it has been observed a higher density of foliage in the conifers, rather than in the broadleaves. In particular, the survey has highlighted the persistent situation that has affected the species *Castanea sativa* which shows 88% of trees with a reduced density of foliage for values higher than 50%. The causes of this damage are the insects in 23.5% of cases (17.2% are defoliators), followed by mushrooms (6%), and lastly by the hail (1%). The greatest damages arise from a concomitance of causes, not quantifiable, of anthropogenic and climate origins, among which dryness, fire, pasture, air pollutants and the human action.

Forest fires

In 2014, according to the figures released by CFS, there have been 3,257 forest fires (+9.8% over 2013), whereas the surfa-

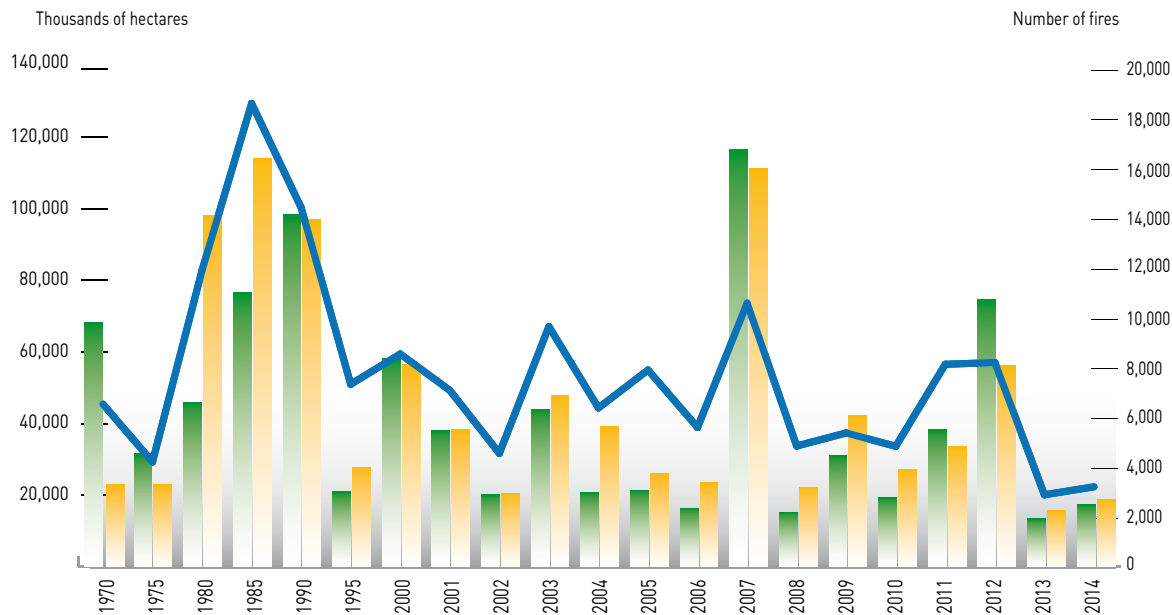
ce area ravaged by fire has amounted to 36,125 hectares, 17,320 hectares of which were forests (+19.5%). The most ravaged regions are those located in the South and Islands (56.9% of hectares in Sicily, followed by Sardinia with 19.1% and Calabria with 9.8%).

Voluntary market of the forestry carbon credit

According to the yearly survey “Stato del mercato forestale del carbonio in Italia”¹, the national voluntary market of the forestry carbon credit is, by now, a well-established reality. Despite a decrease in the volumes exchanged, during the latest three years, the commercial value of the market remains stable thanks to an increase in the prices for the purchasing of the single carbon credits. The trend in the prices for carbon credits has reached its peak in 2014 with a value of 17 euro/tCO₂eq.

¹Carried out by the department for carbon monitoring and promoted by the Observatory on the structural policies of CREA, in collaboration with the Department TESAF of the University of Padua, the Dept. of the University of Tuscia and Compagnia delle Foreste srl.

Surface hit by fire and number of fires



Source: processing of CFS figures



DIVERSIFICATION

The renewable energies continue in experiencing an interesting trend in our country, in terms of growth and energetic diversification, becoming actually a “stable” resource within the entire national energy system, thus allowing to gain benefits in terms of environment (avoided emissions) but also in the economic field. This increase, along with a general decrease in the energy demand mainly ascribable to the recession of the latest years, has implicated sizeable effects also on energy prices: the national energy price has suffered a decrease, in 2014, thus reaching the lowest average value of 52,08 euro/MWh, with a decline of over 20 euro/MWh in two years.

In 2013, the total consumption of renewable energy, according to GSE, is increased by 5.9% and the final gross consumptions¹ have represented 16.7% of the national

total, thus nearly achieving (with almost 7 years in advance) the target set by the Directive 2009/28/EC for 2020 (17%).

Mainly in terms of the production of electricity, the operator of the national electricity network (TERNA) has confirmed, also for 2014, the upward trend (+7.7%) of the energy production from renewable energies (bioenergy, hydroelectric power, wind energy, photovoltaic and geothermal energies), thus reaching a volume equal to 120.7 TWh, with an incidence on the domestic gross consumption of 37.5% (it was 33.9% in 2013). In the detail, this remarkable increase has involved all sources: hydroelectric power with 58.5 TWh (+10.9%), photovoltaic with 22.3 TWh (+3.3%), wind energy with 15.2 TWh (+1.9%) and geothermal energy with 5.9 TWh (+4.5%). Concerning the renewable thermal power, it has been detected a new

remarkable increase in the bio-energies (+9.6%), equal to 18.7 TWh.

The agricultural sector has experienced a general decrease of 5.4% in the consumption of electricity, nevertheless, it continues in playing a leading role in the development of renewable energies, thanks also to the energy policies of the sector, ever more aimed at enhancing good habits of firms (re-use of agricultural sub-products, cogenerated energy and short supply chain). Biogas still remains the driving sector, since it allows the agricultural farms to diversify their revenues: in 2014, they have been detected 1,235 operative installations, with a total power of 948 MW and nearly 6,000 GWh.

Worthy of note are also the effects in environmental terms, since many greenhouse gas emissions are avoided: agriculture is actually responsible for 9% of these emis-

¹ The energy provided to industry, transports, families, services, including public services, agriculture, forestry and fishing, including also the consumption of electricity and heat of the energy sector for the production of energy and heat, including also the losses of electricity and heat with the distribution and the transmission (legislative Decree 28/2011).

sions at the European level, essentially ascribable to methane and nitrogen dioxide of the livestock holdings and to the management of manure (6% on the who-

le), as well as to the CO₂ due to the use of fossil fuels and to the loss of organic substance in the soils.

Consumptions and production of energy from renewable energy sources in Italy, 2013

Sector	Consumption (Mtep) ¹	change 2012 (%)	Production (TWh)	Description	% on total
Electric	9.6	10.7	112	Hydraulic (44%, solar 21%, bio-energies 16%, wind 14%, geothermal 6%)	42
Thermal	10.6	3.7	123	Solid Biomass (7,5 Mtep of which 6.7 in the household consumption)	51.1
Transports	1.5	-8.5		Biodiesel ² (94%)	6
TOTAL	20.7	-	241		100

¹ Tep is the energy measurement equivalent to that obtained by the combustion of 1 ton of raw oil, with an heating value equal to 10.000 kcal/kg. Mtep, an equivalent multiple of the combustion of 1,000,000 tons of petroleum

² 31% of the sustainable bio-fuels, consumed in Italy in 2013, has been produced in Italy, whereas only 5% of the raw material used for producing bio-fuel has a national origin.

Source: processing of GSE figures, 2015

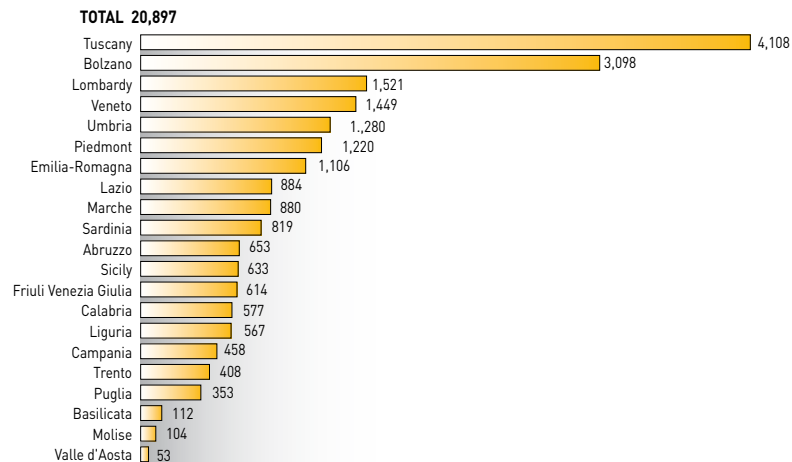
FARM STAYS

In 2013, farm stays have reached a share of 20,897 units, with an increase of 2.1% over the previous year. They are mainly located in the northern regions (48%) and in the central regions (34.3%), with a higher incidence in the hilly surface areas (51.6%) and in the mountains (33%), where they represent a driving force for the agricultural activity and the development of rural areas. Tuscany and Alto Adige represent the territories with the most remarkable development of such activities and with a well consolidated tradition.

The number of structures increases in the northern regions (+6.1%) and in the Centre (+1.1%), with sizeable increases in Lombardy (+7.5%) and Marche (+11.7%). Conversely, in the South, the strong decrease of the farm stays in Basilicata (-22.8%) has led to an overall drop of the structures (-2.1%).

The farm stays, managed by women, are increased by 2.4% over 2012, compared to +1.9% of the farms run by men. On the whole, there's an increasing role of women

Farm stays by Region, 2013



Source: ISTAT.

in the diversification of agricultural activities, with over 35% of structures run by women; Tuscany is the region with the highest concentration, 1,675 structures managed by women, equal to 40.8% of the regional total and 22.5% of the national total.

It continues the tendency of farms in diversifying the services offered. The housing characterizes 81.8% of the structures (+1.2% over 2012), for a total of 224,933 beds (+3.2%), roughly 13 per farm, and 8,180 rest stops for the agri-camping; ca-

tering, provided by 50.3% of structures, mostly with own products, is increased by 3.6%. Also the tasting of farm's products and wines, offered by 17.2% of farms, is increased (+4%), mainly in the structures located in the North of Italy (+8.8%). On the whole, the 7,628 farm stays, dislocated on the whole national territory, provide both

housing and catering services (actually one out of three), whereas 10,184 (48.7%) provide, besides housing, other activities which are increasing by 1%. In addition to the activities such as horseback riding, trekking, mountain bike, sport and nature watching, farms suggest participative activities to the agricultural works, folkloristic

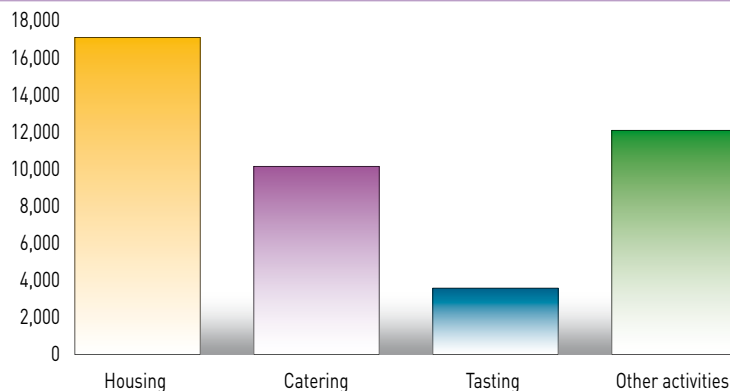
events and cultural meetings. Furthermore, in 2013, nearly 6% of the farm stays have also carried out educational activities.

In terms of tourism, the stays in the farms have exceeded 2.4 million tourists (+1.9%), in 2013, and the incidence of foreigners on the total is increased from 40.9% to 44%. In an upward trend are also the stays of the Italian tourists (+2.3%) and foreigners (+7.1%).

In 2014, Agriturismo has assessed the turnover of the sector in 1.6 billion euro, with an yearly average turnover per farm equal to 55,600 euro (+1.1% over 2013).

With the brand "Agriturismo Italia", recently established and whose adhesion occurs on voluntary basis, the Ministry for Agriculture, Forestry and Fishing sectors aims at giving identification and guarantee of quality of the Italian farm stays in compliance with specific guidelines.

Farm stays by type of service*, 2013



* farms can be authorized to perform one or more activities

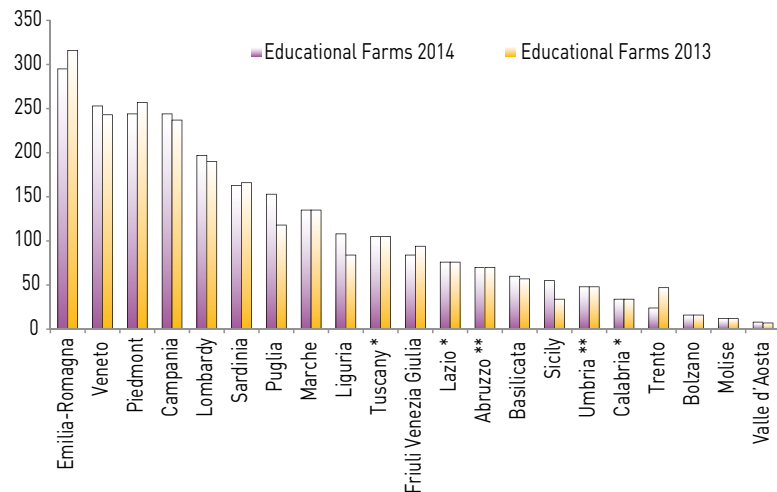
Source: ISTAT

EDUCATIONAL FARMS

The educational farms are the agricultural farms offering educational services to external users, mainly children and scholars at any level. Their function meets a double need: diversifying the activities of the agricultural farms (by creating an extra income); let new generations know the different activities of the primary sector through a targeted experience (active approach).

The Italian legislation for the educational farms refers to the regulation on agri-touristic activities¹ and it delegates the specific jurisdiction of such activities to each regional administrations. All regions have established a set of rules in order to establish criteria of quality and safety which the agricultural farms are asked to comply with, furthermore, they have edited the “carta della qualità” that defines such parameters. In addition, all Italian regions, except Calabria, Lazio

Breakdown of the educational farms by Region



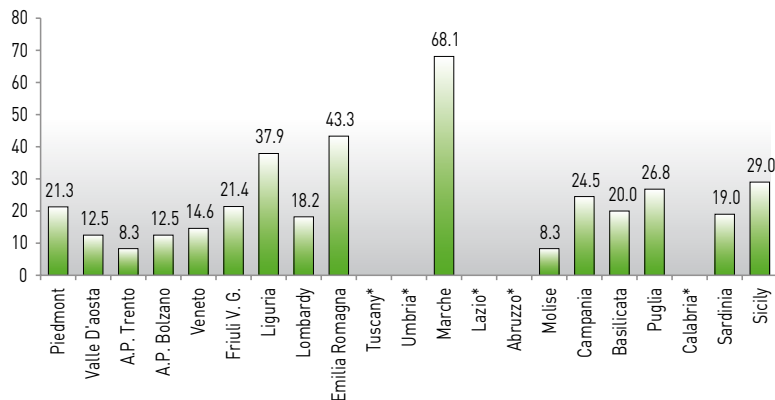
*data released by CIA, Coldiretti and Confagricoltura

** Regional data prior to 2014

Source: regional data, CIA, Coldiretti and Confagricoltura

¹ guidelines for agriculture – Legislative Decree n. 228, 18th May 2001; Law n. 57 of 2001 – art. 57; Framework law on agriculture – n. 96 of 2006

% incidence of organic educational farms on the total, 2014



* Data not available

Source: processing on regional figures

and Tuscany, have a list of the accredited educational farms which is periodically updated.

According to the 2014 regional figures, the accredited educational farms are on the whole 2,169. If we consider also those located in Calabria, Lazio and Tu-

scany, for which there's a lack of official available data, the number increases to 2,384, with a growth of 1.6% over 2013. Despite the decrease over 2013 (-6.6%), Emilia Romagna stands at first place for the number of accredited structures (295), followed by Veneto, where it has

been observed an increase of 4.1%, and Piedmont that has suffered a decrease of 5%. The decrease in the number of accredited structures has also involved Trentino, where the educational farms are almost halved, Friuli Venezia Giulia with -10.6% and Sardinia with -1.8%. An opposite trend has been detected in Liguria (+28.6%) and mainly in Puglia and Sicily, where the increase in the structures has amounted respectively to 29.7% and 61.8%.

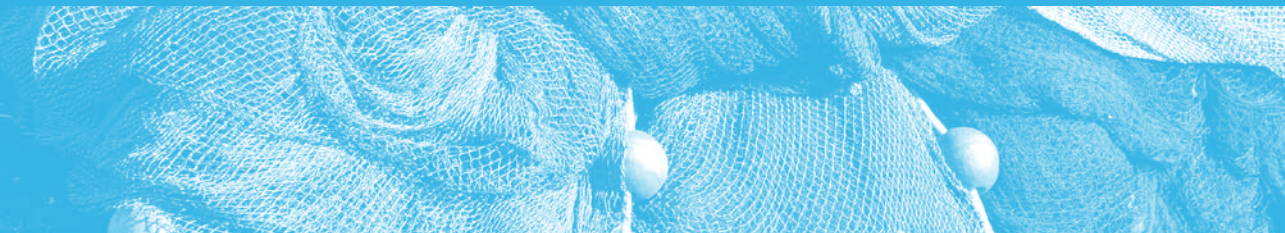
Nearly 24% of the accredited educational farms is located within certified organic farms; the figures have highlighted that, also in this case, the greatest number of bio structures (128) is located in Emilia Romagna, followed by Campania (60), whereas in the Marche region it has been observed the highest incidence (68%) compared to the total of the accredited farms.

In terms of training offer, there's a prevalence of educational activities linked to the observation and care of animals,

along with the activities related to the various phases of processing and conservation of the agricultural products,

as well as practical activities. There are then many courses aimed at observing the local flora and fauna, many courses

relating to the environmental safeguard and to the cycle of the alternative energies.



QUALITY PRODUCTS

PRODUCTS OF DESIGNATED ORIGIN

Italy continues in having the highest share of PDO and PGI products of the European Union (equal to 1,280, including also the traditional specialty guaranteed products), thus marking a further increase in the registrations, for a total amount of 276 products. Among the new products enrolled, worthy of note are two bakery products such as “Piadina Romagnola” and “Focaccia di Recco with cheese” that have obtained the PGI designation. In an upward trend are the recognitions for cheese and cured meats. Mozzarella and Pizza Napoletana remain the only TSG products of Italy. The Qualivita-ISMEA figures have pointed out for the year 2013, latest available year, a setback of the good economic and productive performance of the PDO and PGI productions. In terms of production, the sector is decreased by 2.7% over the previous year, with a volume equal to roughly 1.27 million tons. The decrease is, nevertheless, essentially ascribable to the results registered by fruit, vegetables and

N. of PDO and PGI by Region¹

	Fruit, vegetables and cereals	Cheese	Olive Oil	Cured meats	Other products ³	Total
Piedmont	6	8	-	5	1	20
Valle d'Aosta	-	2	-	2	-	4
Lombardy	3	13	2	9	3	30
Liguria	1	-	1	-	2	4
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
Emilia-Romagna	12	4	2	14	6	38
Tuscany	7	3	5	5	7	26
Umbria	3	1	1	2	2	9
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	7	3	5	-	2	17
Basilicata	4	3	1	-	1	9
Calabria	4	2	3	4	3	17
Sicily	16	4	6	1	2	29
Sardinia	1	3	1	-	2	7
Italy²	105	50	43	39	37	274

¹ Updated to 30th October 2015

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

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

Source: processing of database of the European Commission DOOR

cereals (-7%), whereas the performance of cheese, and meat based products, is remained quite stable; in countertrend is the situation of the fresh meats (+14.4%), as well as the olive oil (+2.1%) after the decrease experienced in 2012.

The production value of the PDO and PGI products has suffered a decrease of 1.7% over 2012, falling down to 6.5 billion euro. The consumption market is worth 13.2 billion euro, 8.9 of which registered in the domestic market (-3.8%). The values of production and consumption suffer the downturn of the domestic market, as a consequence of the crisis in consumptions, whereas the contribution of foreign market, 2.4 billion euro, is increasing (+5%).

Quality wines

Italy ranks at first place in the EU also for the number of the enrollments of DOP wines, 405 wines considering both the DOP and the DOC ones, followed by France with 357 and Spain with 90 enrollments. Also

DOCG, DOC and IGT wines by Region¹

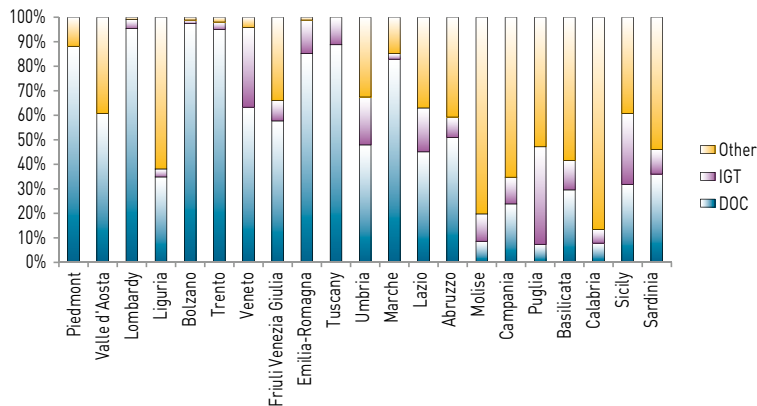
	DOCG	DOC	IGT
Piedmont	16	42	-
Valle d'Aosta	-	1	-
Lombardy	5	22	15
Liguria	-	7	4
Alto-Adige	-	3	2
Trentino	-	7	3
Veneto	14	27	10
Friuli Venezia Giulia	4	10	3
Emilia-Romagna	2	18	9
Tuscany	10	42	5
Umbria	2	13	6
Marche	5	15	1
Lazio	3	27	6
Abruzzo	1	8	8
Molise	-	4	2
Campania	4	15	10
Puglia	4	27	6
Basilicata	1	4	1
Calabria	-	9	10
Sicily	1	23	7
Sardinia	1	17	15
Italia²	73	332	118

¹ Updated to October 2015

² The total of the DOC and IGT wines is lower than the total of wines by region, as some are inter-regional

Source: processing of MIPAAF list

Surface area cultivated with DOC and IGT wines by Region, 2014



Source: European Commission

for the IGT, Italy holds the record, with 118 geographical indications, followed by Greece (114) and France (76).

In 2014, the surface areas cultivated with PDO and PGI wines, in Italy, have exceeded 464 thousand hectares, that is over 72% of the total of the Italian areas under vines.

The production of PDO wine, that during the 2014 grape harvesting is amounted to nearly 16.4 million hectoliters, represents an ever highest share of the total wine produced in Italy (over 41%); if we also consider the share of PGI wine (for an amount of 13.4 million hectoliters), the certified

production reaches 75% of the total production. The 2014 grape harvesting has been really unsatisfactory, both in terms of production and quality, with a sharp decrease in the production of all types of wine, mainly the PGI production (-14.8%). The more contained decrease in the PDO production at the national level (-5.6%) has been influenced by the remarkable increases detected in the two main islands. In 2014, according to ISMEA, the value of the PDO bulk wine is amounted to roughly 1.94 billion euro (+4%), whereas the value for the PGI wines was nearly 778 million euro (-5%). The PDO and PGI wines still remain in the basket of the Italian agri-food products most preferred and sold abroad, for a total amount of 4.3 billion euro, among red and rosé wines, white wines and sparkling wines, with increases compared to 2013, ranking between 1.1% of the red and rosé wines, and 16.7% of the sparkling wine.

ORGANIC FARMING

According to the 2013 data released by FiBL-IFOAM, the organic farming involves nearly 2 million farmers in 170 countries with certified organic farming, for a worldwide surface area of 43.1 million hectares (+15% over 2012). Europe is experiencing an increase of the organic UAA (+2.6%), although to a lesser extent compared to the previous year (+5.7%), reaching 11.5 million hectares, equal to 26.6% of the worldwide organic farming area. Producers, instead, amount to 334,870 units (+4.1%) and they represent 16.8% of the total organic farms. Italy belongs to the ten greatest producers in the world, and it ranks after Spain, among the EU countries, in terms of surface area under organic farming.

In 2014, the Italian organic area is still increasing (+5.4%), although to a lesser extent compared to 2013 (+12.8%), reaching nearly 1,387,912 hectares, equal to 11.2% of the national total UAA detected by the ISTAT survey on the agricultural farms (SPA 2013). The regions with the highest incidence of organic UAA are those loca-

Organic farming in the EU, 2013

	Farms n.	% change 2013/12	Surface ha	% change 2013/12
Austria	21,810	-0.2	526,689	-2.0
Belgium	1,487	5.2	62,529	4.7
Bulgaria	3,854	39.9	56,287	43.8
Cyprus.	719	0.0	3,923	0.0
Croatia	1,608	5.2	40,641	27.4
Denmark	2,589	-2.3	169,298	-3.3
Estonia	1,553	5.1	151,256	4.9
Finland	4,284	-0.9	206,170	4.3
France	25,467	4.3	1,060,756	2.7
Germany	23,271	1.0	1,060,669	2.5
Greece.	23,433	0.0	383,606	-17.1
Ireland.	1,263	-9.8	52,793	0.0
Italy	45,969	4.8	1,317,177	12.8
Latvia	3,473	-0.7	200,433	2.4
Lithuania	2,555	1.1	166,330	6.3
Luxembourg	212	107.8	4,448	7.7
Malta.	12	33.3	37	0.0
Netherlands.	1,646	0.0	49,394	2.8
Poland.	25,944	0.0	661,956	0.0
Portugal.	3,308	27.1	271,532	35.7
UK	3,918	-8.5	567,751	-3.8
Czech Rep.	3,910	-0.6	474,231	1.2
Romania.	15,315	0.0	288,261	0.0
Slovakia.	365	0.0	166,700	0.0
Slovenia	3,049	13.7	38,665	10.2
Spain	30,502	0.1	1,610,129	1.1
Sweden	5,584	-0.3	500,996	4.9
Hungary	1,673	7.2	140,292	7.4
EU 28	258,773	2.7	10,232,949	2.7

* Figures at 2012

Source: FiBL

UAA cultivated with organic farming by Region, 2014*

	2014			% change 2014/13
	ha	% on total organic UAA	% on related total UAA	
Piedmont	31.626	2,3	3,3	9,5
Valle d'Aosta	3.622	0,3	6,9	49,8
Lombardy	23.372	1,7	2,5	13,0
Liguria	2.902	0,2	6,9	-6,1
A.P. Bolzano	6.412	0,5	2,8	-
A.P. Trento	6.169	0,4	4,6	-
Veneto	15.781	1,1	1,9	3,8
Friuli Venezia Giulia	3.702	0,3	1,7	-0,8
Emilia-Romagna	88.857	6,4	8,6	9,8
Tuscany	98.200	7,1	13,9	-4,1
Umbria	51.308	3,7	16,8	79,9
Marche	57.033	4,1	12,7	0,2
Lazio	110.276	7,9	18,6	8,5
Abruzzo	25.008	1,8	5,7	-6,6
Molise	4.611	0,3	2,6	-12,4
Campania	20.554	1,5	3,8	-28,3
Puglia	177.043	12,8	14,2	-7,7
Basilicata	48.257	3,5	9,7	0,0
Calabria	160.184	11,5	29,7	15,8
Sicily	303.069	21,8	22,0	8,1
Sardinia	149.945	10,8	13,1	5,4
ITALY	1.387.912	100,0	11,2	5,4

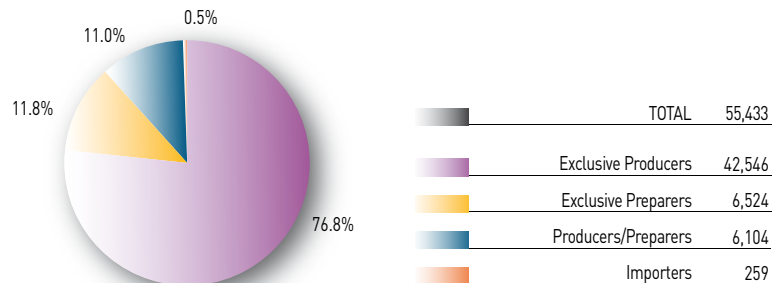
*The sum of the regional UAA and that of the Autonomous Provinces exceeds by 19 hectares thenational organic UAA detected by SINAB, since it has been calculated by applying the % incidence, published by SINAB with the document that anticipates "Bio in cifre 2015", to the relating UAA detected by ISTAT with SPA 2013.

Source: processing of SINAB and ISTAT figures

ted in the South, or rather Sicily (21.8%), Puglia (12.8%), Calabria (11.5%) and Sardinia (10.8%). Among the central-northern regions, the most outstanding ones are Lazio, Tuscany and Emilia Romagna. Umbria, instead, stands out for the highest increase (+80% over 2013), thus reaching almost 17% of the organic UAA on the total one. A sizeable increase of the regional organic UAA has also been detected in Valle d'Aosta (+49.8%), Calabria (+15.8%) and Lombardy (+13%), whereas a decrease has been observed in Campania, Molise, Puglia, Liguria, Tuscany and Friuli Venezia Giulia. On the whole, the average size of the UAA remains unchanged, reaching roughly 28.5 hectares per farm.

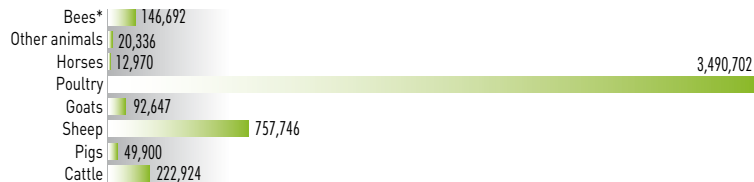
Similarly to what occurs for the organic UAA, also the operators of the sector are increasing again, compared to 2013 (+5.8%), thus representing the highest number in Europe with 55,433 units. Almost 77% of these operators is constituted by producers, 11.8% by the exclusive preparers, almost at the same share of the mixed preparers

% breakdown of the operators by type, 2014



Source: processing of SINAB figures

Animal raised with organic method (n.), 2014



* N. of hives

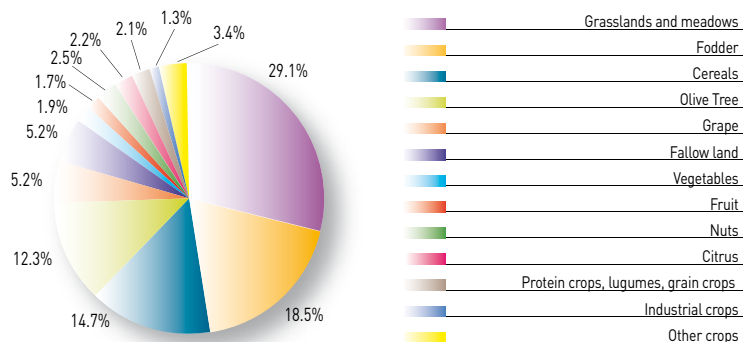
Source: processing of SINAB figures

(11%) who, nevertheless, have showed an increase of 37% over 2013, probably due to the need of maintaining a higher share of value added inside, along with the willingness of diversifying the farm's activities. Lastly, the importers, sometimes also producers and/or preparers, represent 0.5% of the total, decreasing by 1% in 2014, whereas producers and exclusive preparers are increasing respectively by 2.5% and 6%. 47.6% of the organic UAA is represented by grazing lands and fodder, followed by cereals, olive oil, grapevine, fruit and vegetables, nuts and citrus. The organic UAA cultivated with olive trees, fruit trees and nuts has suffered a decrease, particularly remarkable in the case of fruits, where it decreases by almost 31%. Conversely, the most sizeable increase (+58.3%) is experienced by the category "other crops", cultivated both with seeds and in a permanent way, followed by vegetables, industrial crops, proteins, legumes and grains, although to a lesser extent, probably ascribable to the strong need of providing internally the raw material for

the production of animal feedings with a high protein content.

In the livestock sector it is increasing the number of animals raised with organic methods, mainly in the case of the category “other animals” who have almost doubled; an increase has also been observed for pigs (+15.2%) and poultry (+13.9%), whereas a decrease is suffered only by cattle and horses, respectively with 3.8% and 3.2%. Also the number of hives is increasing (+4.8%), whereas goats and sheep remain essentially stable, with a slight increase of 0.3%. The highest consistency, in terms of numbers, is associated to poultry, with nearly 3.5 million heads, followed by goats and cattle.

Organic surface area and land under conversion, by crop, 2014



Source: processing of SINAB figures

CERTIFICATION SYSTEM

The quality certifications, based on voluntary schemes, aimed at letting feel the producers responsible of the improvement of the environmental conditions, continue in representing important tools, also for the commercial differentiation of products. In

the specific, the most used certification systems in the agricultural and agri-food sectors are still those complying with the UNI-EN-ISO standards. According to the ACCREDIA figures, in 2014, there's an increase of both agricultural farms (+1.7%)

and agri-food firms (+1%) complying with the ISO 9001 quality standards, whereas in terms of environmental certifications complying with the ISO 14001 standards, the agricultural sector suffers a slight decrease of roughly 3%, conversely to what

Agri-Food farms with quality and environmental management systems certified in Italy, 2014

	ISO 9001			ISO 14001		
	n.	% on tot.	% change 2014/13	n.	% on tot.	% change 2014/13
Agricultural sector (cultivation, rearing) ¹	237	0.2	1.7	73	0.4	-2.7
Food sector	3,522	2.8	1.0	687	3.5	4.4
Total	127.303	-	2.2	19,735	-	5.3

¹ Including nurseries and firms operating in the field of planning, realization, maintenance and management of green agricultural and forestry areas

Source: processing of ACCREDIA figures

Number and forestry areas by type of certification, 2014

	FSC			PEFC		
	n. of certifications	total certified hectares	% change 2013/14	n. of certifications	total certified hectares	% change 2013/14
Forestry certification	-	51,099	0.5	-	818,970	4.9
CoC Certification	1,850	-	0.1	912	-	15.4

Source: FSC Italia and PEFC Italia

**% incidence of productive areas with Iso 9001
and Iso 14001 certifications, 2014**



Source: processing of accredia figures

occurs in the agri-food sector that increases by 4%. Lombardy and Veneto are still the regions with the highest number of ISO 9001 and ISO 14001 certifications, with respectively 21% and 11% of the total Italian certified firms.

The adhesion to the EMAS European principles, whose target is to improve the environmental performance of firms, has experienced, nevertheless, a decrease in the number of certified organizations (from 1,098 to 1,058), mainly ascribable to suspensions and cancellations due to the difficult economic situation, associated with the lack of revenues expected both in monetary terms and visibility. In an upward trend is, indeed, the number of licenses for the ECOLABEL brand that certifies the low environmental impact of products and services. In 2014, in fact, it has been detected an increase of nearly 10% of these licenses mostly in the tourist accommodation services, mainly in Puglia

and Trentino Alto Adige.

In 2015, in terms of corporate social responsibility, it is increased, even though to a lesser extent, the number of the Italian agricultural farms complying with the international standard SA8000, it has been observed, actually, an increase from one to eight firms. It is far more evident the increase of farms in the agri-food sector, with a growth of nearly 30 units, from 55 to 84. In a downward trend are also the forestry certifications (FSC and PEFC) both in terms of certified forestry area, and of traceability certifications of the materials coming from certified forests ("Catena di Custodia "certifications - CoC).

Lastly, it's worth noting the certification for the HALAL products, whose standards comply with the food dictates of the Islamic religion. In Italy there are nearly 270 certified firms and the trend is going to increase in the next few years.



AGRICULTURAL POLICY

CAP IN ITALY: FIRST PILLAR

The 2014-2020 CAP reform has reduced the financial endowment for the financing of the direct payments' regime in Italy, for 2014, now declining from 4,380 million euro to 3,953 million euro (-13.9%). This reduction is mainly ascribable to the agreement on the 2014-2020 multi-annual financial framework that has reduced the total amount available for the First Pillar of the CAP (market-based measures and direct payments), as early as the first year, introducing also the principle of the so-called "external convergence" of the direct payments in order to balance the allocation of the financial resources among the Member States. The "external convergence" has effects on the financial endowment of each Member State, therefore, it increases when Member States have an average payment per hectare lower than 90% of the EU average payment, whereas it decreases when Member States – as in the case of Italy – have an average payment per hectare

Budgetary ceiling for the implementation of the single payment scheme in Italy (000 euro), 2014

- Ceiling for the single payment scheme	3,769,644
-Art. 68 reg. 73/2009 - decoupled aid	169,000
-Art. 68 reg. 73/2009 - coupled aid	159,650
- Art. 69 reg. 73/2009 - unused funds available from art. 68	144,900
National ceiling (Annex VIII reg. 73/2009)	3,953,394

Source: Regulations (EC) n. 994/2014 and n. 1044/2014

which exceeds the EU average.

The CAP reform has entered into force as from the 1st January 2015. It remains therefore confirmed, also for 2014, the system of the single payment and of the related aid, with some changes imposed by the transitory regime envisaged by the regulations 1310/2013. Among these changes, the most remarkable change concerns the possibility of anticipating by a year the implementation of the new redistributive payment, the flexibility among Pillars and the possibility of revising the national decisions concerning

the implementation of the article 68 of the 73/2009 regulations, including the chance of increasing the financial endowment for the coupled payments from 3.5% to 6.5% of the national ceiling. In this situation, Italy has decided to increase the endowment for the coupled payments (4% of the ceiling), thus increasing the plafond for tobacco and by introducing two new types of aid in favor of potatoes, the ones addressed to the processing and to the other ones listed in the PDO/PGI quality systems. Furthermore, it has increased the aid per hectare for the sugar beet, on

Application of art. 68 of Regulation (EC) n. 73/2009 in Italy, 2014

Sectors involved	Quantities admitted for aid	Aid granted	% change compared to theoretical aid
COUPLED PAYMENTS (IMPROVEMENT OF THE QUALITY)			
Beef			
LG primiparous cows	28,225 capi	164.56 euro/capo	-18%
LG pluriparous cows	151,522 capi	123.42 euro/capo	-18%
dual purpose cows	13,247 capi	49.37 euro/capo	-18%
slaughtering and labelling	626,551 capi	41.41 euro/capo	-17%
PGI slaughtering	17,467 capi	74.55 euro/capo	-17%
Sheepmeat and goatmeat			
purchasing of rams	2,256 capi	160.66 euro/capo	-46%
holding of rams	9,216 capi	37.49 euro/capo	-46%
slaughtering	768,176 capi	8.03 euro/capo	-47%
flock expansion	582,877 capi	5.35 euro/capo	-47%
Olive oil	35,799,221 kg	0.2514 euro/kg	-75%
Milk	8,110,447 t	4.93 euro/t	-67%
Tobacco			
generic	52,728,580 kg	0.4267 euro/kg	-79%
Kentucky	791,914 kg	2.4555 euro/kg	-2%
cultivated in Italy	36,097 kg	1.5347 euro/kg	-62%
Sugar	50,919,97 ha	386.88 euro/ha	-23%
Danae racemosa	224,94 ha	6,668.44 euro/ha	-56%
Potatoes			
for processing	2,541,53 ha	1,000 euro/ha	-
for consumption (PDO/PGI)	63,352,46 t	18.28 euro/t	-54%
DECOUPLED AID			
crop rotation	1,202,563 ha	82.32 euro/ha	-18%
Aid for insurance policy premiums on harvests, livestock and plants	93,333,333 euro	27.71%	-

Source: AGEA circular n. ACIU.2015.277

the assumption of the same plafond. On the whole, therefore, the allocations for the article 68 have amounted to little less than 329 million euro, to whose financing have also contributed the unspent funds, for an amount of nearly 145 million euro. Italy has decided not to apply any redistributive payment and no flexibility between Pillars. Nevertheless, considering the reduction of the national ceiling and the increase in the resources dedicated to the article 68, it has been necessary reducing by 8.41% the value of the payment entitlements endorsed in 2014.

With the reform it has been abolished the tool of the compulsory modulation that has been replaced, as from 2015, by the degressivity principle, that is the reduction of at least 5% of the aid exceeding 150,000 euro.

Also for 2014, it remains into force the national aid to the nuts that, in Italy, can reach 120.75 euro/hectare within a maximum guaranteed area, at the EU level, equal to 829,129 hectares.

As far as the article 68 of the regulations 73/2009 is concerned, in 2014 it has been observed the full payment of the aid only for the potatoes to be processed. The relative expenditure (equal to little less than 450,000 euro) has been re-allocated to the payments for the PDO/PGI potatoes which had exceeded their plafond and that have nevertheless marked an halving of the unitary premium.

The highest decreases have been registered by the aid in favor of the olive oil (-75%), milk (-67%) and tobacco, mainly the generic one (-79%) along with the variety "Nostrano del Brenta" (-62%). Sizeable cuttings have also been observed for the goat and sheep meat, besides for the *danae racemose*. The decrease of bovine meat was in line with the trend of the previous years. Sugar, despite the increase in the unitary premium, has experienced a decrease of 23%. The premium for the alternation has suffered a decrease of 18%, whereas in the case of crop insu-

rance, the amounts obtained by the EU financing, by the national financing and the Finance Law have not been enough to guarantee the maximum contribution to the expenditure faced by farmers, thus reaching only 28% (instead of 65%) of the eligible amount for each insurance.

In terms of market related measures, the national support plan for the wine sector, relating to 2014, has obtained an endowment of 337 million euro, after the re-modulation of the financial plan. The allocations distributed among the Regions have amounted to 270.8 million euro. The difference is represented by the crop insurance measure (20 million) and the distillation of by-products (15 million euro), whose funds are not previously distributed among Regions, and by the national funds that integrate the measure of promotion on other third markets (little more than 31 million euro of national share). 45% of the total national endowment has been addressed to the measure of con-

version and restructuring of vineyards, 25% to the promotion on third markets, 19% to investments, 6% to insurances and 4% to the distillation of by-products. Compared to 2013, the total resources have remained stable but there has been a re-allocation among measures, with an increase in the financial endowment for the conversion and restructuring of the vineyards, to the detriment of the measures for investments and green harvesting. The region with the highest share of allocations is Sicily (22%), followed by Veneto (12%). Sicily and Puglia grab one third of the funds for the measure of restructuring, this share reaches 45% considering also Tuscany. Furthermore, Sicily receives 39% of the resources for investments. In terms of promotion on third markets, the most active regions are Tuscany, Veneto and Piedmont that all together cover a share of 52%. For the 2014/15 campaign, the national milk production has amounted to 11 mil-

lion tons, thus exceeding, after five campaigns, the national ceiling. Therefore, exactly in the last year of the milk quota regime, the national producers will have to pay an additional amount on the milk surpluses produced (107,093 tons), for a total of 30 million euro. Lombardy represents the greatest national producer (almost 42% of the total milk produced), followed by Emilia Romagna (little less than 16%) and Veneto (10%).

EAGF

In 2014, the Community expenditure earmarked by EAFG, in Italy, has amounted to 4,516.1 million euro, or 10.2% of the Community total, down by 3.1% over 2013. The most important expenditure item concerns the decoupled payments of the Single Payment Regime, which strengthen their position up to reaching little less than 84% of the total, with an incidence of little less than 10% on the same

EAGF spending by country, 2014*

	million euro	%	% change 2014/13		million euro	%	% change 2014/13
Austria	720.6	1.6	-1.3	Luxembourg	33.5	0.1	-2.3
Belgium	612.3	1.4	-5.1	Malta	5.6	0.0	-1.8
Bulgaria	602.1	1.4	12.0	Netherlands	852.2	1.9	-5.9
Cyprus	57.0	0.1	13.5	Poland	3,215.3	7.3	1.0
Croatia	96.4	0.2	-	Portugal	736.1	1.7	-4.3
Denmark	937.2	2.1	-0.9	UK	3,241.8	7.3	-2.7
Estonia	100.3	0.2	5.1	Czech Rep,	893.9	2.0	6.7
Finland	524.7	1.2	-3.1	Romania	1,334.5	3.0	10.6
France	8,370.1	18.9	-2.7	Slovakia	380.9	0.9	4.8
Germany	5,197.3	11.7	-2.9	Slovenia	146.5	0.3	5.5
Greece	2,292.6	5.2	-2.3	Spain	5,582.8	12.6	-5.9
Ireland	1,235.3	2.8	-1.8	Sweden	693.7	1.6	-1.2
Italy	4,516.1	10.2	-3.1	Hungary	1,336.9	3.0	5.1
Latvia	147.8	0.3	-0.4	EU	40.5	0.1	-87.8
Lithuania	384.1	0.9	7.5	TOTAL EAGF	44,288.0	100.0	-2.2

*2014 provisional
Source: EU Commission

EU expenditure item.
The remaining share of the expenditure

is represented by the interventions in the agricultural markets that acquire, in

EAGF spending by type of measure, 2014*

	Italy		EU		Ita/EU
	million euro	%	million euro	%	%
Export refunds	603.6	13.4	2,477.9	5.6	24.4
Storage	2.7	0.1	4.6	0.0	58.8
Food programs	3.0	0.1	5.1	0.0	58.7
Fruit and vegetables	-7.1	-0.2	-7.2	0.0	98.1
National support programmes for the wine sector	219.0	4.8	724.4	1.6	30.2
Other	323.5	7.2	1,019.5	2.3	31.7
Direct aid	62.5	1.4	731.6	1.7	8.5
decoupled direct payments	3,902.2	86.4	41,659.7	94.1	9.4
Other direct aid	3,779.6	83.7	38,952.1	88.0	9.7
Modulation refund	122.7	2.7	2,707.6	6.1	4.5
Other measures	-	-	0.0	0.0	-
Altre misure	10.2	0.2	150.4	0.3	6.8
TOTAL EAGF¹	4,516.1	100.0	44,288.0	100.0	10.2

*2014 provisional

¹ Including administrative expenditures

Source: EU Commission

Italy, an higher incidence than what they have at the EU level (13% compared to little less than 6%), so much as to represent 24% of the spending allocated by the EU for the same item. In our Country, particularly relevant are the funds for sustaining the wine sector (324 million euro, equal to nearly 32% of the same expenditure item at the EU level), and the funds financing fruit and vegetable sector programs (219 million euro, equal to 30% of the same item at the EU level).

CAP IN ITALY: SECOND PILLAR

Towards the end of 2014, the total public expenditure of the 21 Italian RDPs is amounted to 2,618 million euro, with a share of resources charged to the Community budget that is equal to 1,341 million euro. This result brings the national financial advancement to a share of 80% on the total of the EAFRD funds earmarked for the entire programming period; but, at the same time, it brings the Italian programs to a sizeable effort for the accounting year 2015, in terms of their capacity to use the resources, in order to achieve the spending target envisaged for the last year of the 2017/2013 phase.

The complexity, triggered by the implementation of the programs, explains the persisting difficulties experienced by some of the Italian regions in the administrative management, mainly for those of the convergence area. In this area, indeed, for the second year in a row it has been observed the implementation, by the European Commission, of the so-called “mechanism of automatic decommitment” for Basilica-

RDP spending, 2014

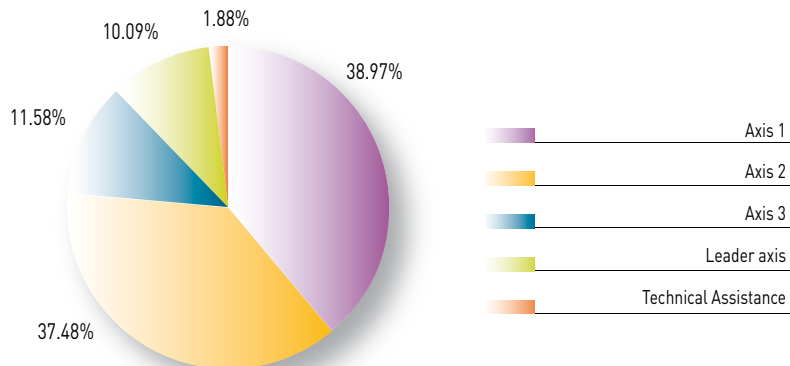
Region	Planned EAFRD	Intermediate EAFRD payments	% progress
Piedmont	442,019,000	353,044,826	79.9
Valle d'Aosta	56,108,000	45,536,838	81.2
Lombardy	471,110,000	425,649,783	90.4
Liguria	114,621,000	97,103,169	84.7
Trento	108,566,000	94,748,655	87.3
Bolzano	148,205,000	139,710,148	94.3
Veneto	478,155,000	407,374,220	85.2
Friuli Venezia Giulia	119,774,000	98,008,355	81.8
Emilia-Romagna	527,819,000	422,519,137	80.1
Tuscany	388,956,000	316,444,731	81.4
Umbria	353,613,000	272,023,501	76.9
Marche	217,609,000	172,137,893	79.1
Lazio	315,419,000	249,328,379	79.0
Abruzzo	192,572,000	144,258,701	74.9
Molise	92,959,000	74,368,851	80.0
Sardinia	571,596,000	453,672,773	79.4
Total competitiveness	4,599,101,000	3,765,929,959	81.9
Campania	1,110,774,000	858,284,555	77.3
Puglia	927,827,000	741,190,291	79.9
Basilicata	384,627,000	287,107,466	74.6
Calabria	650,151,000	512,962,591	78.9
Sicily	1,271,842,000	1,033,130,396	81.2
Total convergence	4,345,221,000	3,432,675,299	79.0
National Rural network	41,459,883	32,968,437	79.5
Total Italy	8,985,781,883	7,231,573,695	80.5

Fonte: MIPAAF.

ta, for an amount of 18 million euro of EU resources, equal to over 31 million euro of total public subsidy.

Always from the point of view of the financial advancement, they remain still persistent the regional inequalities even in the competitive area, where virtuous administrations, like Bolzano (94.3%), Lombardy (90.3%) and Trento (87.3%) are counterbalanced by others less efficient, like Abruzzo (74.9%) and Umbria (76.9%). By decomposing the public spending, made in 2014, it has been observed that nearly 39% of the total is concentrated in the Axis 1, with a volume of payments little exceeding one billion euro. In this field, the measures aimed at restructuring and developing the physical potential and at fostering innovation, have exceeded 86% of the total, with a sharp prevalence of the investments in the agricultural and forestry farms (nearly 493 million euro), of the investments for the infrastructures related to the development and modernization of agriculture and forestry (161 million euro)

Breakdown of the public spending by Axis, 2014



Source: MIPAAF

and for the processing and marketing of the agricultural and forestry products (134 million euro).

In a sharp downward trend, compared to the previous years, is the spending made with the measures aimed at promoting knowledge and development of human capi-

tal, with less than 100 million euro totally subsidized (9.8% of the total of the Axis 1); furthermore, this spending drops below 5% of the total Axis if not considering the reduced volume of premiums earmarked for the first settlement of young farmers (less than 55 million euro).

Even more modest, at last, are the payments for the measures aimed at improving the quality of the production and of the agricultural products (35.5 million euro), which have proved to be the less attractive types of interventions for farmers due to the high costs compared to the expected benefits.

As far as the Axis 2 is concerned, the public subsidies earmarked in 2014 is fallen below the threshold of one billion euro (981 million euro), with a percentage incidence of 37.5% of the total of the national public spending. In this field, 80% of the funds concern the measures aimed at fostering the sustainable use of agricultural land, where the agro-environmental measures represent 49% of the entire Axis, with an amount of payments equal to 477 million euro.

The remaining 20% is, instead, represen-

ted by the measures aimed at fostering a sustainable use of forestry areas; worthy of note are the measures for the reconstitution of the forestry potential and the preventive interventions that have met the support of the operators, with an expenditure of 80 million euro. On the whole, the forestry measures didn't meet the expectations in almost all of the national territory, thus generating, during the implementation of the RDPs, an overestimated financial endowment, often binding for the programming choices set by the current legislation.

Referring to the Axis 3, the public spending, although in an upward trend compared to the previous years, doesn't exceed 12% of the annual total, with a volume of payments equal to 303 million euro. Worthy of note are the measures aimed at diversifying the non-agricultural activities

that, with an amount of 101 million euro, represent over 33% of the total Axis.

In net recovery are nevertheless the measures for the development of the broadband in rural areas, with an overall expenditure of nearly 86 million euro.

Lastly, it's worth noting the improvement of the performance registered by the measures of the Leader Axis, whose spending, equal to 264 million euro, is amounted to 10% of the total 2014.

On the whole, all of the Italian RDPs have highlighted great difficulties in the implementation of all those so-called "public" measures, that is the broad number of cases of interventions whose recipients are the public entities themselves, who due to the Stability pact have faced great difficulties in having immediately the needed financial liquidity for co-financing the expected measures.

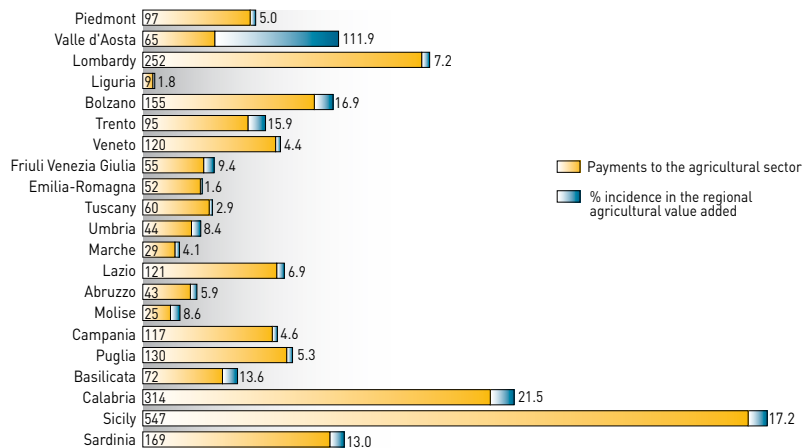
REGIONAL SPENDING

The budget data of Italian regions pointed out, also for 2012, a total amount of payments for the agricultural sector, equal to nearly 2.6 billion euro, in a downward trend compared to the previous year in most Regions; except for Umbria, Lazio, Abruzzo, Molise and Puglia that nevertheless did not get a negative incidence on the downward trend of the municipality they belong to, also due to the ending phase of the EU 2007/2013 programming and the failure to launch the 2014-2020 programming period.

The total payments to the agricultural sector as a percentage of the national value added decreased to little over 9%, compared to about 11% of the previous years.

By analyzing the agricultural policy payment by type of interventions, if we apply the traditional CREA classification method, it has been observed that most of total payments is allocated to the forestry activity, to the technical assistance and research and to the support of the business

Payments to the agricultural sector (million euro). % incidence in the regional agricultural value added - 2012

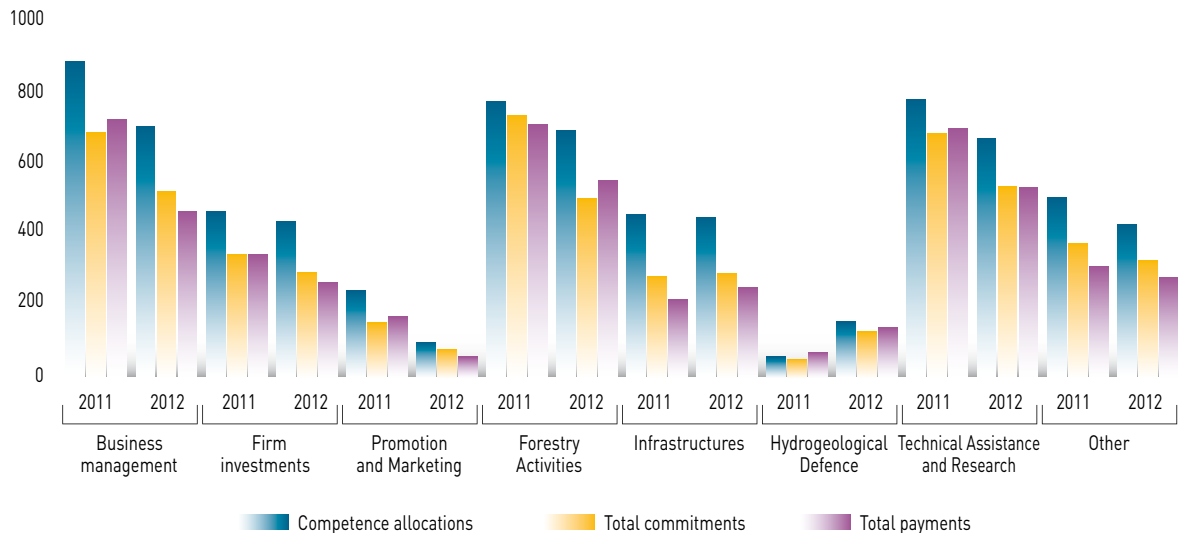


Source: CREA databank on Regional agricultural spending

management, with values ranking between roughly 536 and 555 million euro, down compared to 2011. The firm investments amount to nearly 10.4% of the total spending, followed by the investments in infra-

structures, with almost 9.9% of the total spending, with different features among the various regional administrations. The share of agricultural payments in the total budget of each region highlights to

Agricultural financing for economic-functional purposes



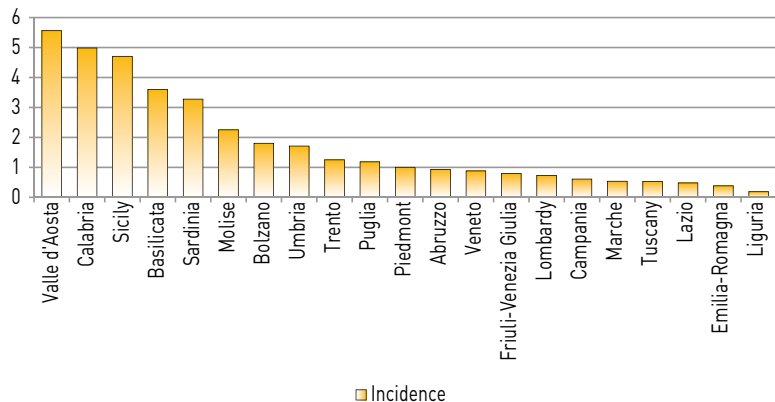
Source: CREA databank on the Regional agricultural spending

what extent the agricultural spending is modest, thus never exceeding, for 2012, the threshold of 6%. In 2012, Valle D'Ao-

sta has pointed out the highest incidence (5.5%), followed by Calabria (5%), Sicily (4.7%), Basilicata (3.6%) and Sardinia

(3.3%), whereas many regions that play a sizeable role in the national agricultural sector are characterized by an incidence of

% incidence of the regional agricultural spending on the total regional spending



Source: CREA databank on Regional agricultural spending

the regional agricultural spending which is decisively more modest (Lombardy, Emilia Romagna, Tuscany, Campania, Puglia).

In 2014 and 2015 the Government's Action Plan for the agri-food sector has aimed at:

1. Fostering youth employment;
2. Reducing the fiscal burden on agricultural farms;
3. Supporting the new entrepreneurship, improving farm competitiveness and fostering research in agriculture;
4. Fostering social farming and some productive sectors;
5. Safeguarding food quality.

1. Measures for fostering employment in agriculture

The legislative decree of 24th June 2014, n. 91, then modified by the Law of 11th August 2014, n. 116, has envisaged the possibility for the agricultural farms to bring, in compensation of the contributions due, one third of the gross salary to be paid for social security, for a total period of 18 months. This is applicable only to those farms that have therefore

hired young people in the period between 1st July 2014 and 30th June 2015, aged between 18 and 35, with no regularly paid job since six months, or with no diploma.

The Law 23rd December 2014, n. 190 (the so called Stability Law 2015) has envisaged, to the article 1, clauses from 118 to 120, the total exemption of the social security contributions due, for a period of 36 months, for those farms that hire new permanent workers in agriculture, from the 1st January 2015 and no later than 31st December. The contracts of the workers who, in 2014, had permanent job, or a fixed-term contract of at least 250 working days, are excluded.

2. Measures aimed at reducing the fiscal burden on agricultural farms

The Law 23rd December 2014, n. 190 (the so called Stability Law 2015), has envisaged the deductibility from the IRAP tax base (Regional Business Tax)

of the cost faced for a permanent worker that exceeds the existing deductions and the restoring of the highest measures of tax rates for IRAP, antecedent to those introduced by the legislative decree n. 66/2014. The new regulation has furthermore introduced, at the article 1, clause 21, an IRAP tax credit for those passive subjects who do not have employees in their own activity, equal to 10% of the gross tax established according to the general rules.

The legislative Decree of 24th January 2015, n. 4, then modified by the law 24th March 2015, n. 34, has envisaged the exemption from the IMU tax of the agricultural lands owned by the farmer or rented to professional agricultural entrepreneurs and self-employed farmers, located on the mountainous and partially mountainous municipalities, by introducing a reduction of 200 euro for the agricultural workers and professional agricultural entrepreneurs, enrolled

in the agricultural security system, with lands that were exempted from the tax payment until last year.

The law 6th August 2015, n. 125 converted into law, with modifications, of the legislative decree of 19th June 2015, n. 78, laying down urgent measures in terms of regional authorities, has envisaged that the first tranche payment of the IMU tax can be paid without penalties and interests within the 30th October 2015.

3. Measures aimed at supporting the new entrepreneurship, improving farm competitiveness and fostering research in agriculture

The law 23rd December 2014, n. 190 (the so called Stability Law 2015):

- has envisaged, at the article 1, clause 243, low-rate loans for small-medium-sized firms for investments in capital goods. In particular, the new regulation envisages an increase of the plafond

established at “Cassa Depositi e Prestiti”, used for providing grants to banks, as at 31st December 2016, in order to support farm investments for the renewal of equipment.

- has envisaged, at the article 1, clause 202, the financing of the extraordinary plan for promoting the “Made in Italy”, for the three-year period 2015-2017, by establishing a specific fund for the promotion and safeguard of agri-food products, in Italy and abroad, with an initial endowment of 6 million euro for each of the years 2015 and 2016.
- has envisaged the possibility for ISMEA to finance farmers in exchange of the assignment of CAP credits. It has been earmarked to ISMEA a total amount of 10 million euro for the years 2015, 2016 and 2017 in order to support measures for youth entrepreneurship and generational change in agriculture and, in particular, for investment loans.
- has earmarked, for the 2015-2017 pe-

riod, 30 million euro for the supply chain contracts and for the district contracts, with the aim of strengthening the supply chain policies of the agricultural and agri-food systems, besides making more competitive the agri-food districts through the implementation of investment programs, complying with the EU orientations in terms of State aid in agriculture.

- has introduced a new discipline of tax credit for research and development (article 1, clause 35), thus including among the eligible costs those related to the industrial technical skills for new vegetable varieties.
- has envisaged the incorporation of INEA (National Institute of Agricultural Economies) into the Council for Research and Experimentation in Agriculture (CRA), denominated as Council for the research in agriculture and the analysis of the agricultural economics, maintaining the features of a national

entity for research and experimentation. The aim is to relaunch agricultural research by containing the spending through the implementation of an economic and organizational efficiency plan.

The legislative decree of 5th May 2015, n. 51, then modified by the law of 2nd July 2015, n. 91, has established the unique national commissions for the most representative supply chains of the agri-food system, with the aim of guaranteeing the transparency in the contractual relations between market operators and in the price setting.

4. Measures aimed at fostering social farming and some productive sectors

The law 23rd December 2014, n. 190, has earmarked 30 million euro, for 2015, for the financing of the social buffers in the fishing sector.

The legislative decree of 5th May 2015, n. 51, then modified by the law of 2nd

July 2015, n. 91:

- has introduced, in the milk sector, some urgent measures aimed at managing the gradual passage from the milk quota regime to the liberalization regime, by envisaging the possibility of dividing into installments the levy due, ascribable to the milk production in 2014-2015. In particular, the producers can ask, within 31st August 2015, the instalment payment of the fines, in three years and without interests, for having exceeded the milk quota during the latest campaign. Furthermore, the regulation expands the possibility of compensation among producers within the national value, to a limit of 6%, and establishes rules for the contracts, such as the minimum duration of 12 months and the mandatory indication of the sale price. Lastly, they have been introduced measures aimed at strengthening the supply chain through the setting up of a unique inter-professio-

nal entity that can take decisions for all to certain conditions. A further measure concerns the unfair commercial practices with the settlement of Antitrust, through the monitoring of the costs of the raw milk and the introduction of sanctions up to 10% of the value of contracts, in the case of violation of the standard agreements extended to *erga omnes*.

- New measures have been established for the olive sector, aimed at contrasting the crisis in the olive and oil sectors, by envisaging the introduction of a national Olive Plan with a fund of 32 million euro in the three-year period 2015-2017. One of the target of the fund is the certification and the fight against counterfeiting in the sector. The new regulation has also established some measures aimed at fostering the productive and competitive potential of the firms in the sector, with the specific aim of increasing by 25% the

quantities produced, at the national level, in the next five years.

- it has been established a solidarity fund of 2.25 million euro, for the fishing sector, in order to support those firms who suffered exceptional bad weather conditions from 2012 up to the entry into force of the converting law.

- Lastly, they have been introduced measures aimed at supporting the firms damaged by flooding and bad weather conditions that occurred since 2014, and firms affected by infections triggered by harmful organisms during 2013-2015. These measures are mainly addressed to the farmers damaged by the spread of the bacterium *Xylella fastidiosa*, *Dryocosmus kuriphilus* and *flavescence*. Eligible farms are also those damaged by flooding that have not undersigned an insurance to cover damages.

The law of 18th August 2015, n. 141, has included, among the related agricultural

activities, the activities of social agriculture aimed at integrating disabled and disadvantaged workers. These activities can be carried on by the agricultural entrepreneur or social cooperatives who can benefit from the tax reliefs envisaged for the already existing rural buildings in the fund earmarked to the social farming. Rules also envisage the possibility, for the public institutions that manage school and hospital canteens, of inserting, as priority criteria for the assignment of supply tenders, the origin of the agri-food products from operators of social farming. Furthermore, the regional public entities can grant for free the assets, confiscated to the organized crime, to the operators of the social farming. Lastly, the public entities, both in the case of territorial entities or not, can contemplate priority criteria for fostering the settlement and the development of the activities of social farming within the procedures of transfer and lease of

the agricultural public lands.

5. Measures aimed at safeguarding food quality

The law 23rd December 2014, n. 190:

- has envisaged the establishment of a fund for the quality milk aimed at boosting the investments in the dairy sector, with the target of improving the milk quality, strengthening food safety and reducing antibiotics treatments. The fund has enjoyed of a financial endowment of nearly 108 million euro in the 2015-2017 period. To the agricultural firms that adhere to the Plan is granted an endowment up to a maximum amount of 15,000 euro and which can increase to 200,000 euro for the firms that, besides the primary production, also work in the processing and marketing.

They have been envisaged also special measures for firms run by young people and for those located in the mountainous areas.

Main legislative measures in the 2014/2015 period

Legislative Measure	Content
Law 11 th August 2014 n. 116	Urgent measures for the agricultural sector, the environmental safeguard and the energy efficiency in schools and Universities, the relaunch and development of firms, cost reduction of electricity tariffs, as well as for the immediate definition of the fulfilments arising from the European legislation.
Law 23 rd December 2014, n. 190 (the so called Stability law 2015)	Measures for the preparation of the annual and multi-annual State balance sheet.
Law 24 th March 2015, n. 34	Urgent measures on the exemption from the IMU tax.
Legislative Decree 5 th May 2015 n. 51, then modified by the Law 2 nd July 2015, n. 91	Urgent measures for the relaunch of the agricultural sectors in crisis, of support to the agricultural farms affected by events of exceptional nature and of rationalization of ministerial structures.
Law 6 th August 2015, n. 125	Urgent measures in the field of territorial entities.
Law 18 th August 2015, n. 141	Measures in the field of social farming.

