

MINISTERO
DELLE
POLITICHE
AGRICOLE
E FORESTALI

Italian agriculture *in figures* 2000



ISTITUTO
NAZIONALE
DI ECONOMIA
AGRARIA

NORTH

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

CENTRE

- 1 Toscana
- 2 Umbria
- 3 Marche
- 4 Lazio

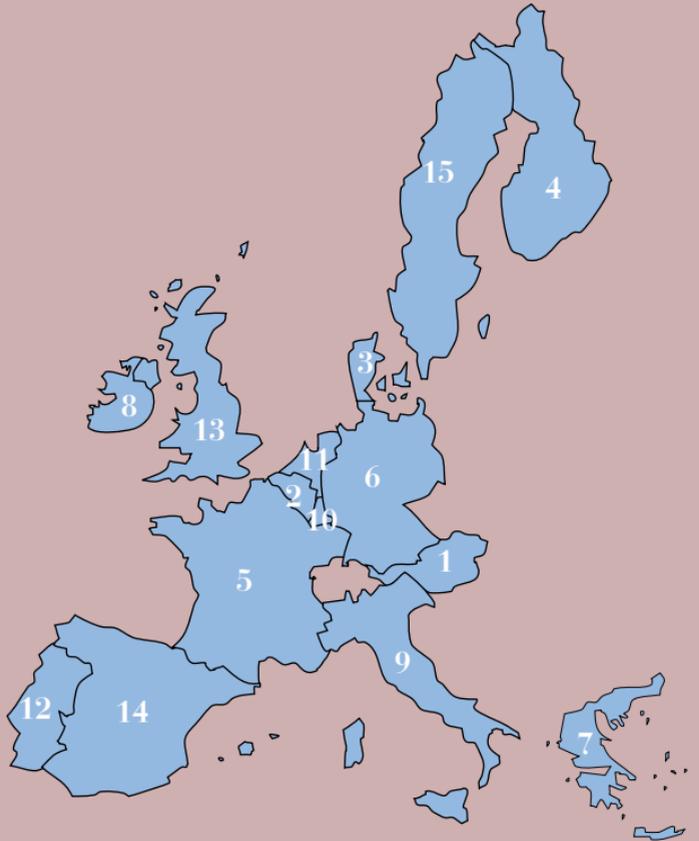
SOUTH

- 1 Abruzzo
- 2 Molise
- 3 Campania
- 4 Puglia
- 5 Basilicata
- 6 Calabria
- 7 Sicilia
- 8 Sardegna



EU COUNTRIES

- 1 Austria
- 2 Belgium
- 3 Denmark
- 4 Finland
- 5 France
- 6 Germany
- 7 Greece
- 8 Ireland
- 9 Italy
- 10 Luxembourg
- 11 Netherlands
- 12 Portugal
- 13 United Kingdom
- 14 Spain
- 15 Sweden



*Italian
agriculture
in figures
2000*

Unless otherwise indicated, all the statistics contained in this booklet have been provided by ISTAT and INEA.

For international comparisons, Eurostat figures have been used.

*The statistics in this publication may be consulted on Internet at the following address: <http://www.inea.it/pubbb/itaco.cfm>
They may be quoted providing the source is acknowledged.*

Note on Methodology

The new European System of National Accounts known as ESA 95, which replaced the previous system, ESA 79, marks a step forward in the harmonisation of international accounting systems and gives a more complete picture of the economy. For the new system, the Italian National Statistics Institute used the 1992 input-output matrix and updated the base year for aggregates at constant prices from 1990 to 1995.

The new system has brought about major changes for the agricultural account.

With ESA 95, the basic observation unit for the agricultural account has become the “local kind-of-activity unit”, which replaces the previous “national farm” concept.

Transactions between and within farms, as well as services connected with agriculture, are now included in agricultural output. The method for

calculating intermediate consumption has been changed and output is assessed according to basic prices, i.e. prices per unit of product less taxes plus subsidies related to the product itself. The inclusion of transactions within and between farms in output has led to a substantial increase in output figures but has had no effect on value added as the same transactions are also included in intermediate consumption.

Presentation

The twelfth edition of “Italian agriculture in figures” makes its appearance at a particularly delicate time, when choices are being made which will affect the future of the whole of the agricultural sector.

With this publication, INEA has once more shown how essential a role it plays in the formulation and “broadcasting” of a modern and European agricultural policy at the service of Italian farmers and consumers.

Considering Italy’s strong farming vocation, agriculture must become a strategic sector for the economic policy of our country: so much so that the Government and in particular the Ministry for Agricultural and

Forestry Policies have identified this as a priority objective.

The idea is to plan, at last, a coherent strategy for reviving the sector, which more than any other reconciles employment prospects with conservation of the environment, innovation with preservation of traditions. A winning mixture on which our energies should be directed in order to build an economy which is strong and at the same time respectful of our country’s geographical and cultural characteristics. The Ministry for Agricultural and Forestry Policies is especially committed to the creation of a new reference framework at EU and international levels. For some time now

Italy has been requesting a new common agricultural policy based on a strategy for relaunching the sector and on the principle of equity, both of which have been lacking up to now, and on avoiding sporadic measures which in the past have sometimes even been in conflict with one another.

I would add that Italian – and more generally Mediterranean – agriculture has been penalized by a system which has objectively favoured Northern European agriculture. You have only to think of the protection system at borders or of the battles which have to be fought daily to protect Mediterranean speciality foods, as recent events regarding rice and

the fruit and vegetables sector show. This, however, does not place any doubt on the need for an increasingly organic and consistent common agricultural policy; this has been reiterated over the last few months in EU institutions and not only in the European Council of Ministers but also in the Commission and in Parliament itself, proof of a commitment to Europeanism which, however, must exist side by side with the need to protect Italian agriculture.

There are three lines of action which the Ministry intends to follow within international and EU frameworks. First of all, the establishment of a support policy for income and virtuous behaviour in agriculture, with the abolition - advocated by the WTO - of aid mechanisms based solely on volume of production. Secondly, enhancement of the role of farmers and farmers' associations by involving them directly in policy decisions regarding agriculture.

Finally, encouragement of innovation and applied research, without neglecting to protect the quality and special character of our products or to defend consumer rights. Only in this way can a process begin of reconciling Italy with her agricultural traditions and of guaranteeing truly sustainable development. They are ambitious objectives, but within the reach of a country which wants to plan its future without forgetting its history.

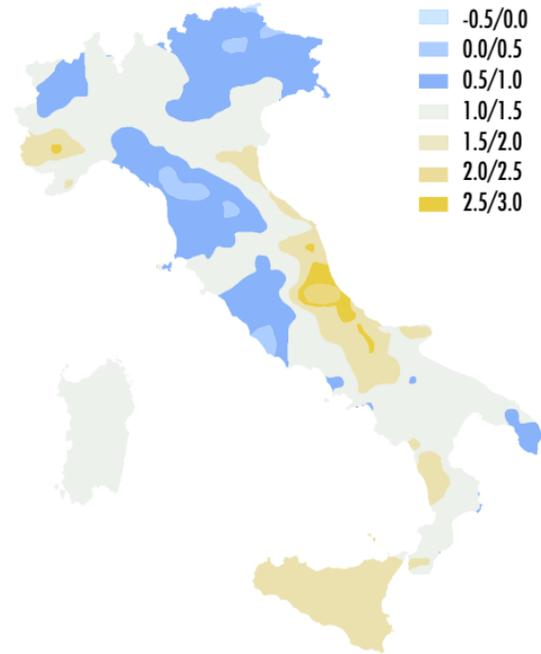
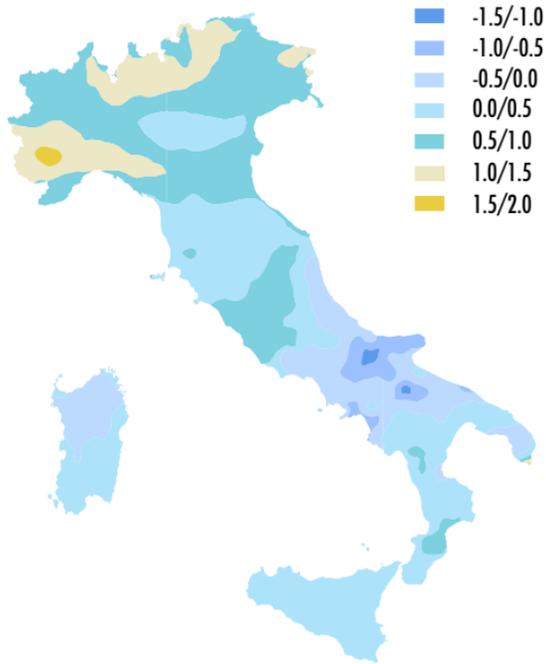
*Alfonso Pecoraro Scanio
Minister for Agricultural and
Forestry Policies*

LAND AND POPULATION

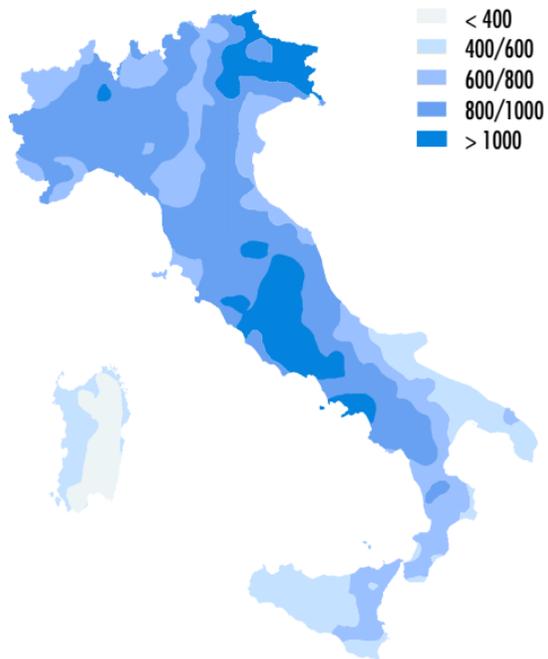
Climate

Deviations in the lowest annual temperatures compared to the norm (°C), 1999

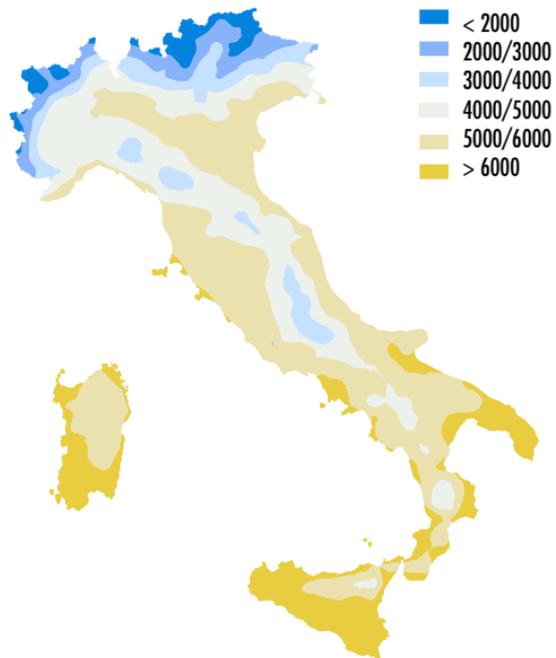
Deviations in the highest annual temperatures compared to the norm (°C), 1999



Total annual rainfall (mm), 1999



Accumulated degree-days (> 0°C), 1999



Land and Population

General features

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

Over the last few years, population growth has been almost entirely the result of foreign immigration while the Italian population shows a natural negative balance (-0.07%). In 1999 the total resident population increased by 0.07% compared to 1998, with different trends in the Centre-North (+0.24%) and South (-0.23%).

Type of land according to altitude ('000 hectares), 1999

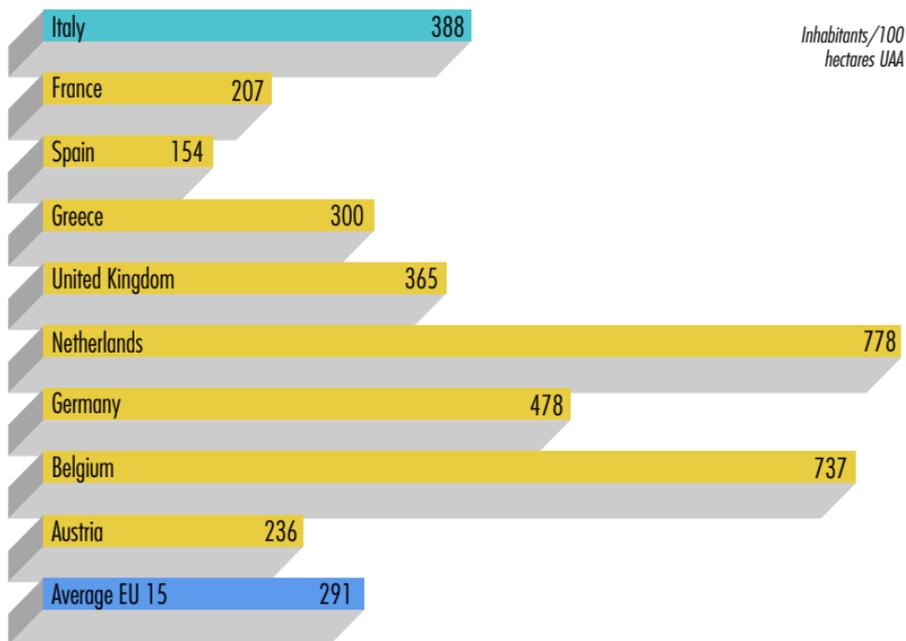
	North	Centre	South	Italy
Mountainous	5,532	1,576	3,503	10,611
Hilly	2,273	3,724	6,548	12,545
Lowland	4,187	536	2,255	6,978
TOTAL	11,992	5,836	12,306	30,134

Land and population, 1999

	Total area of land (km ²)	UAA (%)	Population ('000) (1)	Density inhab./km ²	Labour force ('000 units)
North	119,921	43.7	25,693	214	11,316
Centre	58,354	46.5	11,099	190	4,594
South	123,063	56.9	20,863	170	7,451
ITALY	301,338	49.7	57,655	191	23,361

(1) Resident population.

Population/agricultural land ratios, 1998 (*)



Inhabitants/100
hectares UAA

Agricultural land

The urbanization process is progressively eroding agricultural land in Italy. There is a tendency for the total amount of unproductive land to increase as a result of the spread of built-up areas and infrastructure; it is currently estimated at about 3 million hectares or almost 10% of national land area. Agricultural land decreased by about 2.7 million hectares (-15.3%) between 1970 and 1997, but used agricultural area (UAA) showed an increase of 265,000 hectares (+1.8%) between 1997 and 1998 according to the structural survey carried out by ISTAT. This trend is contrary to the general decrease in UAA in other European Union countries: according to Eurostat figures on land usage, between

(*) Total population, estimates from the European Commission.

1990 and 1998 UAA decreased by an average of 5% in the EU, with considerable variation among the member states.

Use of land in Italy and EU countries (% total land area), 1998

	Italy	Other Mediterranean countries (*)	Other EU countries (**)	Former EFTA countries (***)	Total EU 15
Arable land (1)	30.0	24.6	31.5	7.2	23.3
Permanent crops (2)	11.0	9.0	1.1	0.1	3.5
Vegetable gardens	0.3	0.0	0.2	0.1	0.1
Permanent grass and pasture	14.4	18.0	22.5	2.7	15.4
Woodland	21.4	30.1	22.4	55.9	33.1
Inland waterways	2.4	1.3	1.8	8.4	3.5
Unproductive areas and other land (3)	20.5	16.9	20.5	25.6	21.1
TOTAL LAND AREA ('000 hectares)	30,134	72,986	133,308	87,197	323,625

(*) Greece, Spain, Portugal.

(**) France, Germany, Benelux, Denmark, Ireland, Great Britain.

(***) Austria, Finland, Sweden.

(1) Arable crops, including temporary forage crops and fallow land.

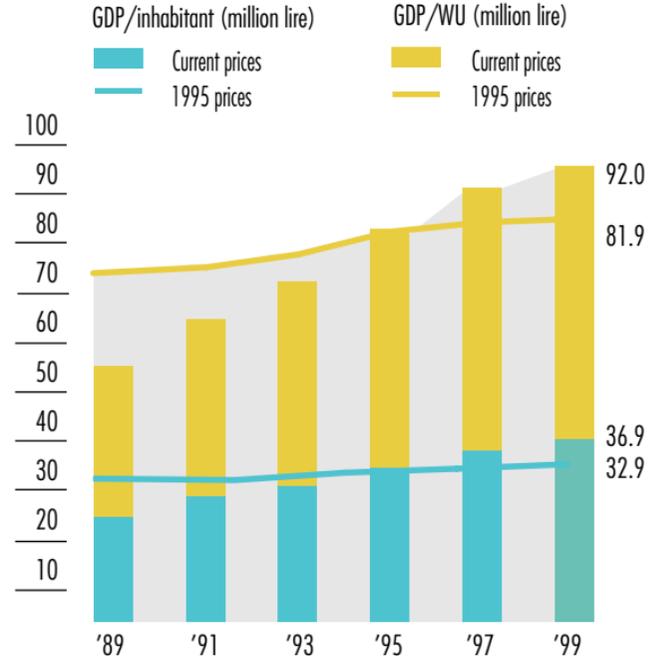
(2) Tree crops and other permanent crops.

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

AGRICULTURE AND THE ECONOMY

Gross Domestic Product

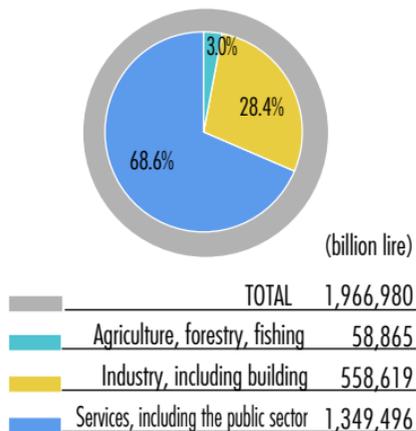
GDP, GDP per inhabitant and GDP per work unit, 1989 - 1999



Value Added

In 1999, value added (VA) at basic prices in the primary sector, including forestry and fishing, increased by 1.4% over 1998 as the result of a 5.1% increase in production and a 3.5% decrease in prices. Agriculture's contribution to total national VA was about

VA at basic prices by sector, 1999



3%. In real terms (at 1995 prices), between 1989 and 1999 agriculture's contribution to total national VA at basic prices rose from 3.3% to approximately 3.4%. Over the same period, the contribution of industry - in the strict sense of the manufacturing and mining industries - dropped from 24.9% to 24.7%, the contribution of the building industry dropped from 5.7% to 4.9%, the contribution of commerce, transport and communications rose from 23.5% to 24.8%, the contribution of financial services, information technology, research and professional services rose from 23% to 23.7% and the contribution of the civil service and other public and social services dropped from 19.6% to 18.5%.

Over the last few years, the contribution of agriculture to the Italian economy has become more similar to that in other countries in the Centre-North of Europe. There remain, however,

large regional differences; in the Centre-North, agriculture provides just 2.5% of total VA and 5.5% of employment (measured in standard work units) whereas in the South these figures rise to 5.7% and 13.2% respectively (1998 Svimez estimates).

Contribution (%) of agriculture to national economies in 1998 (*)

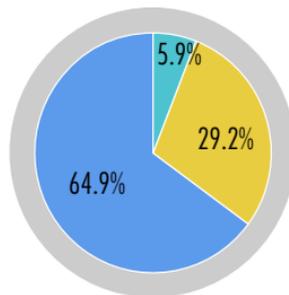
Country	Value added
France	1.8
Germany	0.8
Italy	2.5
Netherlands	2.5
United Kingdom	0.5
Greece	5.8
Spain	3.0
Austria	0.9
Finland	0.6
Sweden	0.4
EU 15	1.5
USA (1)	1.7
Japan (1)	1.7

Employment

In 1999 the total labour force in employment in Italy, measured in standard work units (WU) as defined by ISTAT for the national accounts, increased by 1%, confirming the positive trend of the previous year. Compared to 1998, the number of work units increased by 1.6% in the building industry and 2% in the service industry (including the civil service), but dropped in the manufacturing and energy industries (-0.4%) and even more so in agriculture (-5.5%).

In the primary sector, the number of self-employed workers fell by 6.2% or approximately 57,000 units, dropping from 13.1% to 12.3% of the overall number of self-employed work units in Italy. The number of paid workers fell by 4.3% or 23,000 units and represented approximately 3.2% of the total number of paid work units in Italy.

Work units by sector



	('000 units)
TOTAL	23,135
Agriculture	1,371
Industry	6,760
Services (1)	15,004

(1) Includes the public sector.

The agricultural labour force by sex and geographical area, 1999 averages (*)

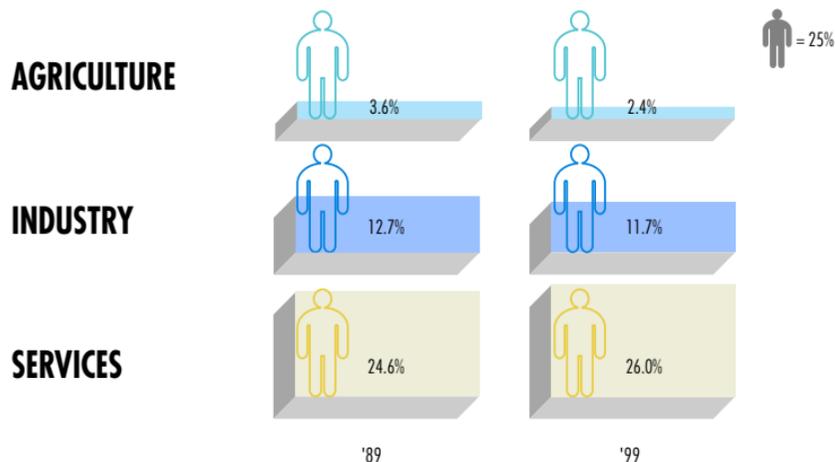
	Total labour force		Women (%)	Men (%)
	'000 units	%		
North	427	37.6	30.9	69.1
Centre	146	12.9	31.5	68.5
South	561	49.5	31.7	68.3
ITALY	1,134	100.0	31.3	68.7

In 1999, 68.7% of the labour force in agriculture, in terms of people, was male. Women showed a slightly higher presence, relatively speaking, in the North-East and South (31.7%) compared to the Centre (31.5%) and North-West (29.7%). Just under half of the agricultural labour force is to be found in the South of Italy, while the other half is divided between the North (37.6%) and Centre (only 12.9%).

Employment rates by sector

Over the last ten years, the percentage of the population employed in the service industry has increased while it has dropped in industry (12.7% in 1989 to 11.7% in 1999) and has become even more marginal in agriculture (3.6% to 2.4%). The ratio of the agricultural workforce to the population is chan-

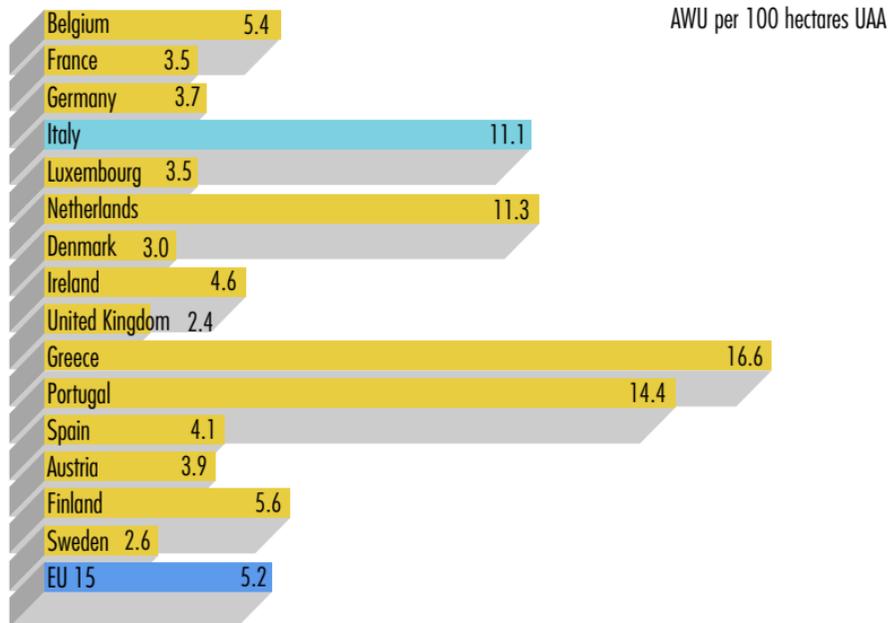
Employment rates by sector (% of population)



ging rapidly: in 1989 there was approximately one work unit employed in agriculture for every 27 inhabitants whereas in 1999 there was one in 42. In industry this ratio

is changing much more slowly and in the service industry (including the civil service) it is on a downturn, falling from one in 41 to approximately one in 38 between 1989 and 1999.

Volume of employment in agriculture in the EU, 1998



Source: European Commission, Eurostat.

Employment in agriculture as % of total employment in EU countries, 1998 (*)

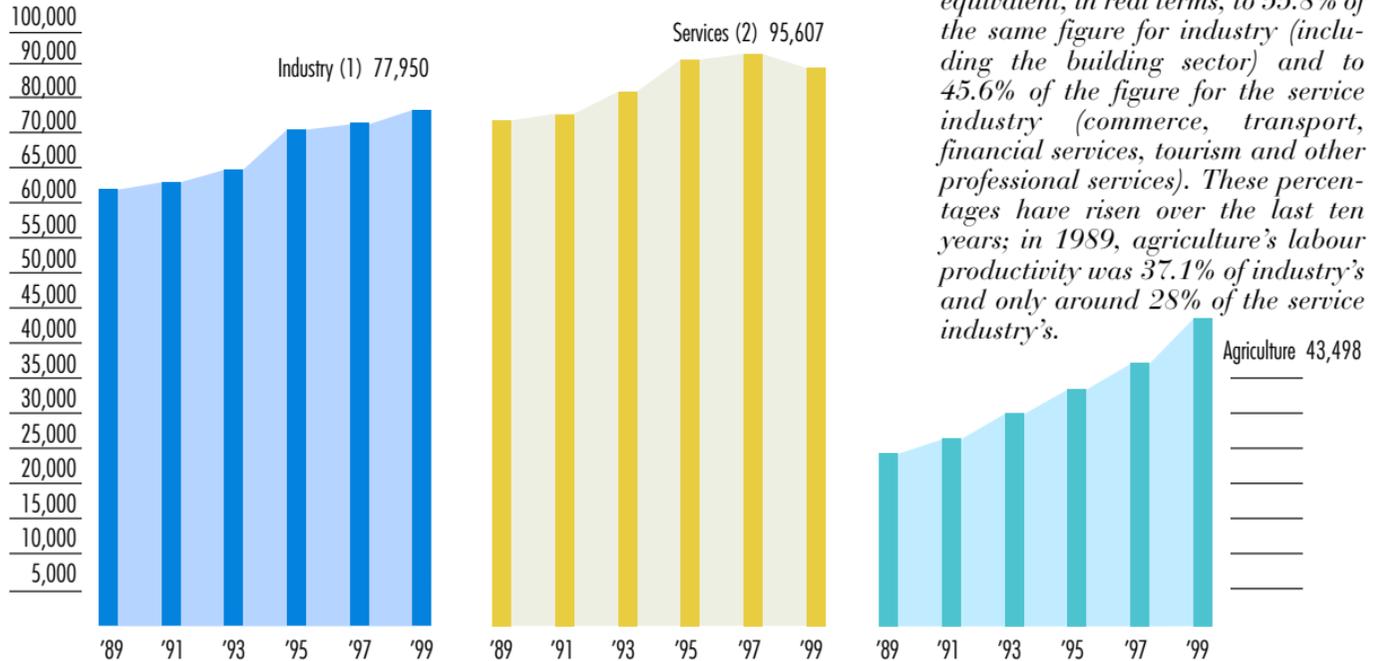
Country	Employment in agriculture
France	4.4
Germany	2.8
Italy	6.4
Netherlands	3.5
United Kingdom	1.7
Greece	17.7
Spain	7.9
Austria	6.5
Finland	7.1
Sweden	3.1
EU 15	4.7
USA (1)	2.8
Japan (1)	5.5

(*) Includes forestry, fishing and hunting.

(1) 1996 Eurostat estimates.

Productivity

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



In 1999, value added at basic prices per work unit in agriculture was equivalent, in real terms, to 55.8% of the same figure for industry (including the building sector) and to 45.6% of the figure for the service industry (commerce, transport, financial services, tourism and other professional services). These percentages have risen over the last ten years; in 1989, agriculture's labour productivity was 37.1% of industry's and only around 28% of the service industry's.

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



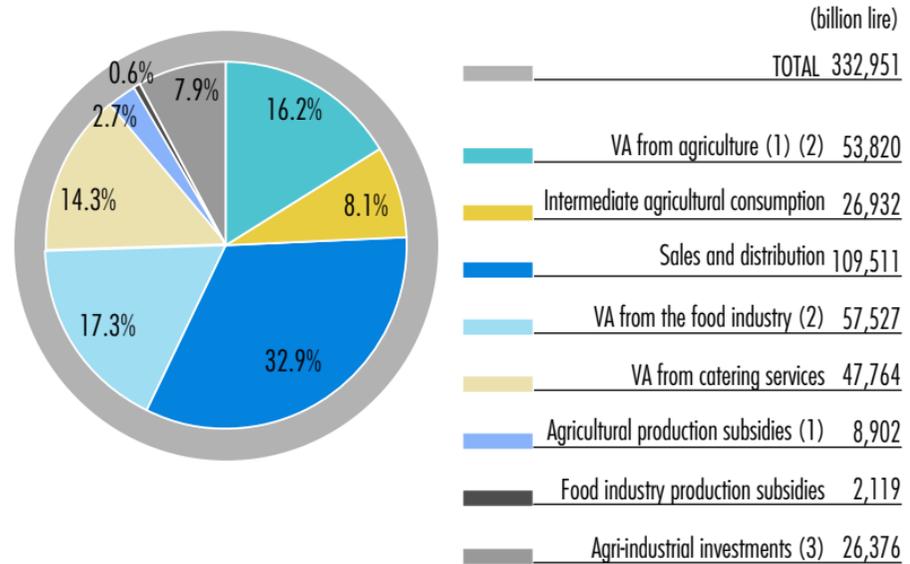
AGRI-INDUSTRIAL SYSTEM

Structure

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

The agri-food sector is estimated to have been worth some 333,000 billion lire or 15.6% of GDP in 1999. The main contributions were: approximately 53,800 billion from value added (VA) in agriculture, 27,000 billion from intermediate consumption in agriculture, 26,000 billion from agri-industrial investments, approximately 57,500 billion from VA in the food industry; 48,000 billion from VA in the catering industry and approximately 109,000 billion from sales and distribution.

Main components of the agri-industrial system, 1999



(1) Includes fishing.

(2) At market prices.

(3) Gross fixed investments.

FACTORS OF PRODUCTION

Intermediate Consumption
Agricultural Credit
Investments
Land Market

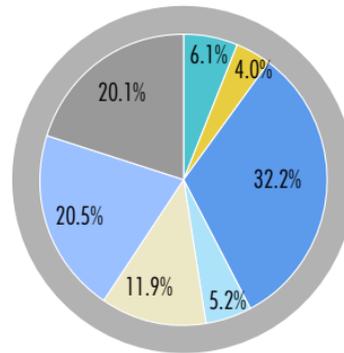
Intermediate Consumption

Expenditure on intermediate consumption amounted to 26,170 billion lire in 1999, a 1.1% decrease in value compared to 1998. In accordance with the new methodology of ESA 95, transactions within the agricultural industry are now included among inputs; these fell by 3% between 1998 and 1999 (-1.1% in volume and -1.9% in price). The 0.6% decrease in volume of inputs was due to agricultural operators using more rational techniques to reduce production costs and introduce environmentally friendly farming practices in accordance with EC Reg. 2078/92. In fact the percentage of total agricultural output spent on intermediate consumption is on a constant downturn, falling (at 1995 prices) to 30.2% in 1999 from 31.3% in 1998 and from 33% in 1997. Compared to 1998, in 1999 there was a decrease in the use of pesticides (-2.3%), fertilisers (-0.5%), machinery fuel (-0.9%) and

feed and other livestock-related expenses (-1.3%), whereas there was an increase (+2%) in expenditure on "other goods and services" (maintenance, trials, conversion, advertising etc). Input prices fell by an average of

0.5%, the result of a drop in the price of fertilizers (-4.9%) and seeds (-3.3%) and an increase in the cost of machinery fuel (+5.8%) due to the leap in the price of agricultural gas oil in the last few months of the year.

Main categories of intermediate consumption, 1999



	(billion lire)
ITALY	26,170
Fertilisers	1,605
Seeds	1,035
Feed (1)	8,426
Pesticides	1,351
Energy	3,122
Other goods and services (2)	5,378
Transactions within the industry (3)	5,253

(1) Includes other expenses for livestock.

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

(3) According to ESA 95, this category includes seeds sold by farms to other farms, directly saleable forage products, products used as animal feed, hay from cereal crops etc. (cf page 2).

Agricultural Credit

In 1999 there was a 12.6% drop in short-term credit, which was affected by the large decrease in subsidised loans following EU restrictions on this kind of credit for "routine farm management" (cf C44 of the Official Gazette dated 16/2/99). In fact the percentage of short-term credit granted on subsidi-

sed interest rates fell by almost a half compared to 1998: from 31.2% to 17.6%.

Medium and long-term credit, on the other hand, showed a substantial increase (+12%) thanks to the rise in non-subsidised loans (+45.4%); the percentage of medium and long-term

credit granted on subsidised terms fell, however, by 8.3%, from 62.1% to 50.9%, confirming the drop in funding available for this kind of aid.

There was a modest increase in the percentage of agricultural output represented by credit: from 28.2% in 1998 to 28.5% in 1999.

Agricultural credit (billion lire), 1999 ()*

Year	Short term	Medium and long term	Total	% of output (**)
1993	5,987	13,813	19,800	26.3
1994	5,383	13,596	18,979	24.8
1995	7,838	15,231	23,069	28.1
1996	8,589	14,026	22,615	26.3
1997	9,784	14,005	23,789	27.7
1998	9,790	14,230	24,020	28.2
1999	8,558	15,941	24,499	28.5

(*) Includes credit for fisheries.

(**) At basic prices.

Source: Bank of Italy.

Investments

According to the new series of historical data produced by ISTAT for the period 1982-1999, gross fixed investments in agriculture increased by 1.9% at constant prices in 1999, picking up after the downswing in 1997 (-1.4%) and the modest increase in 1998 (+0.8%). In other sectors of the economy; however, investments rose at an even higher rate (in industry by 2.8% and in the service industry by 5.2%) leading to a drop in agriculture's share of Italy's total gross fixed investments (4.4%) compared to the previous three years. The growing importance of investments in machinery and equipment was confirmed, rising from 46% of total agricultural investments in 1989 to around 53% in 1999, while the proportion of investments spent on building fell from 43% to around 34% over the same period. The proportion of investments spent on vehi-

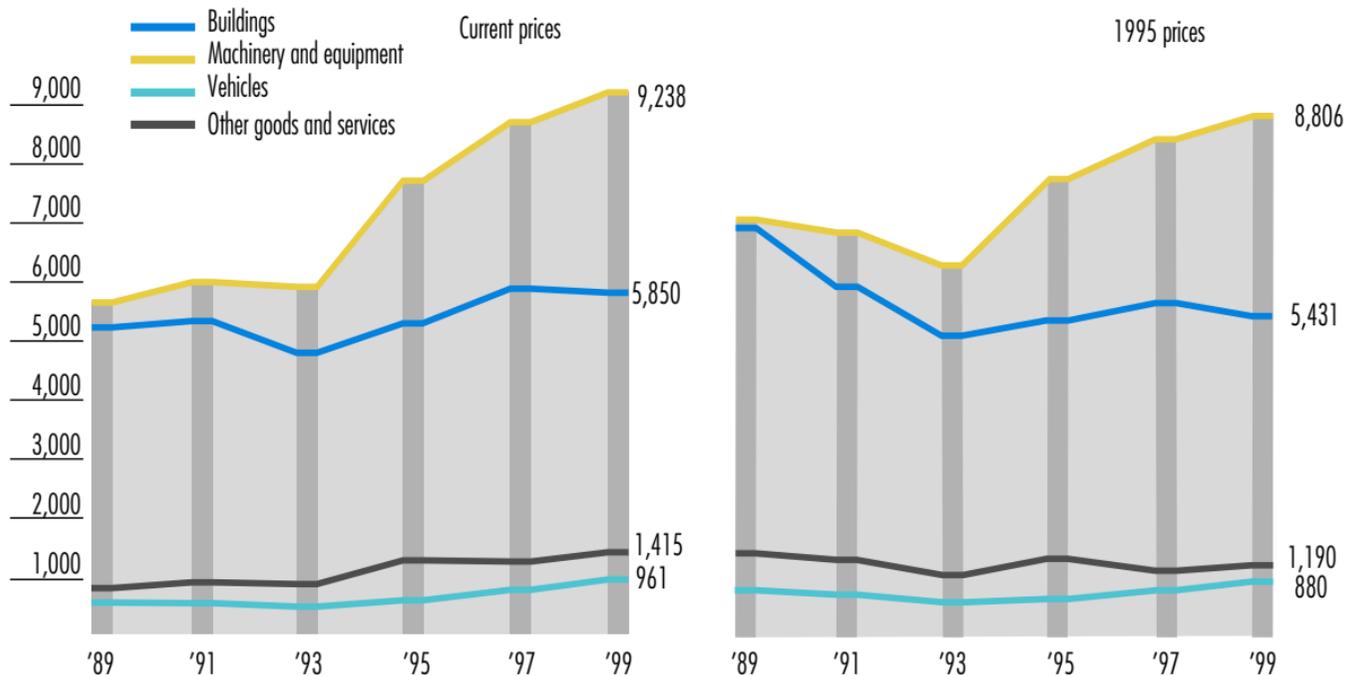
cles showed a moderate increase, as did that spent on other goods and services, which reached 8.1% of the total, indicating the growing importance of technology and other innovations. Investments represented a smaller proportion of agricultural VA, falling from 32% in 1989 to

around 27% in 1999, confirming the progressive decline in the level of accumulation. The level of investments per member of the agricultural labour force amounted to 11.9 million lire, about a quarter less than the average figure for the national economy on the whole.

Trends in agricultural investments (*)

	Current values (billion lire)	1995 price values (billion lire)	% of (**)	
			Total investments	VA from agriculture
1989	12,308	16,219	4.8	32.0
1990	12,529	15,441	4.4	31.8
1991	12,817	14,739	4.2	27.9
1992	12,557	13,879	4.0	25.9
1993	12,120	12,957	4.2	24.3
1994	13,723	14,227	4.6	26.5
1995	15,040	15,040	4.6	27.6
1996	16,588	16,098	4.7	29.0
1997	16,648	15,874	4.6	28.3
1998	16,992	16,000	4.5	28.2
1999	17,464	16,307	4.4	27.3

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



(*) 1998 and 1999 figures are INEA estimates.

Land Market

The price of land rose by an average of 3.3% in Italy in 1998, topping the general consumer price index for the second year running. The real value of land increased particularly in the North and in lowland areas; the difference between land prices in the North and in the Centre-South was confirmed, although there were signs of prices picking up in some areas in the South. According to operators in the sector, actual sales continue to be low. Price increases, which were recorded in particular in lowland areas in certain regions, may be comforting for those who have invested their savings in land but are a cause for concern for farmers wishing to extend their farms; buying land is becoming increasingly expensive, subjecting farmers to a financial strain which most of them cannot bear. As in the past, the reasons for these increases are to be

found both within the agricultural sector and among the indicators of the national economy. The types of farmland which contributed most to the increase in land prices were vineyards and arable land, which in the North increased considerably despite the market for the major crops being sluggish and some EU subsidies being reduced because of

maximum guaranteed areas being overshot.

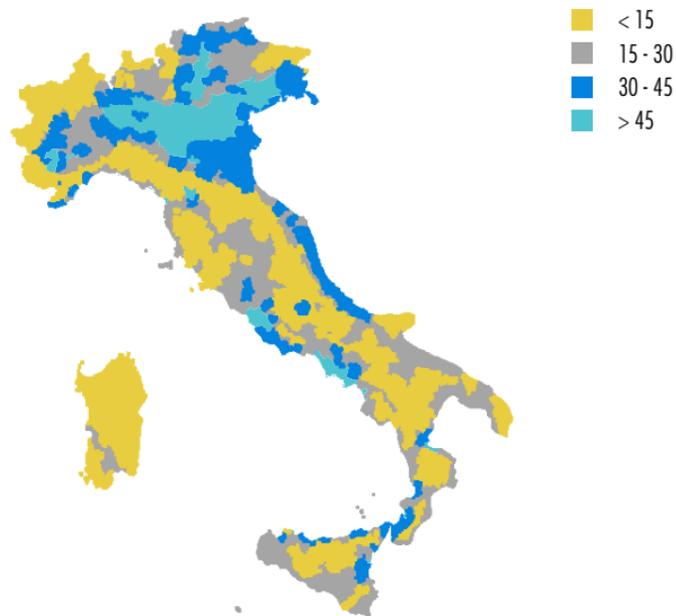
The rent market appeared to be back to normal after a few years of uncertainty resulting from the expiry of rent contracts. Rents increased in the North whereas in the Centre - with the odd exception - and in the South they remained at similar levels to the previous year. There was a

Average land values (million lire/hectare), 1998

	Type of land (according to altitude)					Total	% change	
	Inland mountains	Coastal mountains	Inland hills	Coastal hills	Lowland		1998/97	1998/90
North-West	9.3	24.5	28.1	62.2	44.6	31.3	4.4	31.0
North-East	31.5	-	36.0	22.1	47.8	41.4	6.2	28.1
Centre	12.4	19.2	19.1	27.8	35.3	20.6	0.9	31.0
South	11.6	19.2	18.0	27.9	26.2	19.8	1.6	9.7
Islands	10.3	17.9	13.1	16.8	22.7	15.2	0.4	15.1
TOTAL	15.3	18.9	19.6	24.1	38.7	24.9	3.3	22.8

tendency for new contracts to be drawn up for a shorter period of time than previously; generally 3-5 years for arable land and 5-10 years for vineyards and orchards, and there were some contracts drawn up for one year only.

Average value of land by agricultural area (million lire/hectare), 1998



AGRI-FOOD SECTOR

Production Levels
Prices and Costs
Total Output and Income From Farming
Food Industry
Distribution
Food Consumption
Foreign Trade

Production Levels

In 1999 the value of agricultural output at basic prices, including forestry and fishing, showed only a slight increase (+0.6%) compared to 1998. This was due to a marked drop in prices (-2.6%), which absorbed most of the effect of a greater volume of production (+3.3%).

Weather conditions were generally satisfactory except for localized situations such as drought and high temperatures in Sicily and spring frost together with hailstorms in Piemonte. The increase in production levels was concentrated in the tree crop sector (+12.5%), whereas results were more

modest in other sectors: +0.8% in field crops, +1.5% in livestock and a fall of 0.4% in forage.

With the new accounting system known as ESA 95, services connected with agricultural activities are now included in the calculation of agricultural output. In 1999 these services showed an overall increase in real terms of 1.7%, which was accompanied, however, by a 2% drop in prices.

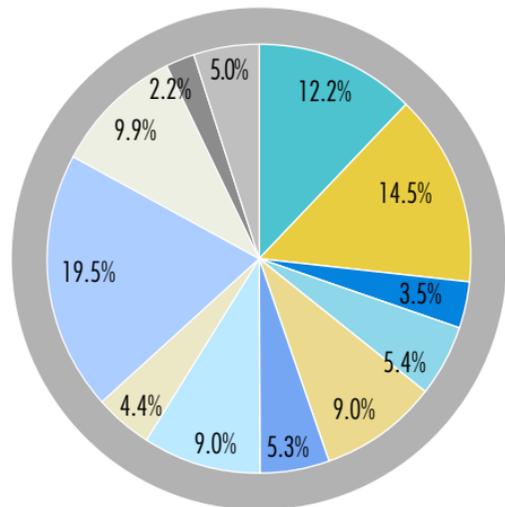
An analysis of the main production sectors shows only a moderate overall increase in cereal production (+1.9%), due to the decrease in the production of soft wheat (-6%), durum wheat (-7.6%), barley (-2.2%) and oats (-9%); there was, however, an increase in rice (+4.1%) and in maize (+10.7%), which benefited from the fall in investments in oilseeds.

Output at basic prices by sector, 1999

	Italy		% change 1999/98	
	billion lire	%	Volume	Price
Field crops	28,254	32.9	0.8	-2.8
Tree crops	20,233	23.6	12.5	-5.3
Forage crops	3,649	4.3	-0.4	-1.9
Livestock	26,014	30.3	1.5	-1.8
Connected services (1)	4,153	4.8	1.0	-2.0
Forestry	1,084	1.3	13.7	-8.6
Fishing	2,410	2.8	-5.5	6.2
TOTAL	85,797	100	3.3	-2.6

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

Agricultural output at basic prices by main sector, 1999



	(billion lire)
TOTAL	82,303
Cereals and dried pulses (1)	10,039
Vegetables (2)	11,963
Industrial crops (3)	2,894
Flowers and ornamentals	4,433
Grapes	7,375
Olives	4,391
Fruit including citrus	7,392
Forage crops	3,649
Meat	16,054
Milk	8,155
Eggs and other (4)	1,805
Connected services (5)	4,153

(1) Dried pulses accounted for 106 billion lire.

(2) Includes potatoes and fresh pulses.

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

(4) Includes honey for 35 billion lire and wool for 22 billion lire.

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

Main crop production, 1999 (*)

	Volume		Value (**)	
	'000 tonnes	% change 1999/98	billion lire	% change 1999/98
Soft wheat	3,241	-6.0	1,449	-7.9
Durum wheat	4,519	-7.6	2,150	-17.9
Maize	10,033	10.7	3,680	10.2
Rice	1,363	4.1	866	3.7
Sugar beet	13,651	5.6	1,144	-3.5
Tobacco	131	-0.9	644	4.5
Soya	900	-26.9	611	-30.6
Sunflowers	431	-7.4	375	-10.7
Potatoes	2,072	-5.6	951	-4.2
Tomatoes	7,459	24.8	2,285	11.0
Dessert grapes	1,229	3.0	800	3.0
Sold grapes	4,408	0.7	2,209	3.6
Wine ('000 hl) (1)	25,489	1.7	4,338	-1.4
Sold olives	340	19.3	359	6.4
Oil (1)	532	22.9	3,978	8.6
Apples	2,433	13.5	1,513	15.5
Pears	863	-10.5	701	-4.3
Peaches and nectarines	1,805	26.6	1,370	10.4
Oranges	1,806	39.6	1,066	40.8
Lemons	516	12.4	460	12.6
Mandarins and clementines	553	27.9	414	28.7
Kiwi	316	19.2	480	7.7

(*) Provisional data.

(**) At basic prices.

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

Among industrial crops, there was an increase in the production of sugar beet (+5.6%), which was characterized, however, by lower average variations than last year and a decidedly negative price trend (about -9%). Production of oilseeds fell considerably; dropping in value by 23% mostly as a result of the reduction in the area of land planted with sunflowers (-15%), soya (-28%) and rape (-22%), which were all affected by the decrease in area payments disbursed by the EU. There was also a decline in flowers and ornamentals (-6.5% in value), which were affected by negative market trends, especially flowers. The production of vegetables showed an overall increment in value of about 3% although the quantities produced varied according to the crop: there was an increase in tomato production of about 25% but a drop in potatoes (-5.6%), fresh peas (-2.7%), arti-

chokes (-7.3%), melons and water melons (-4.3%). As regards tree crops, there was a large increase in production levels of olives (+22.5%) and of citrus fruit (+29.7%), which showed a strong recovery after the results of

1998. There was also an increase in the production of fresh fruit (+13.8%) and vine products (+2.4%) and the quality of wine produced was excellent. The livestock sector was affected by a negative market: there was an

increase in the production of beef (+2.8%), pigmeat (+2%) and rabbit and wild game (+1.8%) but a decrease in sheepmeat and goatmeat (-1.2%) and poultrymeat (-1.5%), the latter being affected by the problem of dioxin-contaminated chickens and avian influenza. The production of cow's milk rose by 1.8%. In the forestry sector, there was a marked increase in the output value of firewood (+26.7%) and non-woody products (+22.3%) but a decrease in the output value of timber for processing (-14.9%).

Geographically speaking, production levels varied considerably around the country, ranging from a substantial increase (+6.2%) in Southern mainland regions, resulting from the good tree crop harvest, to a 2.4% decrease on the major islands due in particular to the prolonged drought in Sicily. Other areas of the country showed

Main livestock production, 1999

	Volume (*)		Value (**)	
	'000 tonnes	% change 1999/98	billion lire	% change 1999/98
Beef cattle	1,652	2.8	6,708	4.4
Pigs	1,691	2.0	3,590	-6.2
Sheep and goats	93	-1.2	792	17.5
Poultry	1,416	-1.5	3,434	-4.7
Rabbits and game	396	1.8	1,448	-2.8
Eggs (millions)	12,900	1.7	1,747	-1.6
Cow's milk ('000 hl) (1)	107,421	1.8	7,348	0.3
Sheep and goat's milk ('000 hl)	6,764	-0.5	807	-1.2
Honey	9.7	3.2	35	1.0

(*) Liveweight for meat.

(**) At basic prices.

(1) Includes buffalo milk.

Agricultural output in EU countries, 1998

	Final output		Intermediate consumption		Intermediate consumption/ Final output (%)
	Mecu (*)	%	Mecu (*)	%	
Belgium	6,247.0	2.9	4,102.0	4.0	65.7
France	46,187.0	21.6	22,999.0	22.6	49.8
Germany	32,043.0	15.0	17,331.0	17.0	54.1
Italy	35,694.0	16.7	9,779.0	9.6	27.4
Luxembourg	183.0	0.1	84.0	0.1	45.9
Netherlands	16,283.0	7.6	7,831.0	7.7	48.1
Denmark	6,199.0	2.9	3,480.0	3.4	56.1
Ireland	4,430.0	2.1	2,392.0	2.3	54.0
United Kingdom	17,838.0	8.4	11,759.0	11.5	65.9
Greece	8,834.0	4.1	2,625.0	2.6	29.7
Portugal	3,935.0	1.8	2,097.0	2.1	53.3
Spain	26,642.0	12.5	11,580.0	11.4	43.5
Austria	3,553.0	1.7	1,828.0	1.8	51.4
Finland	2,147.0	1.1	1,520.0	1.5	70.8
Sweden	3,252.0	1.5	2,406.0	2.4	74.0
EU 15	213,467.0	100.0	101,813.0	100.0	47.7

(*) Ecu = 1,943.62 lire.

good results, especially the North-East (+4.2%).

In 1998, Italy's contribution to total agricultural output in the EU amounted to just under 17%, resulting second only to France in order of importance.

Prices and Costs

In 1999 the price of goods purchased by farmers (current consumption) fell on average by 1.7%, confirming the 1998 trend. There was a drop in the price of seeds and plants (-5.2%), livestock (-2.2%), simple fertilisers (-7.9%), animal feed (-2%)

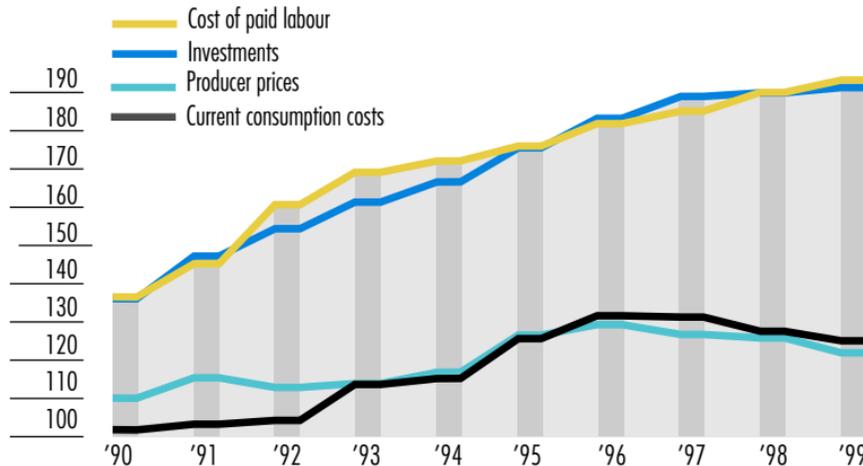
and general expenses (-7.1%) but a rise in the price of fuel (+4.2%) and maintenance and repairs (+4.1%). The price of investment goods increased overall by 0.9%, with machinery rising by 0.4%, buildings by 1.6% and improvement work by

0.8%. Paid labour costs increased by 1.5% as a result of a 1.4% rise in gross salaries and a 2% rise in social security contributions.

Producer prices in the agricultural sector fell by an average of 2.9%, confirming the trend of the previous year (-0.9%). The decrease showed in both the crop sector (-2.6%), affecting durum wheat (-15.9%), ordinary wine (-5.9%), quality wine (-8.9%) and oilseeds (-19.8%), and in the livestock sector (-3.1%), affecting pigs (-9.5%), poultry (-3.5%) and eggs (-6.9%). There were increases, on the other hand, in the price of potatoes (+10.1%), vegetables (+3.5%) and raw tobacco (+5.1%).

Terms of trade in agriculture showed a decrease in 1999 compared to 1998, from 98.7% to 97.5%.

Index numbers (1985=100)

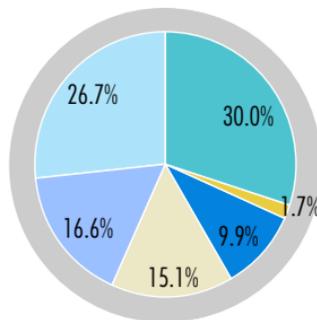


Total Output and Income From Farming

Of total agricultural output in 1999 (including production-related subsidies and indirect taxes), intermediate consumption (seeds, fertilisers, feed, energy; services etc) accounted for 30%, paid labour for 15.1% and the income to self-employed labour (farmers, family workers and those with an entrepreneurial interest in the industry), capital and business before depreciation (16.6%) accounted for 26.7%.

Subsidies and grants from the State, Ministries, Regional Authorities and the EU accounted for a further 9.9%, a higher percentage than in 1998 (9.2%).

Break-down of the income from farming, 1999 (*)

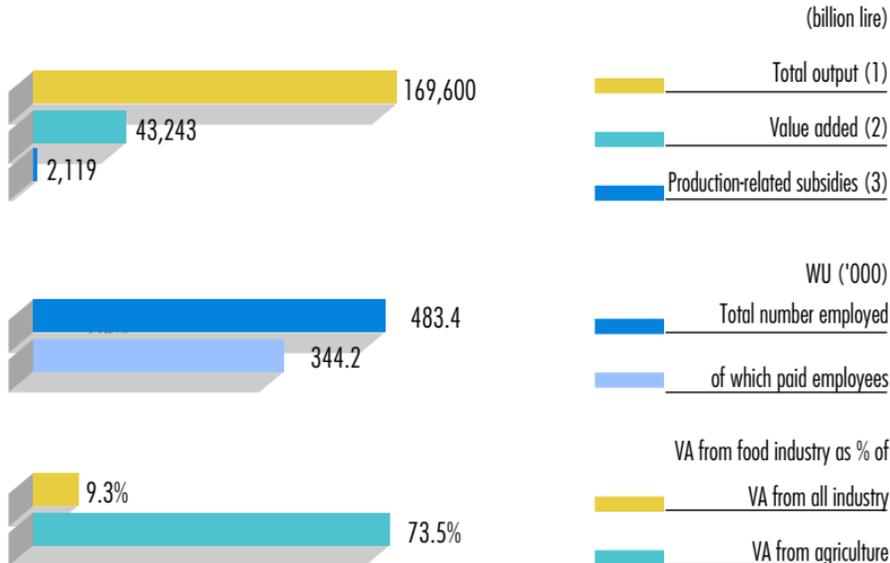


	(billion lire)
TOTAL OUTPUT	89,655
Intermediate consumption	26,932
Indirect taxes on production	1,520
Production-related subsidies	8,902
Paid labour earnings	13,494
Depreciation	14,865
Net income to self-employed labour, capital and business	23,942

(*) Includes forestry and fishing.

Food Industry

Food industry: main macro-economic aggregates, 1999



(1) Includes drinks and tobacco.

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

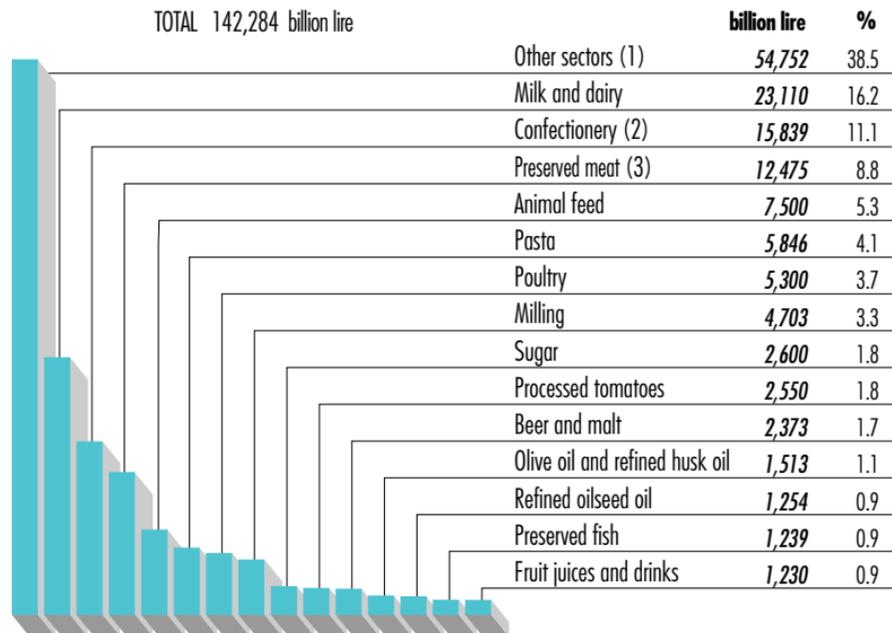
(3) Total figure for all subsidies related to products and production.

Source: estimates calculated from ISTAT figures.

In 1999, while the manufacturing industry on the whole stagnated, production in the food industry showed a positive trend (+3%), the combined result of an increment in the food and drinks sector (+ 3.9%) and a negative result in the tobacco industry (-11.2%). Value added at basic prices from the processing of agricultural and food products amounted to over 43,200 billion lire, a 1.8% increase in value over 1998. This was due exclusively to an increase in volume of production (+4.2%), which more than compensated for the substantial drop in prices (-2.3%). The food industry contributed around 9.3% of the VA of the whole of industry (considered in the strict sense of the manufacturing and mining industries) and around 73.5% of the VA of agriculture.

The boom in the food industry was due in particular to foreign demand,

Turnover in the food industry by sector, 1999



(1) Preserved vegetables, coffee, wine, alcoholic drinks etc.; excludes tobacco.

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

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

although the percentage of sales represented by exports (13%) was still lower than that of many of Italy's European partners. Increases in volume of production were recorded in the following sectors in particular: oven products (+8.7%); processed fruit and vegetables (+5.2%); baby and diet foods (+15.5%); precooked and other foods (+4.9%); slaughtered and processed meats (+4%); mineral water and soft drinks (+3.7%). Growth was more moderate for pasta (+1.4%) and milk and dairy products (+1.1%). There was a downward trend in milling products, ie meal and flour etc (-1.2%) and in oils and fats, especially of vegetable origin (-1.8%), while the production of wine from non own-grown grapes and beer remained stationary.

In Italy, the food market is in constant evolution and attracts considerable national and foreign invest-

Production in Italy by sector: % changes

	Changes 1999/98 (%)
Milling (1)	-1.2
Pasta-making	1.4
Biscuit and bread-making	8.7
Fruit and vegetables (2)	5.2
Oils and fats	-1.1
Slaughter and processing of meat	4.0
Milk and dairy products (3)	1.1
Sugar production	2.9
Confectionery	0.1
Baby and diet foods	15.5
Precooked and other foods	4.9
Wine (4)	-0.1
Beer	0.5
Mineral water and soft drinks	3.7
Animal feed	0.8

(1) Includes starch products.

(2) Includes frozen fruit and vegetables (-3.7% change).

(3) Includes production of ice-cream (+2.1% change).

(4) From non home-produced grapes.

The food industry in the EU, 1998 ()*

	Production (%)	Employment (%)
Belgium/Luxembourg	4.6	4.2
France	16.1	15.4
Germany	20.4	20.4
Italy	11.1	8.9
Netherlands	6.5	4.9
Denmark	2.6	2.5
Ireland	1.9	1.9
United Kingdom	18.9	17.2
Greece	1.0	1.7
Portugal	1.5	2.2
Spain	10.3	14.7
Austria	1.8	2.1
Finland	1.4	1.7
Sweden	1.9	2.1
EU 15 - TOTAL (1)	576,737	2,595

(*) Includes drinks and tobacco.

(1) Production in million ecu, 1998 conversion rate of 1 ecu = 1,943.62 lire. Employment figure in thousands of employees.

Source: Eurostat, Annual Panorama of Industry, 2000.

ment. The food industry numbers some 80,000 firms^(*), of which 79% with fewer than 10 employees, and in 1999 it employed approximately 483,000 work units, a 0.3% increase over 1998 and the equivalent of 9.2% of the total number of employees in industry (in the strict sense of manufacturing and mining).

These firms are unevenly distributed over the country and there are considerable structural and technological differences among them: in the Centre-North there is a concentration of 60% of all firms, 75% of all employees and 80% of VA of the Italian food industry; expansion of the industry in the South would appear to be a strategic priority.

In the European Union, the agri-food sector is one of the leading sectors as far as employment and value added are concerned.

Over 80% of the value of output from

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

Production and employment in the main sectors of the food industry in Italy and the EU, 1998

	Production			Employment		
	Italy (mecu)	EU	Italy/EU (%)	Italy (‘000 employees)	EU	Italy/EU (%)
Milling	2,443	19,244	12.7	5,497	62,385	8.8
Fats and oils	1,703	25,760	6.6	3,386	46,419	7.3
Fruit and vegetables	4,134	31,211	13.2	23,309	173,519	13.4
Slaughter and processing of meat	9,817	99,291	9.9	35,700	537,775	6.6
Processing of fish	1,185	11,628	10.2	4,793	83,851	5.7
Milk and dairy products	11,331	85,765	13.2	39,855	294,951	13.5
Animal feed	2,976	31,412	9.5	6,555	87,588	7.5
Other foods (1)	14,028	126,106	11.1	65,714	928,088	7.1
Drinks industry	9,719	92,800	10.5	30,318	313,675	9.7
Tobacco	6,965	53,520	13	16,204	67,112	24.1
TOTAL	64,301	576,737	11.1	231,331	2,595,363	8.9

(1) Fresh and preserved bread and confectionery, sugar, cocoa and other sweet products, pasta, couscous, flour products, tea, coffee, condiments, spices, baby food, diet food etc.

Source: Calculations from Eurostat figures.

the food industry in the EU is concentrated in Germany; France, the United Kingdom, Italy; Spain and the Netherlands. In 1999 production increased, compared to 1998, in Germany (+3.5%) and France (+2.5%) as well as in Italy; whereas it dropped in the United Kingdom (-0.9%) and Belgium (-4.1%).

In the EU, 70% of total production comes from just four sectors: meat, milk and dairy products, drinks and “other foods”. The sectors in which Italy contributes most to EU production are milk and dairy products and processed fruit and vegetables, with a contribution of 13.2% to both.

Distribution

Further to the results of the intermediate census on industry and the service industry carried out in 1996, the Ministry of Industry and Trade is reviewing its series of historical data on the distribution system. Some of the results of the review can be seen in advance in the Nielsen estimates, which confirm that the number of firms operating in the food sector is

falling progressively (though less steeply than in the old series), especially in fixed-location retail. In the wholesale sector, the decrease in the number of operators is relatively larger in North Italy. In the retail sector, the rate by which the number of outlets is decreasing in the North diverges considerably from the rate in the South; the difference between

the two is confirmed by the density indicator which shows an average of one outlet for every 300 inhabitants in the North against one for every 216 in the South.

The registers kept by the Ministry of Industry show a negative balance between newly-registered and deleted retail businesses between 1998 and 1999 amounting to 5,154 fewer

Food distribution system in Italy, 1999

	North		Centre		South		Italy	
	%	% change 1999/92	%	% change 1999/92	%	% change 1999/92	No	% change 1999/92
Wholesale	46.5	-42.6	18.9	-34.8	34.6	-29.0	31,800	-37.0
Retail (fixed outlets)	38.2	-19.2	18.8	-14.9	43.0	-10.8	224,251	-15.0
Wholesale/retail	17.3		14.2		11.4		14.2	
Inhabitants/retail outlet (1)	300		263		216		257	

(1) Number of inhabitants per retail outlet.

Source: Estimates by AC Nielsen; the figures are not comparable with figures in previous editions as they belong to a newly-calculated series of historical data.

businesses. Most of these were food shops (excluding tobacconists) and 61.6% of these were specialist shops selling: fruit and vegetables (13%), meat and meat-based products (17%), bread and confectionery (2%), wine, oils, beer and other drinks (3%). The retail food trade showed differ-

ent results around the country with an increase in sales of 4.6% in the North-East, 1.9% in the North-West, 1.6% in the Centre and 0.8% in the South. If these figures are deflated using the consumer price index, it emerges that with the exception of the North-East, the volume of sales in all other parts of the country

remained stationary or fell.

Large-scale retail trade

At 1 January 1999, 6,143 outlets operating in large-scale retail were counted in a census. Supermarkets had increased to 5,892 compared to 5,449 in the previous year.

Large-scale retail food trade by geographical area, 1999 (*)

Geographical area	Outlets	% change 1999/98	Sales area (m²) (**)	% change 1999/98	Employees (**)	% change 1999/98	No of outlets per 100,000 inhab.	Sales area m²/1,000 inhab.
North	3,356	5.8	3,920,856	7.1	93,680	7.8	13.1	152.6
Centre	1,230	9.9	1,291,905	8.4	30,899	6.1	11.1	116.4
South	1,557	12.9	1,354,769	12.6	24,540	14.8	7.5	64.9
TOTAL	6,143	8.0	6,567,530	8.5	149,119	8.5	10.6	113.9

(*) Independent supermarkets, food departments in large stores and hypermarkets. At 1st January 1999.

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

Source: Calculations by INEA from data from the Ministry of Trade and Industry, DG for Trade, Insurance and Services.

This increase (+8.1%) further strengthened the growth trend of previous years and was particularly marked in the South (+11.5%) and Centre (+10.7%). There was an increase in the total area used for retail, which reached 5.2 million m² (+8.6%), and the total number of employees rose to over 109,000 (+7.5%).

The number of hypermarkets rose to

251 (+4.6%), with a retail area of over 1.3 million m² (+7.9%), of which 644,000 m² for food alone, and some 40,400 employees (+11.5%), of which 22,000 worked in food departments.

Compared to 1998, in 1999 the value of sales increased in supermarkets by 6.4%, in the food departments of hypermarkets by 7% and in discount stores by 2.1%, against 0.7% in traditional shops.

Large-scale retail trade is increasing its share of the turnover of total fixed-location retail; if discount stores are included, its share probably amounts to around 60% of the total, according to Cermes and Nielsen estimates.

The number of wholesale “cash and carry” outlets (283) remained the same but there was a reduction in their total retail area (-1%) and number of employees (-2.9%).

Food Consumption

In 1999 family expenditure on food and drink in Italy amounted to about 202,000 billion lire, a 0.8% increase in current values over 1998; as regards volume, however, consumption levels remained the same, confirming the slower growth in food consumption already recorded in the last

Break-down of food consumption, 1999

Product	% of total food expenditure	Average annual rate of change 1999/92 (%)	
		Volume	Price
Meat	22.8	-1.5	2.2
Bread and cereals	16.6	0.2	2.5
Dairy produce and eggs	13.3	-1.1	3.4
Vegetables and potatoes	10.9	1.0	2.2
Fish	6.5	0.2	2.2
Fruit	6.5	0.1	1.0
Sugar and confectionery (1)	6.5	1.2	3.8
Fats and oils	5.1	-1.7	3.6
Wine and alcoholic drinks	5.1	-3.5	4.4
Mineral water and soft drinks (2)	4.9	2.0	1.8
Coffee, tea and cocoa	1.5	-2.4	3.7
Other foods (3)	0.3	-1.6	2.5
OVERALL	100	-0.54	2.58

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

(2) Fizzy drinks, fruit juices etc.

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

few years. There were different trends among product categories: consumption levels increased for bread and cereal-based products (+1.2%), confectionery (+0.7%), coffee, tea and cocoa (+3.1%), mineral water and soft drinks (+3.4%), wine and alcoholic drinks (+1.3%), diet products

and other foods (+2.4%), but decreased for milk and dairy products (-1.4%), fruit (-1.6%), vegetables and potatoes (-1.3%), meat (-0.7%) and fish (-0.3%).

Expenditure on food dropped to 16% of total family expenditure, compared to 16.5% in 1998; ten years ago it was around 21%.

According to ISTAT estimates, catering services (canteens, snack bars, restaurants etc) accounted for 84,000 billion lire of food expenditure, increasing by 2.4% in value and 0.4% in volume over 1998; between 1992 and 1998, the value of catering services rose from 33.9% to 41.6% of the value of food consumption, showing a significant change in consumers' purchasing habits.

The food Italians spent most on was meat (22.8%), followed by bread and cereal products (16.6%).

Since 1992 (the first year in the new

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

Product	Italy	France	Spain	Greece	Germany	United Kingdom	Austria	EU
Cereals and cereal products (1)	118.1	78.2	71.3	139.0	75.2	85.4	79.0	83.4
Rice (1)	4.8	5.5	6.8	6.0	3.7	4.3	4.0	5.0
Potatoes (1)	40.1	54.1	85.6	97.1	72.3	103.5	56.6	74.4
Vegetables (2)	177.3	n.a.	157.1	308.3	81.4	99.4	n.a.	n.a.
Fruit including citrus (2)	121.1	n.a.	107.3	123.4	91.8	56.8	n.a.	n.a.
Milk (3)	71.8	100.1	132.4	67.2	87.8	128.2	95.1	104.6
Cheese	18.7	23.3	8.1	23.0	19.1	8.7	15.5	15.9
Butter	2.5	9.2	1.0	0.7	7.1	2.9	5.2	4.5
Total meat	84.5	97.6	107.5	78.2	85.7	72.9	94.3	87.2
Beef	24.2	26.7	13.8	19.0	14.5	16.6	19.6	19.0
Pigmeat	34.4	35.4	58.7	24.8	53.8	23.3	55.4	40.8
Fats and oils (4)	29.7	21.4	27.0	n.a.	26.0	22.1	n.a.	n.a.
Sugar (5)	25.4	34.4	31.8	28.6	32.2	37.7	42.0	33.1
Wine (6)	53.6	59.7	37.7	24.8	23.1	13.6	31.0	33.7

(*) Figures refer to the 1997/98 season; fats and oils, milk, dairy products and meat to 1997.

(1) Italy, Greece and EU figures refer to the 1996/97 season; cereals and cereal products are in flour equivalent.

(2) Includes processed foods in fresh food equivalents, dried fruit and nuts; figures refer to 1996/97 season, Greece and UK to

1994/95.

(3) Includes other fresh products. Greece and EU figures refer to 1996/97.

(4) Spain figures refer to 1996, Italy to 1995.

(5) White sugar equivalent.

(6) Litres per capita.

series of statistics calculated according to ESA 95) there has been a drop in the quantity of meat, oil and fats, wine and other alcoholic drinks, coffee, tea, cocoa and fruit consumed in Italy; whereas the consumption of bread and cereal-based products, fish, vegetables, sugar and confectionery and non-alcoholic drinks has risen.

Per capita consumption levels highlight the high demand for Mediterranean products in Italy. The demand for cereal-based products and wine is much higher than the EU average and for vegetables and fruit it is even higher than Spain's; on the other hand, milk consumption is 31% lower and pigmeat consumption about 16% lower.

Foreign Trade

In 1999 the trade deficit in the agri-industrial sector amounted to around 16,000 billion lire, a slight improvement on 1998 and in line with the trend of previous years. The result was due to an increase in exports (+3.5%) together with a moderate decrease in imports (-2.4%); confirming the 1998 trend, the 1999 result shows the growing improvement in the degree of trade cover, which rose from 62% in 1998 to 65% in 1999.

As far as the agri-food sector is concerned, about 69% of Italian trade took place within the EU, 2% more than in 1998. France and Germany remain Italy's main trading partners as regards both sales and purchases. Among other countries, the United States and Switzerland confirmed their importance as market outlets for Italian produce, and the United States again, together with Brazil

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

	1990	1998	1999
MACRO-ECONOMIC AGGREGATES			
Total agri-industrial output (1)	98,241	127,770	129,040
Imports	31,554	46,600	45,469
Exports	13,620	28,661	29,653
Balance	-17,934	-17,939	-15,816
Volume of trade (2)	45,174	75,261	75,122
Apparent consumption (3)	106,738	145,709	144,856
INDICATORS (%)			
Degree of self-sufficiency (4)	92.0	87.7	89.1
Propensity to import (5)	29.6	32.0	31.4
Propensity to export (6)	13.9	22.4	23.0
Degree of trade cover (7)	43.2	61.5	65.2

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

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

(2) Sum of exports and imports.

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

(4) Output-consumption ratio.

(5) Imports-consumption ratio.

(6) Exports-output ratio.

(7) Exports-imports ratio.

Geographical distribution of Italy's foreign trade in the agri-food sector (billion lire), 1999 ()*

Country	Imports	%	Exports	%	Nb (**) (%)
EUROPEAN UNION 15	29,942	69.3	20,049	67.6	-19.8
Belgium & Luxembourg	1,421	3.3	835	2.8	-26.0
France	8,277	19.2	3,949	13.3	-35.4
Germany	6,006	13.9	7,287	24.6	9.6
Netherlands	4,176	9.7	993	3.4	-61.6
Denmark	1,634	3.8	367	1.2	-63.3
Ireland	559	1.3	115	0.4	-65.9
United Kingdom	1,362	3.2	2,544	8.6	30.3
Greece	1,552	3.6	859	2.9	-28.7
Portugal	180	0.4	237	0.8	13.7
Spain	3,162	7.3	1,290	4.4	-42.0
Austria	1,323	3.1	1,034	3.5	-12.3
Finland	51	0.1	92	0.3	28.7
Sweden	222	0.5	396	1.3	28.2

Country	Imports	%	Exports	%	Nb (**) (%)
OTHER DEVELOPED COUNTRIES	2,962	6.9	5,514	18.6	30.1
Canada	256	0.6	448	1.5	27.3
Norway	14	0.0	116	0.4	78.5
Switzerland	459	1.1	1,335	4.5	48.8
United States	1,242	2.9	2,554	8.6	34.6
CEE countries	1,103	2.6	902	3.0	-10.0
Czech Republic	40	0.1	170	0.6	61.9
Hungary	349	0.8	89	0.3	-59.4
Poland	323	0.7	229	0.8	-17.0
OTHER EAST EUROPEAN STATES (1)	736	1.7	615	2.1	-9.0
MEDITERRANEAN COUNTRIES (2)	1,532	3.5	912	3.1	-25.4
REST OF WORLD	6,910	16.0	1,645	5.6	-61.5
Argentina	972	2.3	65	0.2	-87.5
Brazil	875	2.0	116	0.4	-76.6
China	569	1.3	21	0.1	-92.9
Japan	11	0.0	713	2.4	97.0
TOTAL	43,177	100.0	29,637	100.0	-18.6

(*) Excludes cured tobacco.

(**) Normalised balance (see glossary).

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

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

Foreign trade by main agri-food sectors (billion lire), 1999 ()*

Product sector	Imports	Exports	Nb (**) (%)
Cereals	2,359	104	-91.6
Fresh pulses and vegetables	857	1,297	20.4
Dried vegetables and fruit	687	263	-44.6
Fresh fruit	1,412	3,024	36.3
Citrus fruit	340	150	-38.7
Raw textile fibres	798	33	-92.2
Oilseeds	517	14	-94.9
Coffee and spices	1,565	68	-91.7
Flowers and ornamental plants	636	661	2.0
Uncured tobacco	307	336	4.5
Live animals	2,720	106	-92.5
of which cattle	2,079	66	-93.8
Other livestock products	984	46	-91.1
Forestry products	1,451	326	-63.3
Fish and game	1,399	304	-64.3
Other products	267	196	-15.4
TOTAL PRIMARY SECTOR	16,300	6,927	-40.4

Product sector	Imports	Exports	Nb (**) (%)
Cereal products	804	4,288	68.4
of which pasta	12	1,945	98.8
Sugar and confectionery	1,216	1,100	-5.0
Fresh and frozen meat	5,503	957	-70.4
Processed meat	242	980	60.3
Processed and preserved fish	3,625	351	-82.4
Processed vegetables	1,026	1,938	30.8
Processed fruit	664	1,279	31.6
Dairy products	4,856	1,885	-44.1
of which milk (1)	1,397	14	-98.0
of which cheese	1,982	1,479	-14.5
Oils and fats	2,668	1,711	-21.9
Oilcake and oilseed flour	1,377	318	-62.5
Drinks	1,614	5,829	56.6
of which wine	357	4,467	85.2
Other food industry products	3,283	2,076	-22.5
TOTAL FOOD INDUSTRY	26,877	22,710	-8.4
TOTAL AGRI-FOOD SECTOR	43,177	29,637	-18.6

Cured tobacco	2,292	16	-98.6
TOTAL AGRI-INDUSTRIAL SECTOR	45,469	29,653	-21.1

(*) Excludes cured tobacco.

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

(1) Fresh and long life.

Foreign trade in agri-food sector by region (billion lire), 1999

	Primary sector		Food industry		Total	
	Imports	Exports	Imports	Exports	Imports	Exports
Piemonte	2,637.1	336.4	1,437.4	3,333.6	4,074.5	3,670.0
Valle d'Aosta	15.1	2.4	36.7	9.0	51.8	11.4
Liguria	1,024.2	684.3	924.2	430.0	1,948.4	1,114.3
Lombardia	4,136.7	502.1	6,131.8	3,851.9	10,268.5	4,354.0
Trentino Alto Adige	345.1	482.6	814.5	1,009.0	1,159.5	1,491.7
Veneto	3,273.2	809.1	2,707.2	2,773.9	5,980.3	3,583.0
Friuli Venezia Giulia	652.4	148.9	379.8	645.3	1,032.2	794.2
Emilia Romagna	2,440.8	1,270.5	3,261.0	3,519.5	5,701.8	4,790.0
Marche	493.1	84.0	86.6	145.0	579.6	229.0
Toscana	1,011.7	340.3	1,628.9	1,545.1	2,640.6	1,885.4
Umbria	240.1	103.0	328.2	262.2	568.3	365.2
Lazio	1,080.7	249.3	1,477.1	509.5	2,557.8	758.8
Campania	1,353.5	525.6	965.7	2,098.4	2,319.2	2,624.0
Abruzzo	356.8	84.6	240.0	386.7	596.9	471.3
Molise	60.8	4.1	49.0	89.2	109.8	93.3
Puglia	655.8	920.6	683.0	636.4	1,338.8	1,557.0
Basilicata	56.9	42.8	34.8	35.0	91.6	77.8
Calabria	177.6	64.4	189.8	69.5	367.4	133.9
Sicilia	525.1	525.6	484.8	521.3	1,009.9	1,046.9
Sardegna	296.9	24.9	110.4	222.5	407.3	247.3
ITALY	20,839.9	7,212.5	21,983.1	22,099.6	42,823.0	29,312.1

and Argentina, were leading suppliers. Other main trading partners included Greece and Spain, with whom Italy's trade relations are growing: in 1999, Greece's purchases from Italy increased by 39% and Spain increased its sales to Italy by about 17%.

Primary sector products represented 36% of total agri-food imports and 23% of exports; the balance in this sector showed a slight improvement, with a fall in the deficit leading to a normalized balance of 40%, about 3% less than last year. As regards primary sector imports, cereals and live animals confirmed their importance, while fresh fruit and vegetables dominated exports, reaching 62% of the total.

As far as the food processing industry is concerned, exports rose by 4% from 1998 whereas imports dropped

slightly, resulting in an improvement in the balance deficit of 2,000 billion lire. Meat, milk and dairy produce and processed fish products emerged as the major imported processed foods while typical Italian commodities such as cereal products, wine and processed fruit and vegetables dominated exports.

The large volume of trade in the food industry highlights the growing importance of processed commodities in agri-food trade and the role of Italy as a producer of processed foods on world markets. In Italy the agri-food trade is controlled by four regions in the North of the country: Lombardy, Veneto,

Emilia Romagna and Piemonte. They are followed, at a considerable distance, by Tuscany, Lazio and Campania. The regional distribution of imports and exports varies enormously depending on whether primary products or processed commodities are being considered.



STRUCTURE OF THE FARMING INDUSTRY

Introduction

In 1998, after a further annual sample survey on the structure of farms, the Italian National Statistics Institute, ISTAT, completed its programme of farm surveys begun in 1993 together with the Regions and Autonomous Provinces under the 3rd Protocol agreed between ISTAT, the Agriculture Ministry and the Regions.

The results only refer to farms included in the so-called “EU field of

survey”, which does not correspond to the total of national farms in that it excludes farms with less than a hectare of used agricultural area (UAA) and with a marketed output below a certain value (3,500,000 lire in 1998, the same as in 1997).

The results of the 1998 survey, which are still provisional, show a generally similar situation compared to 1997 after the marked fall in the number of farms and in their struc-

tural and productive characteristics in 1997 compared to 1995. There were, however, a few changes of some importance in certain farm characteristics.

The following chapters provide some of the survey results for certain farm characteristics considered of particular interest at regional and national level. It should be remembered that the results are still provisional.

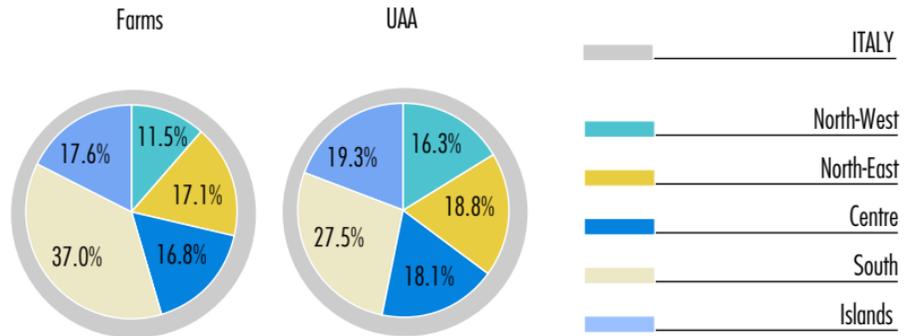
Farms and Farm Land

In 1998 there were 2,300,410 Italian farms with a total land area of 20.2 million hectares, of which just under 15 million hectares were used agricultural area (UAA). Compared to the 1997 survey, the number of farms in Italy dropped slightly again (-0.6%) but there were small increases in total land area (+0.2%) and in UAA (+0.9%), confirming the reversal of trend which began at national level in 1996. At regional level, variations in number of farms and UAA were recorded in Friuli-Venezia Giulia (-5.3% in farms, +4% in UAA), Tuscany (-1.6% in farms, +2.9% in UAA), Calabria (+1.4% in farms, -2.5% in UAA), and Lombardy (-1.9% in farms, +0.9% in UAA). Increases in both number of farms and UAA were recorded in Emilia-Romagna (+1.3% in farms, +2.7% in UAA), Abruzzo (+1.7% in farms,

+3% in UAA) and Campania (+0.3% in farms, +3.4% in UAA). In all parts of Italy (North-West, North-East, Centre, South, major islands) the number of farms decreased whereas UAA only decreased in the North-West (-0.4%) and on the major islands (-0.1%). The consequences of these trends

were: an increase in the average size of farms in terms of UAA, which in some cases was quite considerable, as for example in the Autonomous Province of Bolzano (from 12.1 to 13.3 hectares); the closure of a number of very small farms; a significant increase in farms with 2-5 hectares of UAA and especially those with

Distribution of farms and UAA by geographical area, 1998



Farms, total farm land and used agricultural land, 1998

	Farms		Land (hectares)			% change 98/97	
	Number	%	Total	UAA	Average UAA per farm	Farms	UAA
Piemonte	122,337	5.3	1,539,078	1,146,681	9.4	-0.1	-2.0
Valle d'Aosta	7,234	0.3	147,104	86,563	12.0	0.4	-0.6
Lombardia	98,984	4.3	1,394,569	1,121,319	11.3	-1.9	0.9
Trentino - Alto Adige	46,540	2.0	987,722	427,716	9.2	1.4	4.4
Bolzano	21,913	1.0	545,994	291,666	13.3	-0.1	9.7
Trento	24,627	1.1	441,728	136,050	5.5	2.7	-5.6
Veneto	178,651	7.8	1,074,585	883,636	4.9	-1.3	1.7
Friuli - Venezia Giulia	46,052	2.0	384,718	270,523	5.9	-5.3	4.0
Liguria	34,909	1.5	190,495	85,126	2.4	-0.2	5.3
Emilia - Romagna	121,336	5.3	1,581,285	1,225,313	10.1	1.3	2.7
Toscana	91,446	4.0	1,673,989	928,149	10.1	-1.6	2.9
Umbria	45,347	2.0	585,937	370,453	8.2	0.4	-5.5
Marche	71,123	3.1	824,821	596,564	8.4	-0.7	1.3
Lazio	178,690	7.8	1,131,916	817,115	4.6	-0.3	-0.5
Abruzzo	95,985	4.2	752,097	518,144	5.4	1.7	3.0
Molise	35,919	1.6	312,260	244,392	6.8	-0.5	0.5
Campania	202,082	8.8	835,580	654,452	3.2	0.3	3.4
Puglia	294,779	12.8	1,548,797	1,448,050	4.9	-1.9	1.2
Basilicata	69,012	3.0	747,820	618,884	9.0	0.7	3.7
Calabria	154,180	6.7	842,294	633,312	4.1	1.4	-2.5
Sicilia	323,096	14.0	1,735,674	1,561,905	4.8	-1.7	-0.2
Sardegna	82,708	3.6	1,906,356	1,327,796	16.1	-1.1	0.0
ITALY	2,300,410	100.0	20,197,097	14,966,093	6.5	-0.6	0.9

2-3 hectares which increased by 3.9% in number and by 73.4% in terms of area; a 35.2% decrease in UAA on farms with 10-20 hectares.

Use of Farm Land

In 1998, of the 20.2 million hectares of land belonging to farms, just under two thirds were made up of UAA. Of this, 8.3 million hectares were planted to arable crops (+0.9% compared to 1997), 3.8 million hectares were used for permanent grass and pasture (-0.8%) and 2.8 million hectares were planted to permanent tree crops (vines, olive trees, fruit trees etc).

Of the remaining 5.2 million hectares not classifiable as UAA, 3.7 million hectares were covered with woodland and poplar groves and 1.6 million hectares were either unused or non-productive farm land or woodland.

Arable crops were the most widely grown crops in all parts of the country, ranging between 45% in the North-West and 34% on the major islands. On the islands, a significant proportion of farm land was also used for permanent forage (grass and pasture).

Permanent tree crops were concentrated in regions in the South, which cultivated 42.6% of the national total.

The Centre of Italy was the most densely wooded part of the country, with woodland covering 27.8% of its total area.

Main uses of farm land (hectares), 1998

	Used agricultural area			Woodland Total	Other land	Total farm area	
	Arable area	Permanent grass & pasture	Permanent crops				
North-West	1,471,262	789,108	179,319	2,439,689	589,777	241,781	3,271,247
North-East	1,763,016	665,122	379,050	2,807,188	863,899	357,222	4,028,309
Centre	1,736,993	506,285	469,003	2,712,281	1,171,167	333,215	4,216,663
South	2,133,031	789,246	1,194,956	4,117,233	605,098	316,517	5,038,848
Islands	1,224,921	1,078,979	585,803	2,889,703	475,074	277,253	3,642,030
ITALY	8,329,223	3,828,740	2,808,131	14,966,094	3,705,015	1,525,988	20,197,097

Livestock

In 1998, livestock was reared on just under 744,000 farms or 32.3% of farms included in the field of survey. Compared to 1997, this represented an increase of 44,000 farms (+6.3%), the result of a drop in farms rearing cattle (-1.9%), goats (-4.1%) and rabbits (-6.3%) and an increase in all the others, especially pigs (+4.3%) and poultry (+5.8%).

The number of head in each category of livestock remained more or less the same: the national cattle population totalled 7.1 million (-0.6% compared to 1997) and the sheep population 10.9 million, an increase of 553 head from 1997. The average number of head per farm also remained more or less unchanged in nearly all categories: the number of head of cattle per farm rose from 31 to 32, of which 21 were dairy cows; sheep averaged 83 head per farm, of which 67 were

Livestock farms by category of livestock, 1998

Category	Farms	Head	% change 1998/97	
	('000)		Farms	Head
Cattle	225	7,130	-1.9	-0.6
- dairy cows	102	2,116	-0.2	1.8
Buffalo	3	186	34.5	15.3
Sheep	131	10,894	1.9	-
- ewes	122	8,130	3.4	0.5
Goats	60	1,331	-4.1	-1.5
Horses	46	176	3.4	-3.0
Pigs	262	8,323	4.3	0.4
Rabbits	220	9,098	-6.3	-9.7
Poultry	494	119,521	5.8	-10.4
- table chickens	307	69,176	0.9	-11.1
- laying hens	466	28,345	6.1	-9.7
TOTAL FARMS	744	-	6.3	-

milk ewes; goats averaged 22 head per farm and pigs 32 head per farm. Fewer head per farm were recorded for poultry, which dropped from 286

to 242 (table chickens from 255 to 225), and for buffalo, which dropped from 68 to 58. Over one third of cattle farms reared

less than 6 head each, their cattle constituting just 4% of the national total, while 6.7% of farms reared 48.9% of the total. The level of concentration was even higher for pigs, with 92% of pig farms rearing less than 10 head each for a mere 5.9% of the national total compared to 0.8% of farms with 1,000 head or over each, accounting for 71.6% of the total pig population.

Cattle, pig and sheep farms by number of head, 1998

Number of head	Farms	Head	% change 1998/97	
		('000)	Farms	Head
Cattle	225	7,130	-1.9	-0.6
Up to 5	76	285	-0.9	35.4
6 - 9	32	227	-10.0	-9.4
10 - 19	41	565	0.6	1.1
20 - 49	43	1,342	0.0	-0.6
50 - 99	18	1,222	-4.6	-3.1
100 and over	15	3,488	2.2	-1.5
Pigs	262	8,323	4.3	0.4
Up to 9	241	492	5.4	1.6
10 - 49	14	279	-12.0	-10.7
50 - 99	2	138	26.1	26.8
100 - 499	2	582	-10.6	-15.0
500 - 999	1	873	12.6	10.1
1000 and over	2	5,959	1.9	0.8
Sheep	131	10,894	1.9	0.0
Up to 9	53	229	6.1	11.1
10 - 49	39	826	-2.8	-0.1
50 - 99	10	685	8.2	8.2
100 - 299	18	3,130	-3.3	-1.5
300 - 499	7	2,594	6.2	6.7
500 and over	4	3,430	-2.1	-5.2

Use of Machinery

In 1998 as in 1997, 87% of Italian farms used at least one piece of agricultural machinery (tractors, powered cultivators, combine harvesters). The use of machinery was highest in the North-East (95% of farms), with the highest percentage found in the Autonomous Province of Trento (99%), whereas it continued to be fairly low on the major islands (77%). The Abruzzo Region showed the lowest use (only 73%).

The most widely-used piece of machinery remained the tractor, although it was less used than in 1997 (70% of farms compared to 72%); usage varied considerably from one region to another, ranging from just 30% of farms in Liguria to 93% in the Autonomous Province of Bolzano. Powered cultivators were the second most widely-used piece of machinery, found on 62% of national farms.

Farms which use agricultural machinery, 1998

	Total	Tractors		Powered cultivators	
		Number	Farm-owned (%)	Number	Farm-owned (%)
North-West	235,479	174,173	96.8	159,970	98.1
North-East	365,431	320,498	85.7	241,092	96.3
Centre	341,984	260,339	80.1	130,246	90.7
South	750,234	488,120	55.9	506,651	84.1
Islands	308,301	155,550	63.7	211,358	86.7
ITALY	2,001,429	1,398,680	73.2	1,249,317	89.4

Contract Work

With an increase of around 3% compared to 1997, just under half of Italian farms (48.2%) used hired services ("passive" contract work) in 1998 for a total of 3.9 million days of work, which means that each farm hired machinery from an outside source for an average of 3 days during the year. The number of farms which supplied and used their machinery on other farms ("active" contract work), on the other hand, continued to be extremely low (less than 1%), with a total of just 739,000 days or an average of 38 days each.

Between 1997 and 1998, the number of farms which provided services on other farms decreased by 10.9% but the number of days involved rose by 5.3%, whereas the number of farms which used hired services increased by 5.6% but the days involved fell by 2.4%.

Farms which hire or provide contract services (passive and active contract work), 1998

	Active contract work		Passive contract work			
	Farms	Days	Total		by specialist contractors	
			Farms	Days	Farms	Days
Piemonte	993	57,820	58,096	144,589	32,748	73,065
Valle d'Aosta	-	-	383	383	306	306
Lombardia	727	40,187	75,138	225,168	51,213	171,512
Bolzano	1,593	20,529	5,480	21,984	344	548
Trento	448	2,392	4,110	14,596	505	505
Veneto	1,900	65,440	92,362	278,547	75,957	231,170
Friuli - Venezia Giulia	287	15,719	34,727	146,733	18,407	38,756
Liguria	25	669	3,319	4,958	1,510	1,588
Emilia - Romagna	752	44,133	30,851	147,894	25,296	110,914
Toscana	773	43,841	35,158	144,677	15,579	69,541
Umbria	176	6,595	24,886	113,706	23,288	96,293
Marche	556	32,920	49,418	269,670	40,690	228,569
Lazio	1,411	40,864	65,661	285,013	37,483	165,190
Abruzzo	271	14,527	9,475	22,406	5,482	9,599
Molise	351	12,353	18,463	54,751	4,782	14,744
Campania	1,511	25,933	99,483	306,640	41,042	106,645
Puglia	2,977	187,075	134,503	504,711	72,284	261,140
Basilicata	558	16,117	49,143	204,720	25,499	80,650
Calabria	932	45,593	98,795	285,277	49,211	167,630
Sicilia	2,610	48,577	163,706	542,977	84,837	263,365
Sardegna	547	18,159	55,129	143,055	21,983	58,883
ITALY	19,398	739,443	1,108,286	3,862,455	628,446	2,150,613

Over a half of all farms using hired services turned to specialist agricultural contractors or hire firms for a total of approximately 2.2 million days of work (an average of 3 per farm); this tendency too showed an increase in the number of user farms (3%) but a decrease (-5.4%) in the corresponding number of days involved.

The use of hired services varied

through the country; ranging from about 43% of farms in the North-East to 52% in the North-West and on the two major islands. There were large variations compared to the previous year; in the North-West the percentage of farms using hired services showed a significant increase, rising to 52% from 40% in 1997, counter-balanced by a more or less equivalent drop in the North-East.

In the Centre, there was an increase of 14% (from 31% to 45%) while there was a decrease of 16% on the major islands. There are two particularly interesting comparisons with 1997: in the Centre farms using hired services increased by 46.6% while days of work increased by only 43%, and on the islands farms increased by 42.4% while days of work increased by a mere 7.7%.

Age of Farmers

In 1998 approximately 41% of Italian farmers were over the age of 65 and a mere 4% were under 25; this confirmed the tendency for Italian farms to be run by increasingly older farmers. The highest percentage of farmers over

65 years of age was found on the two major islands, where they accounted for 44% of all farmers, whereas in the North-West only 36% of farmers were over 65 and the percentage of farmers under 25 rose to 6%. There was a drop in the percentage

of farmers over 65 in Trentino-Alto Adige (23% against 27% in 1997) and Valle d'Aosta (26% against 36%), against a much higher percentage in Sicily (up to 47% from 43% in 1997) and Marche (44%, the same as in 1997).

Farmers by age group and geographical area, 1998

	Age group									
	under 25 yrs		25-44 yrs		45-64 yrs		65 yrs & over		Total	
	No	%	No	%	No	%	No	%	No	%
North-West	15,687	16.5	30,214	14.0	121,899	11.6	94,132	10.1	261,932	11.4
North-East	22,306	23.5	38,481	17.9	176,992	16.9	152,062	16.3	389,841	17.0
Centre	11,469	12.1	32,730	15.2	174,670	16.7	164,370	17.6	383,239	16.7
South	31,925	33.6	81,481	37.8	395,559	37.7	341,761	36.7	850,726	37.1
Islands	13,498	14.2	32,661	15.2	179,207	17.1	179,993	19.3	405,359	17.7
ITALY	94,885	100.0	215,567	100.0	1,048,327	100.0	932,318	100.0	2,291,097	100.0

People on Farms

In 1998 over 6,165,000 people were to be found on farms. Almost all of these were members of farmers' families; hired labour accounted for a tiny 1.1% of the total. Farmers accounted for 37.5% of family members and spouses employed on the farm for 17.3%. Over 20% of family members were not employed on the farm. Women represented 45% of the total of people on farms, a very slight increase over the previous year accompanied by a slight decrease in the number of men. From 1997 there was a particularly marked increase (+33%) in hired female manual workers, who rose to 13% of the total. Women employed on farms in any capacity amounted to 28% of all people on farms; furthermore, a quarter of Italian farmers were female. Another interesting fact, which has already emerged in the

People on farms by sex, 1998

	Male	Female	% change 1998/97	
			Male	Female
Farmer	1,692,212	598,885	-1.0	1.1
Spouse employed on farm	249,184	808,341	2.1	-3.3
Spouse not employed on farm	40,252	333,597	27.6	5.3
Other family members employed on farm	572,292	288,489	0.9	3.4
Other family members not employed on farm	607,810	635,788	1.1	1.4
Relatives	197,121	73,463	-9.6	-16.5
Manual workers on permanent contracts	59,212	8,665	-1.4	32.9
TOTAL	3,418,083	2,747,228	-0.4	0.1

past, was that there were very few farmers with degrees (about 2.7%) and school-leaving certificates

(9.5%); the former were found more in the Centre and South, the latter in the North.

Labour

Together with the drop in number of farms, in type of crops grown and in head of livestock, in 1998 there was a corresponding fall in the use of labour for agricultural activities. Over the year, the volume of labour totalled 426 million days (-0.6% compared to 1997), of which 364.6 million days were worked by farmers alone or with

the assistance of family members and other relatives (including spouses). This represented a slight decline (-1.2%), only partially offset by the increase in volume of labour carried out by the rest of the agricultural workforce (managers, white-collar workers and manual workers on temporary or permanent contracts, unofficial tenant

farmers etc), which rose from 59.6 to 61.4 million days (+3.1%). The decrease in family labour affected all parts of the country except for the two major islands, while the average increase of over 3% in the volume of work carried out by the rest of the workforce was produced in particular by Central regions.

Volume of labour by type of labour and geographical area, 1998

	Family labour		Other farm labour		Total	
	Days worked	% change 1998/97	Days worked	% change 1998/97	Days worked	% change 1998/97
North-West	67,489,381	-3.7	5,593,188	-16.9	73,082,569	-4.9
North-East	72,876,343	-0.2	9,050,376	3.5	81,926,719	0.2
Centre	60,079,092	-2.4	10,509,855	25.0	70,588,947	0.9
South	115,889,424	-1.9	26,342,441	3.0	142,231,865	-1.1
Islands	48,285,061	4.5	9,904,366	-1.9	58,189,427	3.3
ITALY	364,619,301	-1.2	61,400,226	3.1	426,019,527	-0.6

Employment On and Off the Farm

Over 80% of farmers' family members and other relatives present on farms worked on their farms either full-time or part-time (as their main or second job) in 1998. Farmers themselves accounted for almost 60% of these. Around 69% of family labour was employed exclusively in work on the farm (full-time), carrying out 87% of the total volume of agricultural work in 1998, while 28% worked exclusively or mainly off the farm, carrying out just 9.4% of the total. In 1998, there was an overall increase in the number of family members working full-time on farms (+1.4%); this was the result of an increase in the number of farmers (+2%) and other immediate family members (other than spouses) employed on the farm (+6.3%), which was only partially offset by a decrease in numbers in the other two categories taken into consideration: spouses (-0.7%) and

other relatives (-11.2%). There was a marked increase in part-timers working mainly on the farm: from 93,000 to 155,000 units (+66.7%). This increase was almost

completely offset by a drop in part-timers working mainly off the farm (-5%). Over 17% of part-timers had at least one paid job off the family farm in the agricultural sector.

Part-time family labour by sector of off-farm employment, 1998 (*)

Member of family	Sector of off-farm employment ('000 persons)					
	Agriculture		Industry		Other sectors	
	Persons ('000)	% change 1998/97	Persons ('000)	% change 1998/97	Persons ('000)	% change 1998/97
Farmer	107	-23.2	117	-1.7	275	-4.3
Spouse	48	-28.3	62	15.8	157	-0.6
Other family members	81	-21.7	215	27.7	353	13.8
- employed on farm	54	-13.7	80	-8.0	153	-2.7
- not employed on farm	27	-33.8	135	66.2	200	30.7
Relatives	31	-21.3	31	-18.6	66	-3.0
TOTAL	266	-23.5	425	12.1	850	3.3

(*) Part-timers whose employment off the farm is their main or second job.

Farm Types

On the basis of the parameters set by the EU for the classification of farms, in 1998 it was possible to classify 2.3 million farms (over 99% of the total) with total standard gross margins (SGM) amounting to 19.2 million European Size Units (ESU). The average SGM per farm amounted to 8.4 ESU, a moderate increase on 1997 (+3.5%).

Over 84% of Italian farms were classified as "specialist" farms, i.e. devoted to one production sector. The most common type of specialist production was permanent crops (vines, olive trees etc), grown by 1.1 million farms (46% of total classified farms) which accounted for about 30% of the total national SGM, averaging out, however, at only 5.4 ESU per farm. The number of farms devoted solely to permanent crops increased by 1.3% from 1997, with an increase in SGM of 7%.

Farms by type of production, 1998

Type of production	Farms		SGM		% change 1998/97	
	No	%	ESU	%	Farms	SGM
SPECIALIST FARMS	1,919,867	84.2	16,109,338	84.0	-0.1	4.8
Arable crops	596,909	26.2	5,460,498	28.5	-2.0	3.0
Horticulture	45,021	2.0	2,179,004	11.4	-2.1	7.0
Permanent crops	1,058,719	46.4	5,766,919	30.1	1.3	7.4
Herbivorous livestock	210,049	9.2	2,299,011	12.0	-1.1	2.5
Granivorous livestock	9,169	0.4	403,906	2.1	3.8	-4.4
MIXED FARMS	359,887	15.8	3,079,776	16.0	-1.8	-2.9
Mixed crops	244,191	10.7	1,797,585	9.4	-0.9	-1.5
Mixed livestock	26,586	1.2	270,637	1.4	11.5	-1.2
Crops & livestock	89,110	3.9	1,011,554	5.3	-7.6	-5.7
TOTAL	2,279,754	100.0	19,189,114	100.0	-0.4	3.5

The second most common type of specialist production was arable crops (26% of farms), with a total

SGM of 5.5 million ESU (28.5% of the national total) and an average SGM per farm of 9.1 ESU. Compared

to 1997, farms devoted solely to arable crops dropped in number by 2% but increased by 3% in terms of SGM. The most common types of specialist livestock production continued to be cattle, sheep and goats, horses and permanent forage, involving just over 210,000 farms producing a total

SGM of 2.3 million ESU, which averaged out at 10.9 ESU per farm. The remaining two categories of specialist production, horticulture and granivorous livestock, involved a limited number of farms (respectively 2% and 0.4% of the total) but these showed a high level of productivity

(48.4 and 44.1 ESU respectively). On mixed farms, which constituted just under 16% of the national total, production continued to be oriented prevalently towards crop combinations (10.7%), showing a total SGM of 1.8 million ESU and an average of 7.4 ESU per farm.

Financial Size of Farms

The chronically low profitability of Italian agriculture was further confirmed by the results regarding the financial size of farms in 1998: about 64% of Italian farms continued to fail to reach 4 ESU (equivalent to approximately 9 million lire), accounting together for a mere 11.7% of the national agricultural SGM, and 44.1% of farms did not even reach 2 ESU, accounting together for only 5% of the total national SGM.

Compared to 1997, there was a decline in farms in the least important size group (less than 2 ESU) in terms both of number (-2.5%) and overall SGM (-1.6%); vice versa, farms in the most important group (100 ESU and over) increased in number from 21,000 to approximately 23,000 (+11.2%) and in overall SGM from 4.4 million to 5 million ESU (+12.8%). The number of farms

Farms and their SGM by financial size group, 1998

Financial size group (ESU)	Farms		SGM		% change 1998/97	
	Number	%	ESU	%	Farms	ESU
Under 2	1,004,355	44.1	955,470	5.0	-2.5	-1.6
2 - 4	456,666	20.0	1,287,556	6.7	-0.5	0.2
4 - 6	218,582	9.6	1,054,600	5.5	0.3	-0.2
6 - 8	128,409	5.6	878,933	4.6	4.3	4.1
8 - 12	141,820	6.2	1,378,937	7.2	2.4	1.7
12 - 16	85,064	3.7	1,177,762	6.1	8.5	8.9
16 - 40	163,483	7.2	4,012,854	20.9	0.7	0.0
40 - 100	58,404	2.6	3,441,414	17.9	-0.8	-1.8
100 and over	22,971	1.0	5,001,590	26.1	11.6	12.8
TOTAL	2,279,754	100.0	19,189,116	100.0	-0.4	1.7

in other size groups remained practically the same except for slight increases in farms of 12-16 ESU (+8.5%) and of 6-8 ESU (+4.3%).

Farming Industry in the EU

The decline in the number of small farms has been a constant phenomenon now for many years in the whole of Europe: the large farm, with more than 50 hectares of land, is the only size of farm able to maintain a growth trend.

In the ten-year period from 1987 to 1997, the number of farms with less than 10 hectares dropped in fact by 23.2%, with largest decreases recorded in Ireland (-56.6%), Portugal and Belgium (approximately -38%), while Italy managed to limit its losses (-18.4%).

For farms of medium size (10-50 hectares), the variation in number swung even more, ranging from -52.9% in Luxembourg, -50.6% in France and -40.8% in Denmark to +6.2% in Greece. Italy's variation of -6.1% was well below the EU average of -17.1%.

As far as large farms (over 50

Number of farms in the EU by size of UAA ('000), 1997

Country	1997				% change 1997/87			
	Under 10 hectares	From 10 to 50 hectares	Over 50 hectares	Total	Under 10 hectares	From 10 to 50 hectares	Over 50 hectares	Total
Belgium	31.2	29.3	6.7	67.2	-37.6	-23.1	45.7	-27.5
France	244.2	233.9	201.7	679.8	-28.8	-50.6	22.5	-30.8
Germany	245.9	212.8	75.6	534.3	-29.7	-32.4	85.7	-24.2
Italy	2,026.8	246.9	41.5	2,315.2	-18.4	-6.1	9.2	-16.8
Luxembourg	1.0	0.8	1.2	3.0	-33.3	-52.9	20.0	-28.6
Netherlands	51.8	48.5	7.7	108.0	-20.9	-20.9	48.1	-18.2
Denmark	12.6	33.0	17.6	63.2	-23.6	-40.8	18.9	-27.4
Ireland	29.5	97.5	20.8	147.8	-56.6	-24.8	6.7	-31.9
United Kingdom	64.9	90.1	78.5	233.5	-19.1	-8.9	-3.1	-10.2
Greece	742.8	75.4	3.2	821.4	-15.4	6.2	-15.8	-13.8
Portugal	365.8	41.4	9.6	416.8	-37.8	2.5	29.7	-34.4
Spain	844.9	264.6	98.8	1,208.3	-38.1	-20.8	6.6	-32.6
Austria	119.0	82.6	8.5	210.1	-	-	-	-
Finland	22.4	61.1	8.0	91.5	-	-	-	-
Sweden	28.7	41.9	19.1	89.7	-	-	-	-
TOTAL	4,831.5	1,559.8	598.5	6,989.8	-23.2	-17.1	26.4	-19.1

Livestock farms and number of head in the EU ('000), 1997

Country	1997				% change 1997/87		
	Farms		Head (*)		Farms	Head (*)	
	Number	% of all farms	Cattle	Pigs		Cattle	Pigs
Belgium	52.7	78.4	2.2	1.8	-30.8	-2.7	22.8
France	492.5	72.4	14.7	3.5	-36.2	-9.8	20.5
Germany	393.1	73.6	11.1	6.0	-31.8	2.6	1.5
Italy	697.0	30.1	5.3	2.2	-34.6	-16.1	-5.5
Luxembourg	2.4	80.0	0.2	-	-29.4	-6.3	-
Netherlands	74.1	68.7	3.1	3.2	-21.5	-12.8	-0.6
Denmark	45.1	71.4	1.4	2.7	-31.9	-13.4	22.9
Ireland	143.5	97.1	5.5	0.4	-24.0	7.7	70.8
United Kingdom	176.7	75.8	8.3	2.0	-6.6	-4.8	1.5
Greece	445.9	54.3	0.4	0.2	-31.5	-22.0	10.0
Portugal	318.6	76.5	1.0	0.6	-40.5	-2.0	7.1
Spain	421.3	34.9	4.1	3.7	-51.7	-0.7	5.5
Austria	148.4	70.6	1.6	0.9	-	-	-
Finland	51.6	56.5	0.8	0.4	-	-	-
Sweden	56.3	62.8	1.3	0.6	-	-	-
TOTAL	3,519.2	50.4	60.8	28.2	-30.9	0.7	14.9

(*) Adult units.

hectares) were concerned, the overall variation in number was +26.4%, with noteworthy peaks in Germany (+85.7%), the Netherlands (+48.1%) and Belgium (+45.7%). Greece showed the largest decrease (-15.8%).

At the same time, the number of farms in the EU dropped since 1987 by 19.1%. The difference between growth trends in number of farms and UAA affected the average size of farms, which rose from 13.7 hectares in 1987 to 18.5 hectares in 1997.

The downward trend in the number of livestock farms was common to all EU countries; the total was down by almost 31% compared to 1987 and by 5.7% compared to the three-year period 1995-97. Between 1987 and 1997 more than half the farms closed down in Spain and 40.5% closed down in

Annual work units in the EU ('000), 1997

Country	AWU		% change 1997/87
	1987	1997	
Belgium	101	79	-21.8
France	1,459	958	-34.3
Germany	851	657	-22.8
Italy	2,134	1,798	-15.7
Luxembourg	7	5	-28.6
Netherlands	234	209	-10.7
Denmark	112	98	-12.5
Ireland	254	202	-20.5
United Kingdom	524	416	-20.6
Greece	849	597	-29.7
Portugal	983	520	-47.1
Spain	1,627	1,099	-32.5
Austria	0	178	0.0
Finland	0	126	0.0
Sweden	0	82	0.0
TOTAL	9,135	7,024	-23.1

Portugal; all other member states showed an average loss of around 30%. The United Kingdom is a case on its own; in losing "only" 6.6% of its farms over the same period of time, it followed a completely different trend from its EU partners and helped to mitigate the EU's average loss.

The variation in number of head of cattle over the ten-year period did not follow a constant trend in all EU countries: it ranged from -22% in Greece to +7.7% in Ireland. The situation was different for pigs, which increased in number in nearly all member states, with some very substantial increases as for example in Ireland (+70.8%) and in Belgium and Denmark (+23%). Italy ranked last with the only significant decrease in the whole of the EU (-5.5%), which unfortunately came on top of an even larger drop

in head of cattle (-16.1%); in view of the fact that livestock farms represent 30.1% of all farms in Italy, these results must be given due reflection.

The drain of people and work units from the agricultural sector is by now a well-known and long-standing phenomenon; work units have been leaving the sector primarily because farmers have been closing down their activities and/or no-one has taken over from them, especially as regards small and very small farms.

In the EU the downward trend in the number of work units is spread fairly evenly among member states with the exception of Portugal which between 1987 and 1997 showed a 47.1% decrease. The most limited losses were shown by the Netherlands (-10.7%), followed by Denmark (-12.5%) and Italy (-

Farms in the EU by financial size group ('000), 1997

Country	1997				% change 1997/87			
	Under 4 ESU	From 4 to 40 ESU	Over 40 ESU	Total	Under 4 ESU	From 4 to 40 ESU	Over 40 ESU	Total
Belgium	22	476	2,657	3,155	-42.1	-51.3	122.2	42.7
France	282	5,754	17,956	23,992	-34.3	-44.6	68.7	11.8
Germany	288	4,213	12,801	17,302	-24.4	-38.8	182.1	46.6
Italy	2,286	8,323	7,933	18,542	-16.5	-15.4	-0.9	-9.9
Luxembourg	1	21	82	104	-50.0	-57.1	156.3	25.3
Netherlands	4	699	8,374	9,077	-77.8	-45.9	79.8	52.1
Denmark	11	523	3,080	3,614	-35.3	-46.7	51.5	19.2
Ireland	79	1,335	1,347	2,761	-53.3	6.4	178.3	44.7
United Kingdom	86	1,481	9,562	11,129	-9.5	-23.1	12.6	5.9
Greece	752	3,669	319	4,740	-17.5	29.6	134.6	22.2
Portugal	475	1,314	918	2,707	-39.4	12.8	86.6	10.9
Spain	1,100	6,180	5,557	12,837	-37.1	16.3	137.4	36.5
Austria	131	1,597	703	2,431	-	-	-	-
Finland	42	993	1,118	2,153	-	-	-	-
Sweden	56	592	1,393	2,041	-	-	-	-
TOTAL	5,615	37,170	73,800	116,585	-23.4	-13.4	71.4	25.0

15.7%).

The variation between 1987 and 1997 in standard gross margins (SGM) of farms depended on the financial size group to which they belonged: small farms (of low ESU) showed a very serious downturn and medium farms showed a moderately serious downturn whereas large farms prospered.

The SGM for farms of under 4 ESU showed a downward trend in all member states, with the largest decrease in the Netherlands (-77%), a more limited decrease in the United Kingdom (-9.5%) and Italy (-16.5%) and an EU average of around -23.4%.

Unlike the unequivocal trend for smaller farms, the variation in SGM of farms between 4 and 40 ESU differed among the member states, ranging from -57.1% in Luxembourg, -51.3% in Belgium

and -46.7% in Denmark to +29.6% in Greece, +16.3% in Spain, +12.8% in Portugal and +6.4% in Ireland. Italy showed a variation of -15.4%, in line with the EU average of -13.4%.

The situation was very different for farms of over 40 ESU; these showed a generally high increase in SGM, in some cases of considerable entity. Many nations exceeded a 100% increase with Germany in first place

(+182.1%), followed by Ireland (+178.3%) and Luxembourg (+156.3%). Italy was to be found at the bottom of the list, with the only decrease among all member states, of -0.9%.

**FINANCIAL RESULTS
ACCORDING TO FADN**

1998 Incomes

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

The data is collected with the collaboration of the Regions and Farmers' Associations according to INEA criteria which highlight structural characteristics, factor endowment, types of production and the break-down of costs.

The basic data, after being validated and processed, is fed into a national data bank and is printed in specialist publications. More detailed information is available from INEA's regional offices.

Average farm data according to altitude of territory; 1998

	Farms (No)	UAA (ha)	WU	VFO	Variable costs	Fixed costs	Net income
					('000 lire)		
Mountainous	3,751	34.56	1.69	93,365	43,363	23,653	39,157
Hilly	7,469	20.66	1.55	94,082	34,970	22,542	41,625
Lowland	4,890	21.31	1.81	168,739	73,851	39,650	65,909
TOTAL	16,110	24.10	1.66	116,576	48,726	27,994	48,421

Source: FADN.

Average farm data by geographical area, 1998

	Farms (No)	UAA (hectares)	WU	VFO	Variable costs	Fixed costs	Net income
				('000 lire)			
North	6,916	25.46	1.93	167,115	72,899	40,750	66,522
Centre	3,085	22.98	1.64	99,237	37,356	27,995	37,538
South	6,109	23.12	1.36	68,118	27,101	13,552	33,426
TOTAL	16,110	24.10	1.66	116,576	48,726	27,994	48,421

Source: FADN.

Average farm data by geographical area - changes, 1998/97

	VFO			Variable costs			Fixed costs			Net income		
	1997 (‘000 lire)	1998	Change 98/97 (%)	1997 (‘000 lire)	1998	Change 98/97 (%)	1997 (‘000 lire)	1998	Change 98/97 (%)	1997 (‘000 lire)	1998	Change 98/97 (%)
North	154,226	167,115	8.36	69,639	72,899	4.68	37,704	40,750	8.08	62,479	66,522	6.47
Centre	94,140	99,237	5.41	33,707	37,356	10.83	25,691	27,995	8.97	39,809	37,538	-5.70
South	67,372	68,118	1.11	27,783	27,101	-2.45	13,082	13,552	3.59	32,944	33,426	1.46
TOTAL	110,087	116,576	5.89	47,055	48,726	3.55	26,136	27,994	7.11	47,048	48,421	2.92

Source: FADN.

Average farm data by ESU, 1998

	Farms (No)	UAA (hectares)	WU	VFO	Variable costs	Fixed costs	Net income
					('000 lire)		
2 - 4 ESU	725	6.11	0.97	20,237	6,902	6,830	8,179
4 - 8 ESU	2425	10.32	1.09	30,317	11,639	9,569	12,039
8 - 16 ESU	4478	15.69	1.31	53,928	20,454	14,458	23,853
16 - 40 ESU	5357	25.89	1.68	103,813	40,935	25,246	46,401
40 - 100 ESU	2496	40.47	2.39	226,217	99,154	53,728	91,701
Over 100 ESU	629	77.54	4.11	679,812	307,425	141,073	255,447
TOTAL	16,110	24.10	1.66	116,576	48,726	27,994	48,421

Source: FADN.

Average farm data by type of farm, 1998

	Farms (No)	UAA (hectares)	WU	VFO	Variable costs	Fixed costs	Net income
					('000 lire)		
Arable	4,266	27.56	1.38	88,387	33,045	26,048	29,736
Horticulture	920	2.41	2.04	117,705	44,096	25,117	47,186
Permanent tree crops	3,799	10.00	1.63	109,792	28,284	25,493	55,270
Herbivorous livestock	3,665	40.58	1.89	151,844	80,404	34,742	64,718
Granivorous livestock	99	14.90	2.15	663,770	428,299	65,415	160,283
Mixed crops	1,487	16.22	1.57	84,990	27,068	21,548	37,681
Mixed livestock	355	24.41	1.82	129,036	67,405	26,018	52,641
Mixed crops/livestock	1,519	31.22	1.76	119,282	62,359	29,505	47,435
TOTAL	16,110	24.10	1.66	116,576	48,726	27,994	48,421

Source: FADN.

Profitability of Crops

Knowing what the costs and revenue are for each crop is of prime importance for farmers in planning which kind of crops to grow to their best advantage. Over the last ten years, in the debate following the reform of the CAP, this information has also been needed by officials responsible for planning public intervention at all levels (regional, national and EU) to help them formulate agricultural and environmental policies correctly and make an accurate assessment of the effects of these policies.

The following tables represent a first systematic analysis of the costs and revenues involved in farm production processes; in future editions a more detailed geographical breakdown of figures will be given and a wider range of agricultural activities will be taken into consideration. INEA has used its FADN data bank

to calculate or estimate the figures in the tables. For some of the figures representing costs, such as those for the use of machinery, fixed costs and the consumption of fixed capital, INEA has had to estimate what part of the expenses incurred by the farm on the whole can be allotted on a pro rata basis to each crop.

The principal data leading to calculation of the income for each crop is given both for the whole of Italy (the first table) and for the main areas of the country (the following tables).

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

- **Crop:** only crops grown in the open are taken into consideration; crops grown in industrial nurseries or glasshouses are not included.
- **Yield:** quantity of main product harvested in a certain year.
- **Selling price:** average selling price

of main product sold in the year; this can include production from previous years (left-over stock).

- **Final output:** value of production of the main crop and secondary products, excluding public subsidies and premiums. Final output does not equate to the product of "yield" x "selling price" in that these refer to the main product only; the selling price can also differ from the average value of the product over the year if there is a time lag between production and sale or if products are not sold outside the industry but have a different destination (eg transactions within the industry, own consumption etc).
- **Premiums and subsidies:** public aid payments on cultivation and/or products; excludes generic subsidies and payments for other processes.

- **Variable costs:** expenditure on “raw materials” (seeds and plants, fertilisers, pesticides, herbicides, irrigation water and other specific expenses) and on “machinery, energy and services” (ie specific fuels and electricity; specific insurance premiums, machinery costs); the latter includes hire charges paid to agricultural contractors as well as expenditure on and depreciation of machinery, and is estimated for each crop on a pro rata basis. The cost of casual labour is not included.

- **Gross margin:** Total revenue - Variable costs.

- **Fixed costs:** are broken down as follows:

- land capital (rent costs, interest calculated at 1% and depreciation of property), estimated on a pro rata basis for each crop;
- working capital (interest calculated at 2%), estimated on a pro rata basis for each crop;
- other fixed costs (common expenses such as general and administrative expenses, expenses

for buildings and fixtures, taxes and duties related to the crop concerned) estimated on a pro rata basis; the cost of fixed family or paid labour is not included.

- **Total cost** (excluding labour): Variable costs + Fixed costs.

- **Income from activity:** Final output from crop + Premiums and subsidies - Total cost (excluding labour). Equivalent to sum available for remuneration of entrepreneurial activity and labour.

Profitability of crops in Italy ('000 lire/hectare), 1998

	Yield (q/ha)	Selling price (q)	Revenue			Costs(*)			Income from activity
			Final output	Premiums and subsidies	Total	Variable	Fixed	Total	
Cereals									
Durum wheat	32	30,695	1,059	958	2,017	850	493	1,343	674
Soft wheat	50	27,909	1,495	489	1,984	895	485	1,380	604
Maize	104	24,024	2,518	800	3,318	1,588	811	2,399	919
Rice	57	60,447	3,408	426	3,834	1,923	970	2,893	941
Industrial crops									
Soya	34	36,650	1,236	1,042	2,278	969	581	1,550	728
Potatoes	234	39,023	7,568	32	7,600	3,453	1,692	5,145	2,455
Sunflowers	19	36,617	711	696	1,407	546	359	905	502
Raw tobacco	25	123,598	3,075	12,471	15,546	6,493	3,966	10,459	5,087
Field vegetables and fruit									
Asparagus	50	508,827	23,309	15	23,324	5,954	4,249	10,203	13,121
Strawberries	217	238,518	47,506	33	47,539	20,053	8,662	28,715	18,824
Melons	250	51,133	12,942	21	12,963	5,738	2,362	8,100	4,863
Tomatoes	524	22,998	10,850	12	10,862	4,145	1,979	6,124	4,738
Tree crops									
Oranges	169	46,105	7,456	174	7,630	1,782	1,299	3,081	4,549
Apples	287	52,242	13,673	309	13,982	4,140	2,965	7,105	6,877
Peaches	140	91,923	12,441	142	12,583	2,957	2,669	5,626	6,957
Dessert grapes	204	83,446	17,050	29	17,079	3,246	1,893	5,139	11,940

Source: FADN.

(*) Costs exclude labour. Value of cost per quintal (= 100 kg) is equal to total cost per hectare divided by yield.

Profitability of single crops by area: durum wheat and soft wheat ('000 lire/hectare), 1998

	Durum wheat				Soft wheat			
	North-West	North-East	Centre	South & Islands	North-West	North-East	Centre	South & Islands
Yield (q/ha)	41	61	40	27	51	61	46	26
Selling price (q)	29,471	30,675	28,933	31,594	25,926	27,951	27,118	35,350
Total revenue:	2,142	2,519	2,357	1,820	2,234	2,351	1,718	1,297
of which final output	1,449	1,934	1,214	938	1,650	1,768	1,293	1,067
of which premiums and subsidies	693	584	1,144	882	584	583	425	230
Variable costs:	988	1,164	1,033	741	973	1,076	798	507
of which raw materials	481	559	474	308	442	508	392	200
of which machinery, energy & services	506	605	559	433	531	568	406	307
Gross margin	1,155	1,355	1,325	1,078	1,261	1,275	920	790
Fixed costs:	523	616	577	445	546	574	420	317
of which land capital	205	242	226	174	214	225	165	124
of which working capital	54	63	60	46	57	59	43	33
of which other fixed costs	264	311	291	225	275	290	212	160
Total cost (1):								
per hectare	1,511	1,779	1,610	1,186	1,519	1,650	1,218	824
per quintal	37	29	40	45	30	27	26	32
Income from activity	631	739	748	633	715	701	500	473

(1) Excludes labour

Source: FADN.

Profitability of single crops by area: maize and rice ('000 lire/hectare), 1998

	Maize				Rice			
	North-West	North-East	Centre	South & Islands	North-West	North-East	Centre	South & Islands
Yield (q/ha)	106	108	80	65	58	57	0	0
Selling price (q)	24,553	22,483	28,151	34,253	59,725	67,062	0	0
Total revenue:	3,452	3,296	2,986	2,611	3,787	4,259	0	0
of which final output	2,664	2,463	2,236	2,293	3,363	3,815	0	0
of which premiums and subsidies	788	833	750	318	424	444	0	0
Variable costs:	1,673	1,592	1,306	1,064	1,935	1,812	0	0
of which raw materials	827	804	575	444	1,036	845	0	0
of which machinery, energy & services	846	788	731	620	899	967	0	0
Gross margin	1,779	1,704	1,680	1,547	1,852	2,447	0	0
Fixed costs:	845	806	730	638	957	1,076	0	0
of which land capital	331	316	286	250	376	423	0	0
of which working capital	87	83	75	66	72	80	0	0
of which other fixed costs	427	407	369	322	509	573	0	0
Total cost (1):								
per hectare	2,518	2,398	2,036	1,702	2,892	2,888	0	0
per quintal	24	22	25	26	50	51	0	0
Income from activity	934	898	950	909	895	1,371	0	0

(1) Excludes labour.

Source: FADN.

Profitability of single crops by area: soya and potatoes ('000 lire/hectare), 1998

	Soya				Potatoes			
	North-West	North-East	Centre	South & Islands	North-West	North-East	Centre	South & Islands
Yield (q/ha)	34	33	0	0	300	325	260	181
Selling price (q)	37,720	36,253	0	0	40,742	31,082	37,017	42,424
Total revenue:	2,334	2,256	0	0	9,301	9,871	9,463	5,964
of which final output	1,307	1,209	0	0	9,055	9,864	9,394	5,963
of which premiums and subsidies	1,027	1,047	0	0	246	7	69	1
Variable costs:	1,044	941	0	0	3,778	4,775	3,894	2,770
of which raw materials	546	453	0	0	1,677	2,554	1,768	1,413
of which machinery, energy & services	498	488	0	0	2,101	2,221	2,126	1,357
Gross margin	1,290	1,315	0	0	5,523	5,096	5,569	3,194
Fixed costs:	595	576	0	0	2,072	2,199	2,107	1,329
of which land capital	211	204	0	0	767	814	780	492
of which working capital	53	52	0	0	210	223	213	135
of which other fixed costs	331	320	0	0	1,095	1,162	1,114	702
Total cost (1):								
per hectare	1,639	1,517	0	0	5,850	6,974	6,001	4,099
per quintal	48	46	0	0	20	21	23	23
Income from activity	695	739	0	0	3,451	2,897	3,462	1,865

(1) Excludes labour.

Source: FADN.

Profitability of single crops by area: sunflowers and raw tobacco ('000 lire/hectare), 1998

	Sunflowers				Raw tobacco			
	North-West	North-East	Centre	South & Islands	North-West	North-East	Centre	South & Islands
Yield (q/ha)	22	28	19	15	0	27	23	33
Selling price (q)	36,424	38,369	37,534	30,708	0	142,565	137,108	56,033
Total revenue:	1,754	1,930	1,407	1,100	0	16,673	15,412	15,175
of which final output	785	1,055	734	445	0	3,708	3,343	1,531
of which premiums and subsidies	969	875	673	655	0	12,965	12,069	13,644
Variable costs:	652	741	557	378	0	6,789	6,903	4,659
of which raw materials	280	333	261	147	0	1,876	2,609	1,440
of which machinery, energy & services	372	408	296	231	0	4,913	4,294	3,219
Gross margin	1,102	1,189	850	722	0	9,884	8,509	10,516
Fixed costs:	446	493	359	280	0	4,253	3,932	3,872
of which land capital	158	175	127	99	0	1,505	1,392	1,370
of which working capital	40	44	32	25	0	384	355	350
of which other fixed costs	248	274	200	156	0	2,364	2,185	2,152
Total cost (1):								
per hectare	1,098	1,234	916	658	0	11,042	10,835	8,531
per quintal	50	44	48	44	0	409	471	259
Income from activity	656	696	491	442	0	5,631	4,577	6,644

(1) Excludes labour.

Source: FADN.

Profitability of single crops by area: asparagus and strawberries ('000 lire/hectare), 1998

	Asparagus				Strawberries			
	North-West	North-East	Centre	South & Islands	North-West	North-East	Centre	South & Islands
Yield (q/ha)	30	44	51	70	83	181	100	261
Selling price (q)	512,577	589,163	324,716	307,246	381,494	258,718	267,120	208,768
Total revenue:	15,480	25,409	16,952	19,750	33,315	43,248	26,686	52,770
of which final output	15,436	25,409	16,790	19,750	33,198	43,248	26,686	52,722
of which premiums and subsidies	44	0	162	0	117	0	0	48
Variable costs:	3,533	6,254	5,703	5,324	14,692	13,659	15,336	25,040
of which raw materials	1,006	2,102	2,936	2,074	8,373	6,530	10,683	16,425
of which machinery, energy & services	2,527	4,152	2,767	3,250	6,319	7,129	4,653	8,615
Gross margin	11,947	19,155	11,249	14,426	18,623	29,589	11,350	27,730
Fixed costs:	2,820	4,629	3,089	3,599	6,070	7,879	4,861	9,615
of which land capital	839	1,377	919	1,071	1,806	2,344	1,446	2,860
of which working capital	268	440	294	342	577	749	462	915
of which other fixed costs	1,713	2,812	1,876	2,186	3,687	4,786	2,953	5,840
Total cost (1):								
per hectare	6,353	10,883	8,792	8,923	20,762	21,538	20,197	34,655
per quintal	212	247	172	127	250	119	202	133
Income from activity	9,127	14,526	8,160	10,827	12,553	21,710	6,489	18,115

(1) Excludes labour.

Source: FADN.

Profitability of single crops by area: melons and tomatoes ('000 lire/hectare), 1998

	Melons				Tomatoes			
	North-West	North-East	Centre	South & Islands	North-West	North-East	Centre	South & Islands
Yield (q/ha)	0	302	330	164	654	543	604	445
Selling price (q)	0	48,308	56,179	49,002	22,118	17,540	25,695	31,388
Total revenue:	0	14,066	18,417	8,362	12,156	9,339	14,254	12,149
of which final output	0	14,066	18,403	8,325	12,145	9,339	14,179	12,134
of which premiums and subsidies	0	0	14	37	11	0	75	15
Variable costs:	0	6,126	8,379	3,592	4,041	3,546	6,544	4,490
of which raw materials	0	3,739	5,266	2,190	2,035	1,865	4,144	2,435
of which machinery, energy & services	0	2,387	3,113	1,402	2,006	1,681	2,400	2,055
Gross margin	0	7,940	10,038	4,770	8,115	5,793	7,710	7,659
Fixed costs:	0	2,562	3,355	1,524	2,214	1,701	2,598	2,213
of which land capital	0	762	998	453	659	506	773	658
of which working capital	0	244	319	145	210	162	247	211
of which other fixed costs	0	1,556	2,038	926	1,345	1,033	1,578	1,344
Total cost (1):								
per hectare	0	8,688	11,734	5,116	6,255	5,247	9,142	6,703
per quintal	0	29	36	31	10	10	15	15
Income from activity	0	5,378	6,683	3,246	5,901	4,092	5,112	5,446

(1) Excludes labour.

Source: FADN.

Profitability of single crops by area: oranges and apples ('000 lire/hectare), 1998

	Oranges				Apples			
	North-West	North-East	Centre	South & Islands	North-West	North-East	Centre	South & Islands
Yield (q/ha)	0	0	0	169	200	351	147	139
Selling price (q)	0	0	0	46,105	54,963	42,487	107,749	76,855
Total revenue:	0	0	0	7,630	11,481	15,373	13,109	10,422
of which final output	0	0	0	7,456	10,510	15,261	12,757	10,375
of which premiums and subsidies	0	0	0	174	971	112	352	47
Variable costs:	0	0	0	1,782	3,101	4,719	3,750	2,677
of which raw materials	0	0	0	788	1,549	2,346	1,905	1,311
of which machinery, energy & services	0	0	0	994	1,552	2,373	1,845	1,366
Gross margin	0	0	0	5,848	8,380	10,654	9,359	7,745
Fixed costs:	0	0	0	1,299	2,435	3,260	2,781	2,211
of which land capital	0	0	0	476	716	959	818	650
of which working capital	0	0	0	96	160	213	182	145
of which other fixed costs	0	0	0	727	1,559	2,088	1,781	1,416
Total cost (1):								
per hectare	0	0	0	3,081	5,536	7,979	6,531	4,888
per quintal	0	0	0	18	28	23	44	35
Income from activity	0	0	0	4,549	5,945	7,394	6,578	5,534

(1) Excludes labour.

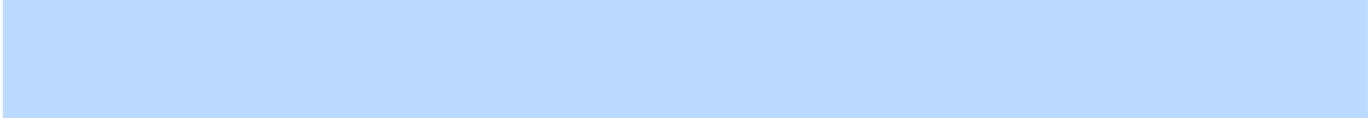
Source: FADN.

Profitability of single crops by area: peaches and dessert grapes ('000 lire/hectare), 1998

	Peaches				Dessert grapes			
	North-West	North-East	Centre	South & Islands	North-West	North-East	Centre	South & Islands
Yield (q/ha)	151	156	103	125	0	0	0	204
Selling price (q)	80,361	87,798	109,143	95,853	0	0	0	83,446
Total revenue:	12,815	13,426	10,983	11,721	0	0	0	17,079
of which final output	11,868	13,404	10,657	11,641	0	0	0	17,050
of which premiums and subsidies	947	22	326	80	0	0	0	29
Variable costs:	3,100	3,188	2,472	2,715	0	0	0	3,246
of which raw materials	1,295	1,315	1,025	1,171	0	0	0	1,410
of which machinery, energy & services	1,805	1,873	1,447	1,544	0	0	0	1,836
Gross margin	9,715	10,238	8,511	9,006	0	0	0	13,833
Fixed costs:	2,718	2,848	2,330	2,486	0	0	0	1,893
of which land capital	799	838	685	731	0	0	0	533
of which working capital	178	187	153	163	0	0	0	169
of which other fixed costs	1,741	1,823	1,492	1,592	0	0	0	1,191
Total cost (1):								
per hectare	5,818	6,036	4,802	5,201	0	0	0	5,139
per quintal	39	39	47	42	0	0	0	25
Income from activity	6,997	7,390	6,181	6,520	0	0	0	11,940

(1) Excludes labour.

Source: FADN.



AGRICULTURE AND THE ENVIRONMENT

Environmental Policy

The EU's environmental policy has been given a considerable boost over recent years, especially since the addition of the Environmental Protocol to the Single European Act of 1986. At the beginning of 2000 the European Commission published a White Paper on environmental responsibility, which once more reiterated the need to apply the "polluter pays" principle, which is one of the key principles of EU policy for the environment together with prevention and the integration of environmental considerations in all areas of policy. The Sixth Environmental Action Programme, which will cover a period of ten years, should also become operative by the end of 2000.

The policy for environmental conservation in agriculture has also been given a boost through the approval of several measures connected with the implementation of Agenda 2000.

Agri-environmental and forestry measures have again been put forward for the 2000-2006 planning round; this time they have been incorporated in the wider framework of rural development, thereby confirming the importance of integrated policies. At the same time, through the so-called Horizontal Measures Regulation, member states have been given the power to subject the total or partial payment of direct subsidies guaranteed by the CAP to fulfilment of minimal environmental requirements (cross-compliance).

Among the EU initiatives for environmental conservation with a more or less direct impact on the primary sector, the following should be mentioned:

- *The LIFE programme, which is about to enter its third implementa-*

tion phase (2000-04) with a budget of 640 million euro. It will be divided into three project areas: nature, environment and non-EU countries. The object of the programme is to strengthen the link between EU-funded activities and the Union's environmental policy, as well as informing a wide public of results.

- *Directive 92/43, concerning the conservation of natural and semi-natural habitats, wild animals and flowers. The main object of this directive is to protect biodiversity; for this purpose, Special Areas of Conservation (SACs) are being identified all over Europe with the aim of creating a network of protected sites across the EU known as Natura 2000.*
- *Directive 79/409, regarding the conservation of wild birds. The*

directive provides for the creation of Special Protection Areas (SPAs), which will be part of the Natura 2000 network.

- The LEADER+ Community Initiative Programme, published in May 2000, designed to promote pilot schemes for rural development including exploitation of natural and cultural resources and projects concerning Natura 2000.

Implementation of the Natura 2000 Network (*)

Member state	Directive 79/409			Directive 92/43		
	SPAs (No)	Total area (km ²)	% of national land area	SACs (No)	Total proposed area (km ²)	% of national land area
Belgium	36	4,313	14.1	102	913	3.0
France	115	8,112	1.5	1,029	31,440	5.7
Germany	553	14,658	4.1	1,126	10,956	3.0
Italy	268	11,279	3.7	2,507	49,364	16.4
Luxembourg	13	160	6.2	38	352	13.6
Netherlands	30	3,552	8.5	76	7,078	17.0
Denmark	111	9,601	22.3	194	10,259	23.8
Ireland	109	2,236	3.2	259	3,007	4.3
United Kingdom	198	7,895	3.2	340	17,660	7.3
Greece	52	4,965	3.8	234	26,522	20.1
Portugal	47	8,468	9.2	65	12,150	13.2
Spain	179	34,876	6.9	867	88,076	17.4
Austria	73	11,931	14.2	113	9,450	11.3
Finland	440	27,500	8.1	1,381	47,154	13.9
Sweden	301	22,820	5.1	1,919	46,300	11.3
EU	2,525	173,691	-	10,250	360,681	-

Protected Areas

In the last few years, protected areas have evolved rapidly and steadily in Italy. There are over 900 in number, for a total of some 3,200 thousand hectares or over 10% of the country's total land area. Policies and schemes have been drawn up for the benefit of these areas: the measures being planned under the Structural Funds for 2000-06 include the creation of a "National Ecological Network", which will be made up of existing protected areas to which other areas of passage and transition will be added. All together, these areas should involve approximately 20% of the country's total land area.

Long-established national parks

- Abruzzo 43,900 hectares
- Arcipelago della Maddalena 5,134 hectares of land and 15,046 hectares of sea

- Arcipelago Toscano 17,887 hectares of land and 56,766 hectares of sea
- Asinara 5,000 hectares
- Aspromonte 78,517 hectares
- Cilento and Valle di Diano 181,048 hectares
- Cinque Terre (*)
- Circeo 8,400 hectares
- Dolomiti Bellunesi 31,512 hectares
- Foreste Casentinesi del Monte Falterona and Campigna 38,118 hectares
- Gargano 121,118 hectares
- Gran Paradiso 70,286 hectares
- Gran Sasso and Monti della Laga 148,935 hectares
- Maiella-Morrone 74,095 hectares
- Monti Sibillini 71,437 hectares
- Pollino 192,565 hectares
- Sila 12,690 hectares
- Stelvio 134,620 hectares
- Val Grande 14,837 hectares
- Vesuvio 8,482 hectares

National parks in the process of being established

- Alta Murgia
- Appennino (Reggio Emilia, Parma, Massa Carrara)
- Val d'Agri e Lagonegrese
- Golfo di Orosei e del Gennargentu

Recently-established protected areas

- "Capo Carbonara" protected marine area (Decree dated 15/09/98)
- "Porto Conte" regional nature park (Law n. 4 of the Region of Sardinia dated 26/02/99)
- "Molentargius-Saline" regional park (Law n. 5 of the Region of Sardinia dated 26/02/99)
- State nature reserve of the "Islands of Santo Stefano and Ventotene", formerly a marine reserve (Decree dated 11/05/99)
- Extension of "Monte Navegna and Monte Cervia" regional nature reserve to include the towns of

(*) The area in this park is still being defined.

Source: CNR Protected Areas Study Group.

Ministry of the Environment, Nature Conservation Service.

Ascrea, Castel di Tora, Collalto Sabino, Nespolo, Paganico, Rocca Sinibalda (Law n. 28 of the Region of Lazio dated 5/10/99)

- *“Cinque Terre” national park, formerly a natural marine area (Decree dated 6/10/99)*
- *“Villa Borghese” provincial nature reserve (Law n. 29 of the Region of Lazio dated 26/10/99)*
- *“Monte Casoli di Bomarzo” provincial nature reserve (Law n. 30 of the Region of Lazio dated 26/10/99)*
- *Regional nature reserve of the Bracciano-Martignano lake area (Law n. 36 of the Region of Lazio dated 25/11/99)*
- *Extension of the Abruzzo national park to include the towns of Bisegna and Ortona dei Marsi (Decree dated 24/01/00)*
- *“Torre Guaceto” state nature reserve, established on 4/2/00, a marine nature reserve since 1991.*

Protected areas by region (hectares) (*)

	State areas	Regional areas	Total protected areas	Contribution to national total (%)	% of territory
Piemonte	47,937	148,369	196,306	6.1	7.7
Valle d'Aosta	37,200	4,033	41,233	1.3	12.6
Lombardia	60,420	448,664	509,084	15.7	21.3
Trento	19,350	83,806	103,156	3.2	16.6
Bolzano	55,094	126,221	181,315	5.6	24.5
Veneto	37,346	55,569	92,915	2.9	5.1
Friuli-Venezia Giulia	399	53,110	53,509	1.7	6.8
Liguria	16	59,879	59,895	1.8	11.1
Emilia-Romagna	23,834	102,524	126,358	3.9	5.7
Toscana	44,516	104,008	148,524	4.6	6.5
Umbria	18,609	40,875	59,484	1.8	7.0
Marche	64,955	21,675	86,630	2.7	8.9
Lazio	30,010	150,999	181,009	5.6	10.5
Abruzzo	235,468	76,239	311,707	9.6	28.0
Molise	5,590	1,161	6,751	0.2	1.5
Campania	191,572	152,150	343,722	10.6	25.3
Puglia	132,922	1,135	134,057	4.1	6.9
Basilicata	92,283	37,017	129,300	4.0	12.9
Calabria	206,103	1,838	207,941	6.4	13.8
Sicilia	986	239,051	240,037	7.4	9.3
Sardegna	18,507	9,405	27,912	0.9	1.2
ITALY	1,323,117	1,917,728	3,240,845	100.0	10.8

Source: CNR Protected Areas Study Group - INEA.

(*) At 31/12/98, except for Molise, Campania, Puglia, Basilicata, Calabria, Sicilia and Sardegna which have been updated to 30/06/00.

Marine areas are not included.

Desertification

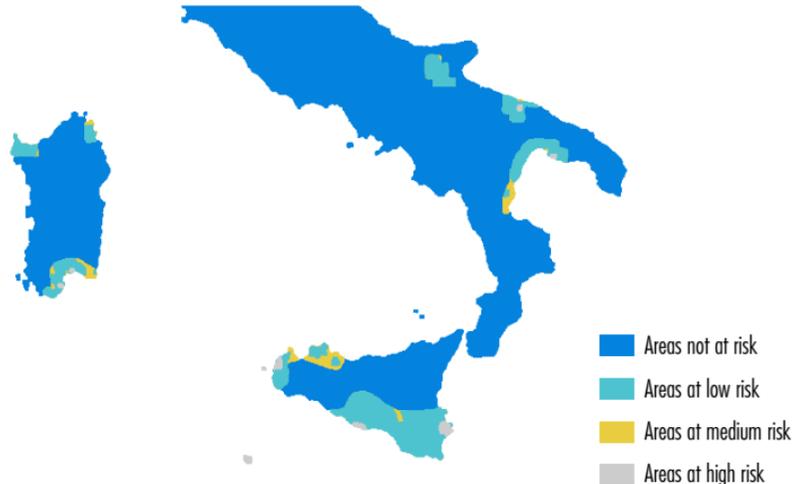
In conformity with article 20 of Decree Law n. 152/99, a first map has been drawn up of “areas at risk of desertification”, i.e. areas subject to or threatened by drought, soil impoverishment or desertification. The map was produced by a working group coordinated by the National Hydrographic and Marigraphic Section of the National Technical Services Department on the basis of the following factors and respective indices: climate (aridity index), soil (pedo-climatic index), vegetation (Corine Land Use) and anthropic pressure (demographic variation 1981-1991).

The map may be amended once the results are published of a survey which is being carried out by Regional and Catchment Authorities to verify the presence of further areas at risk in catchment areas as part of the national pro-

gramme against drought and desertification (Resolution n. 299/99 by

the Committee of Ministers for Economic Planning or CIPE).

Map of areas at risk of desertification



Source: National Technical Services Department, National Hydrographic and Marigraphic Section.

Use of Chemicals

Over the last few decades there has been a considerable increase in agricultural productivity owing, among other factors, to a greater use of chemicals. In many cases this has undermined the positive role which agriculture can play in environmental conservation. At the same time, the negative effects of intensive usage of pesticides are reflected in consumers' perception of agricultural produce in terms of the quality and healthiness of food products. In recent years, however, there has

been a general tendency to reduce the quantities of chemicals used. In 1999 the use of fertilisers and pesticides declined compared with 1998 by 2.5% and 4.2% respectively; since the beginning of the 1990's, the decrease has been by 12.7% (fertilisers) and 25.6% (pesticides). Probably these trends are partly the result of CAP reforms; by separating support mechanisms from production for certain crops, farmers have been discouraged from pursuing increasingly higher productivity lev-

els. At the same time, from the mid 1990's, agri-environmental measures have been encouraging a less intensive use of chemicals through incentives for integrated and organic farming.

An analysis of the use of fertilisers shows a constant fall in the use of phosphorus-based products (-4% in the last year); the use of nitrogenous and potassium-based products has also showed a steady decline over the last three years after showing alternating trends in

Evolution in the use of fertilisers ('000 tonnes)

	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99
Nitrogen	906.8	910.0	917.9	879.2	918.9	894.0	876.1	863.1
Phosphorus	662.0	613.0	589.2	584.7	545.6	528.0	506.9	486.6
Potassium	415.4	397.0	394.4	427.0	418.8	397.5	393.5	381.7
TOTAL USE	1,984.2	1,920.0	1,901.5	1,890.9	1,883.3	1,819.5	1,776.5	1,731.4

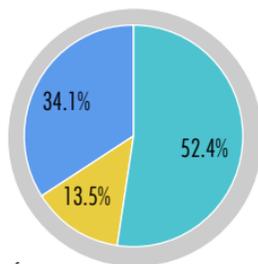
Source: Assofertilizzanti.

Evolution in the use of pesticides ('000 tonnes)

Type	1990	1995	1996	1997	1998	1999
Herbicides	27.8	26.0	25.0	25.0	23.1	20.6
Insecticides & acaricides	36.5	33.4	31.0	30.0	29.0	27.3
Fumigants & nematocides	6.7	4.7	4.9	5.2	6.0	5.4
Fungicides	65.7	49.3	48.8	45.8	47.6	47.7
Others	4.5	4.3	4.5	4.5	3.9	4.0
TOTAL DOMESTIC MARKET	141.2	117.7	114.2	110.5	109.6	105.0

Source: Agrofarma.

Use of pesticides by geographical area, 1999



Source: Agrofarma.

Geographical Area	(tonnes)
ITALY	105,004
North	55,047
Centre	14,128
South	35,829

the first half of the 1990's.

The overall decrease in the use of pesticides is due in particular to a reduction in the quantities of herbicides and insecticides used on farms as the result of the introduction of new, low-dosage products.

From a geographical point of view, regions in the North made the largest use of pesticides in 1999 (52.4% of the national total), but used considerably lower quantities than in 1998. Regions in the Centre continued to use decreasing quantities, falling to a mere 13.5% of the national total, whereas regions in the South showed an increment, rising to 34.1% of the national total.

Organic Farming

According to EU regulations, organic farming is a method of running a farm in which the use of chemicals is forbidden in order to protect the environment and promote lasting agricultural development.

Regulation 2092/91 sets out the criteria and rules which EU farmers must observe in their farming methods for their products to be recognized as organic. Regulation 1804/99 extends this further, setting out rules for livestock products obtained by organic methods. Strong incentives for organic farming have been provided over the last few years in agri-environmental measures, first in Regulation 2078/92 and then again in the more recent regulation on rural development.

In 1998, the number of organic farms in Italy rose to 41,600, an increase of 41% compared to the previous year. The area of land used

Organic enterprises and UAA in Italy, 1998 ()*

	Production enterprises	Processing enterprises	Mixed enterprises	Total	Organic UAA (ha) (**)
Piemonte	1,793	122	47	1,962	34,985
Valle D'Aosta	6	-	-	6	452
Liguria	136	23	12	171	2,236
Lombardia	627	130	31	788	11,727
Trentino-Alto Adige	288	51	12	351	1,853
Veneto	699	149	82	930	5,018
Friuli-Venezia Giulia	127	15	18	160	792
Emilia-Romagna	3,369	232	52	3,653	72,197
Toscana	788	108	101	997	26,156
Marche	1,470	41	37	1,548	29,674
Umbria	523	35	17	575	12,838
Lazio	1,813	59	69	1,941	26,473
Abruzzo	497	33	23	553	5,832
Molise	313	13	7	333	4,004
Campania	1,227	62	35	1,324	10,733
Puglia	4,827	68	47	4,942	100,099
Basilicata	265	7	8	280	6,966
Calabria	4,960	37	89	5,086	57,061
Sicilia	9,598	149	27	9,774	128,917
Sardegna	8,287	16	21	8,324	250,058
ITALY	41,613	1,350	735	43,698	788,070

for organic farming, including land undergoing organic conversion, also showed a steady increase, rising to over 788,000 hectares or 5.3% of total UAA. Processing enterprises and mixed production/processing enterprises also grew in number, totalling 2000, with the former showing a more dynamic growth trend than the latter.

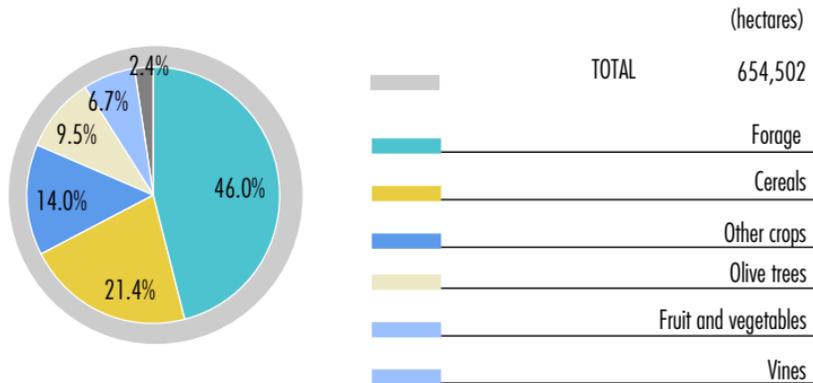
As far as geographical distribution is concerned, the South prevailed both in number of farms (70%) and, to an even greater extent, in amount of organic land (73%), just under half of which was found in Sicily and Sardinia alone.

As regards the types of crop grown on organic land and land under conversion, 46% of national organic UAA was planted to forage, with half of this crop concentrated in Sardinia. Cereal crops were planted on 21.4% of organic land; about

65% of these crops were concentrated in just three regions (Puglia, Sardinia and Sicily). These two

statistics together show the typically extensive production of the main organic crops in Italy:

Organic farm land and land under organic conversion by type of production, 1998 (*)



(*) Results refer to 654,502 hectares.

Rural Tourism

Rural tourism is playing an increasingly important role in the diversification of activities carried out by Italian farms and at the same time it is compatible with objectives of conservation of the environment, promotion of local products and restoration of the architectural heritage in rural areas, objectives to which both consumers and society in general appear to be increasingly sensitive.

Law n. 730/1985 subordinates rural tourism to agricultural activity, a factor which has partially curbed growth in the sector. Despite this, the number of farms offering rural tourism services continues to rise. There are now 9,000, or just 0.5% of total farms in the country. The increase in number is, however, unable to satisfy the growing demand for this service and the situation in Italy is nowhere near the

Farms offering rural tourism services by region, 1999

	Registered with Regional Authorities	Authorized	Authorized (%)
Valle d'Aosta	50	50	0.6
Piemonte	438	390	4.4
Lombardia	605	454	5.2
Trentino	167	167	1.9
Alto Adige	2,736	2,736	31.2
Veneto	750	648	7.4
Friuli - Venezia Giulia	930	230	2.6
Emilia - Romagna	583	291	3.3
Liguria	400	140	1.6
Toscana	3,500	1,406	16.1
Marche	1,270	369	4.2
Umbria	388	365	4.2
Lazio	602	132	1.5
Abruzzo	714	290	3.3
Molise	146	35	0.4
Campania	854	200	2.3
Puglia	604	165	1.9
Basilicata	198	60	0.7
Calabria	980	130	1.5
Sicilia	250	150	1.7
Sardegna	471	350	4.0
ITALY	16,636	8,758	100.0

situation in other European countries such as France, where there are over 60,000 farms offering rural tourism.

In Italy, the phenomenon of rural tourism is concentrated in particular in regions in the North and Centre; many regions in the South, however, already appear to have good potential for development.

Over 80% of Italian farms involved in rural tourism offer overnight accommodation and over a half include the provision of meals among their services. In 14% of them the

possibility of horse riding is offered. There are one hundred thousand beds available for visitors on Italian farms, an average of 13 per farm. Farm accommodation is used for an average of 90 days a year and people stay for an average of 6 days at a time. It is estimated that over one and a half million people used farm tourism services in 1999. A considerable proportion of these were foreign: approximately 25% of the total. Turnover amounted to some 800 billion lire and 40,000 people were employed in the sector.

Rural tourism has a very high potential for growth in Italy but existent legislation needs to be changed to remove the main obstacles in its way: heavy taxation and complicated bureaucratic formalities which must be completed in order to start operating.

According to Eurispes, some 230 Italian farms offer the possibility of hunting among their services on the basis of Framework Law n. 157/92. These farms are mainly concentrated in just three regions (Tuscany, Veneto and Emilia-Romagna).

**PRODUCTS OF DESIGNATED ORIGIN
AND REGIONAL SPECIALITIES**

Speciality Foods

Three current European regulations protect and enhance the value of speciality foods:

- *Reg. 2081/92, which created “protected designation of origin” (PDO) and “protected geographical indication” (PGI), by which speciality foods are registered with their name of provenance in order to protect them;*
- *Reg. 2082/92 on the certification of specific character;*
- *Reg. 2092/91 on organic products and the recent Reg. 1804/99 extending rules on organic production to livestock products.*

A total of 103 Italian food products have now been registered with their name of origin (PDO or PGI) and one - mozzarella made with cow's milk - has been certified of specific character. The extension of organic methods to livestock products has

created the opportunity to promote meat from cattle bred in a natural state in the Central Apennines and from pigs reared in the South of Italy.

The EU is now shifting its attention from protection to promotion of speciality foods on both EU and non-EU markets; Reg. 2702/99, with an annual budget of 15 million euro from 2000, serves this object. Marketing schemes for speciality foods are also included in the rural development plans which are currently in the negotiation phase.

At national level, attention is being given both to promotion of speciality foods - through schemes encouraging closer links among the various sectors of the food chain, structural improvements in processing enterprises and the introduction of product certification systems - and at the same time to protection of the specif-

ic and traditional character of our agri-food heritage.

The aid regime designed to consolidate and develop enterprises involved in processing and marketing agricultural commodities is without a doubt the most important national measure (art. 13 of Decree Law n. 173/98)(). This provides grants for schemes improving commercial exploitation of agricultural commodities, especially quality foods and regional specialities produced in areas which do not exploit their products adequately.*

*With the “Regulations for identifying traditional products”(**), the implementation legislation for Decree Law n. 173/98, a national list of traditional agri-food products was created and producers were allowed to obtain a derogation on food hygiene regulations. Regional Authorities have prepared lists of traditional*

(*) See pages 141-146.

(**) Decree n. 350 dated 8 Sep 99 passed by the Ministry for Agricultural and Forestry Policies.

agri-food products, detailing the methods, materials and premises where foods are produced, preserved and matured. It is estimated that almost 2000 products have been assessed; the official list should be ready in summer 2000.

In 1999 EU legislation introduced a derogation on hygiene regulations for food products which require particular and traditional production methods and techniques but it prohibited the marketing of these products outside the place in which they are produced, with the exception of the products on the national list mentioned above.

As far as inspection of PDO and PGI products is concerned, it was confirmed that there should be only one certification body; thereby reinforcing a decision which has been much criticised by Italian producers and the Antitrust Authority in the past.

With Decree n. 325 dated 6 August 1999, the inspection system was extended to products certified of specific character. These products too are now subject to checks by specially appointed public inspection authorities or by private organizations authorized by the Ministry for Agricultural and Forestry Policies.

Article 59 of the Italian Finance Act for 2000 (the Budget), entitled "Development of organic and quality farming", introduced the principle of public health and food quality; providing incentives for organic farming and production of regional specialties and quality foods. It set up a fund for the development of organic farming - financed with a levy of 0.5% on the sale of the most harmful and dangerous plant treatment products - and encouraged the use of organic products, regional specialties, traditional foods and products

with a registered name of origin in public institutions, schools and hospitals.

The CIPE Resolution passed on 6 August 1999 allocated 105 billion lire to the "Special project for inland areas in the South for the exploitation of regional specialties", which is designed to improve promotion and marketing of regional specialties and to upgrade hygiene standards in production plants in inland areas in the following regions: Marche, Lazio, Abruzzo, Molise, Campania, Puglia, Basilicata, Calabria, Sicily and Sardinia. The project is aimed principally at the following sectors: olive oil; milk and dairy products; forest fruits; processed fruit and vegetables; organic products.

In February 2000, a special programme was passed for the promotion of the Italian agri-food sector

abroad, with a budget of 150 billion lire for the three-year period 2000-02. The aim of the programme is to increase internationalization of the sector and penetration of Italian commodities on foreign markets, especially regional specialities and quality products.

The latest Italian products to be registered with a PDO are Lametia extra virgin olive oil and balsamic vinegar from Modena and Reggio Emilia. Italy has granted transitory protection of geographical origin (PGI) to “Limone di Sorrento” and “Limone Costa d’Amalfi”. The essential oil of bergamot of Reggio Calabria has been registered as a PDO product(*), in order to protect, strengthen and improve the supply chain of a traditional Calabrian product sold mainly to the perfume industry:

Mention should also be made of the

agreement reached in September 1999 by producers of San Daniele ham. The producers agreed to improve product quality and planned production for the period 2000-03. The agreement involved over 5,500 livestock farms and is the first initiative in which production of a registered speciality food is planned according to the market and in order to improve quality, in accordance with Decree n. 173/98. Lastly, PDO and PGI producer organizations finally have a new set of regulations, thanks to the Decree passed by the Ministry for Agricultural and Forestry Policies on 12 April 2000, which sets out provisions on representativeness, on criteria for extending the costs of the organizations’ activities to non-members and on arrangements for collaboration with the public inspection system.

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

Country	Total
France	115
Italy	103
Greece	77
Portugal	75
Germany	60
Spain	50
United Kingdom	25
Austria	10
Netherlands	4
Luxembourg	4
Belgium	3
Denmark	3
Ireland	2
Finland	1
Sweden	1
TOTAL	533

(*) Situation updated at EC Reg. 1338/2000.

(*) Law n. 39 dated 25 February 2000.

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

Cheeses

PDO
Asiago
Bitto
Bra
Caciocavallo Silano
Caciotta d'Urbino
Canestrato Pugliese
Castelmagno
Fiore Sardo
Fontina
Formai de Mut dell'alta Valle Brembana
Gorgonzola
Grana Padano
Montasio
Monte Veronese
Mozzarella di Bufala Campana
Murazzano
Parmigiano Reggiano
Pecorino Romano
Pecorino Sardo
Pecorino Siciliano
Pecorino Toscano

Provolone Valpadana
Quartirolo Lombardo
Ragusano
Raschera
Robiola di Roccaverano
Taleggio
Toma Piemontese
Valle d'Aosta Fromadzo
Valtellina Casera

Fruit, vegetables, pulses, cereals and bakery products

PDO
"Nocellara" from Belice
San Marzano tomatoes from the Agro Sarnese-Nocerino
PGI
Sicilian blood oranges
Pantelleria capers
Montella chestnuts
Calabrian clementines
Vallata Bellunese Lamon beans
Sarconi beans
Garfagnana spelt
Borgotaro mushrooms

Castelluccio di Norcia lentils
Castel del Rio chestnuts
Mugello chestnuts
Giffoni hazelnuts
Piedmont hazelnuts
Genzano home-made bread
Senise peppers
Emilia-Romagna pears
Mantua pears
Romagna nectarines and peaches
Red "radicchio" (kind of chicory) from Treviso
Variegated "radicchio" from Castelfranco
Nano Vialone Veronese rice
Romagna shallots
Canicattì table grapes

Olive oils

PDO
Aprutino Pescarese
Brisighella
Bruzio
Canino
Cilento

.../...

(*) Situation updated at EC Regulation 1338/2000.

Collina di Brindisi
Colline Salernitane
Colline Teatine
Dauno
Garda
Laghi Lombardi
Monti Iblei
Penisola Sorrentina
Riviera Ligure
Sabina
Terra di Bari
Terra d'Otranto
Umbria
Valli Trapanesi
PGI
Toscano

Vinegars

PDO
Traditional balsamic vinegar from Modena
Traditional balsamic vinegar from Reggio Emilia

Fresh and processed meats

PDO
Calabrian "capocollo" (kind of salami)
Piacenza "coppa" (cured neck of pork)
Zibello "culatello" (kind of ham)
Calabrian bacon
Piacenza bacon
Carpegna ham
Modena ham
Parma ham
San Daniele ham
Tuscan ham
Veneto Berico-Euganeo ham

Brianza salami
Piacenza salami
Varzi salami
Calabrian sausage
Calabrian "soppressata" (kind of salami)
Valle d'Aosta "Jambon de Bosses" (kind of ham)
Valle d'Aosta "Lard d'Arnad" (kind of bacon)
PGI
Valtellina "bresaola" (cured beef)
Modena "cotechino" (kind of porkmeat sausage)
Bologna "mortadella"
Norcina ham
Alto Adige "speck" (smoked ham)
White young bovine meat from the Central Apennines
Modena "zampone" (stuffed pig's trotter)

DOC Wines

Law n. 164 dated 10 February 1992 sets out the rules for the designation of origin of wines.

The term “designation of origin” refers to the use of the geographical name of a particularly specialized wine-growing area to indicate a well-known quality product which possesses characteristics related to the natural and human environment in which it is produced.

The term “indication of geographical origin” is used when the geographical name of an area is used to indicate the wine produced there.

Wines may be classified as follows:

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

In 1999, 6 new DOC wines were registered: Atina from Lazio; Valpolicella from Liguria; Sovana, Capalbio and Cortona from Tuscany; Collina Torinese from Piemonte. Early in 2000, Orcia from Tuscany also became a DOC wine.

A total of 117 Italian wines have now been registered with an IGT; the latest one is Grottino di Roccanova from Basilicata.

In 1999, the “Regulations on wine trails” were issued (Law n. 268 dated 27 July 1999) as a guide to Regional Authorities wishing to open wine trails in wine-growing areas, especially the areas of quality production referred to in Law n. 164/92. The new law also offers the possibility of creating trails combining the promotion of wine with other quality products such as olive oil or other regional specialities.

Italian DOC wines by region ()*

Valle d'Aosta	1
Piemonte	50
Liguria	8
Lombardia	16
Trentino - Alto Adige	7
Veneto	21
Friuli - Venezia Giulia	9
Emilia - Romagna	20
Toscana	41
Marche	11
Umbria	13
Lazio	25
Abruzzo	3
Molise	3
Campania	20
Basilicata	1
Puglia	25
Calabria	12
Sicilia	18
Sardegna	20

N.B. Altogether there are 317 DOC wines in Italy; this is a lower total than the sum of all regional DOC wines because 7 wines are inter-regional.

() At 30/06/2000.*

Wines with controlled and guaranteed origin designation (DOCG) ()*

Region	Designation	Type	Colour	Region	Designation	Type	Colour
PIEMONTE	Asti	<i>Asti, Asti spumante,</i> <i>Moscato d'Asti</i>	White	EMILIA			
	Barbaresco	<i>Riserva</i>	Red	ROMAGNA	Albana di Romagna	<i>Secco, amabile, dolce, passito</i>	White
	Barolo	<i>Riserva</i>	Red	TOSCANA	Brunello di Montalcino	<i>Riserva, Vigna</i>	Red
	Brachetto d'Acqui		Red		Carmignano	<i>Rosso, Rosso riserva</i>	Red
	Gattinara	<i>Riserva</i>	Red		Chianti	<i>Riserva, Superiore:</i> <i>Colli Fiorentini, Rufina, Montalbano</i> <i>Colli Senesi, Colli Aretini</i> <i>Colline Pisane, Montespertoli</i>	Red
	Gavi o Cortese di Gavi	<i>Tranquillo, frizzante, spumante</i>	White		Chianti classico	<i>Riserva</i>	Red
	Ghemme	<i>Riserva</i>	Red		Vernaccia di San Gimignano	<i>Riserva</i>	White
LOMBARDIA	Franciacorta	<i>Cremant, Millesimato,</i> <i>Millesimato Cremant, Rosé,</i> <i>Rosé Cremant, Rosé Millesimato</i> <i>Rosé Millesimato Cremant</i>	White, Rosé		Vino nobile di Montepulciano	<i>Riserva</i>	Red
	Valtellina superiore	<i>Riserva, Sassella, Grumello,</i> <i>Inferno</i> <i>Valgella</i>	Red	UMBRIA	Montefalco Sagrantino	<i>Secco, passito</i>	Red
					Torgiano	<i>Rosso riserva</i>	Red
				CAMPANIA	Taurasi	<i>Riserva</i>	Red
				SARDEGNA	Vermentino di Gallura	<i>Superiore</i>	White

(*) Art 30/06/2000.

RESEARCH AND DEVELOPMENT

Research

In 1998, financial resources in Italy for public research in the agricultural sector amounted to just over 800 billion lire, 13% less than the previous year. The CNR and institutions funded by the Ministry for Agricultural and Forestry Policies showed the greatest decrease in spending as both were involved in changes to their institutional set-up. The MURST continued to spend the most on agricultural research, both through its network of Agriculture Faculties and its specific research programmes. Regional Authorities invested more on research in 1998 than the previous year, spending over 127 billion lire (+21%). This was the result of considerable increases in expenditure by some Regions as new regional programmes and laws came into operation (12 regions have agricultural research plans and programmes).

State funding for research and experimentation in agriculture, 1998

Institution	million lire	% of total
MURST - Funding for Agriculture & Veterinary Science Faculties	254,835	27.5
MURST - Funding for food companies	113,000	12.2
CNR - National Research Council	83,933	14.3
Ministry for Agricultural Policies	107,499	16.4
INEA - National Institute of Agrarian Economics	20,195	2.4
ISMEA - Inst. for Study, Research & Info on the Agricultural Market	4,728	0.5
INN - National Nutrition Institute	139	1.0
"Lazzaro Spallanzani" Institute	3,557	0.2
National Agency for Select Seeds	12,408	1.4
National Institute for Wild Fauna	4,990	0.5
ENEA - Subject Agriculture	4,359	3.4
Experimental Stations for Industry, MICA	17,657	1.9
Higher Institute of Health	4,293	1.6
Experimental Institutes for Animal Disease Prevention	12,187	1.3
Central Institute for Research Applied to the Sea	11,919	1.3
Centre of Economic & Agricultural Research for the South	583	0.1
National Apiculture Institute	274	0.0
Institute of International and Compared Agrarian Law	285	0.0
Regions and regional bodies	127,110	11.3
Contributions to international organizations, Foreign Affairs Ministry	11,100	1.2
Agronomics Institute for Overseas, Foreign Affairs Ministry	12,130	1.3
TOTAL	807,181	100

The total number of human resources was down 5% on 1997, totalling 5,888 full-time equivalents including 2,730 researchers.

Negotiations are currently under way for the MURST's National Operational Programme (NOP) for "Scientific research, technological development and high-level training" under the EU Support Framework Programme 2000-06 for Objective 1 areas. The programme should receive a budget of 1,858,627 million euro, 64% of which will be paid for out of EU Funds (ERDF and ESF) and the remaining 36% by the State and private funding. In its current form, the NOP covers four priority areas; the measure which concerns agricultural research most is

I.3 in priority area I entitled "Research and development in strategic sectors for the South (cultural heritage, environment, agri-industry, transport)". The sum which will be made available for the measure or the way in which it will be implemented is not yet known.

In the meantime, the Ministry for Agricultural and Forestry Policies has been drawing up the National Plan for Research on the Agricultural System in accordance with Legislative Decree n. 204/98, which reformed the Italian research system. The Plan is the end result of intense consultation with the Regions and research institutions, which have prepared a report on research requirements.

Funding for agricultural research and experimental activities by region, 1998

Region/Auton. Province	Expenditure on R. & Exp.	
	Total (million lire)	% of agric. VFO
Piemonte	3,590	0.06
Valle d'Aosta	2,343	1.92
Lombardia	2,445	0.02
Veneto	2,723	0.03
Trento	10,500	0.57
Bolzano	14,540	-
Friuli - Venezia Giulia	4,800	0.29
Emilia - Romagna	14,536	0.16
Liguria	2,650	0.18
Toscana	4,105	0.11
Umbria	200	0.01
Marche	2,130	0.09
Lazio	10,641	0.24
Abruzzo	840	0.04
Molise	0	0.00
Campania	1,075	0.02
Puglia	1,392	0.02
Calabria	6,744	0.23
Basilicata	1,200	0.09
Sicilia	7,693	0.11
Sardegna	32,963	1.19
TOTAL	127,110	0.16

Development Services

The activity promoted by the EU Structural Funds for 1994-99 is continuing at full steam both at national and regional level.

Within the Multi-Regional Operational Programme (MOP) for "Activities Providing Support for Agricultural Development Services" for Objective 1 areas, 98.6% of the available budget was committed at the end of 1999 but only 56% had actually been spent. One of the factors slowing down spending is the delay in disbursement of advance payments by the European Commission and the Italian State. For 1998, actual expenditure amounted to 137.9% of these payments.

The practical implementation of the measures involved is to be considered satisfactory:

- *Measure 1: in 1999, the employment of 758 advisers was sus-*

MOP for "Activities Providing Support for Agricultural Development Services" 1994-1999 - Financial situation at 30/09/99 (spending in 1998)

Measures 1998	Commitments/ total budget (%)	Spending/ total budget (%)	Spending/ disbursements (%)
1. Employment of advisers	98.8	99.5	243.8
2. Technological innovation & transmission of results	100.0	29.5	59.1
3. Training system for agricultural advisory service	101.0	41.5	82.2
4. Operational & educational support	-	-	-
5.1 Technical assistance, analysis & monitoring	101.0	98.2	204.7
5.2 Evaluation	-	-	-
6. Multi-regional Guarantee Fund	-	-	-
TOTAL	99.3	66.4	137.9

tained, of which 143 were specialists and 615 general advisers;

- *Measure 2: the 79 projects for research and transmission of information proceeded rapidly after a slow start and 41% of planned activities were implemented: 64% of the 200 innovations being produced*

will have an economic impact, 57% a technical impact, 37% an environmental impact and 23% an impact on culture and tradition;

- *Measure 3: 76 training courses were held in 1999, providing 978 days of education for 1,326 participants;*

- *Measure 5.1: in addition to the classic support activities for the Ministry; Regions and Supervisory Board, animation and communication activities (seminars, publica-*

tions etc) and a survey on services in Obj. 1 areas are under way;

- *Measure 5.2: a first intermediate evaluation report has been prepared.*

Measure 2 - Number of eligible projects and their budgets by intervention sector

Intervention sector	Number of projects	Budget (million lire)
Agrimeteorology	2	2,767
Biotechnologies	3	2,400
Conditioning and processing	14	20,941
Defence	9	14,749
Supply chain	11	22,291
Market	4	2,564
Quality	6	5,995
Rural development	4	4,901
Crop technologies	14	24,621
Livestock technologies	9	10,474
Other	3	3,075
TOTAL	79	114,778

Measure 2 is proving to be an experiment of great interest for the Italian agricultural research system, not so much for its content as for the innovative working methods being used. A very considerable number of Italian research institutions - 370 - are in fact participating in an experience in which the key concepts are cooperation and agreement, management and organization, monitoring and evaluation, all crucial elements which Italian research was lacking.

There has also been an acceleration in the rate of implementation of projects for development services in the Regional Operational Programmes (ROPs) for Objective 1 areas and in the Single Programming Documents (SPDs) for Objective 5b areas. At 31/03/99, commitment and spending levels had doubled compared to 31/12/97 for both SPDs and ROPs.

Financial implementation of the ROPs (Objective 1) and the SPDs (Objective 5b) ()*

	Level of commitment (%)	Level of spending (%)	Level of commitment (%)	Level of spending (%)
ROPs - "Development services in agriculture and transmission of information"				
Abruzzo	96.7	56.0		
Basilicata	64.2	40.8		
Calabria	105.4	22.5		
Campania	34.2	11.5		
Molise	76.3	62.9		
Puglia	84.1	25.1		
Sardegna	83.1	17.2		
Sicilia	39.8	10.6		
TOTAL	62.6	25.7		

SPDs	Measures specific to services		Other measures (**)	
Bolzano	-	-	73.6	58.3
Emilia Romagna	78.6	47.8	73.6	48.3
Friuli Venezia Giulia	103.3	39.8	74.9	42.0
Lazio	-	-	73.2	35.3
Liguria	105.9	57.2	105.1	53.4
Lombardia	67.7	38.5	88.5	39.3
Marche	110.9	45.6	64.6	27.5
Piemonte	-	-	88.7	30.7
Toscana	85.4	77.4	96.2	63.5
Umbria	70.6	46.4	47.0	22.0
Veneto	97.9	70.0	97.5	48.9
TOTAL	84.4	55.6	81.9	41.3

Another result which emerged in 1999 was the better performance of activities included in "other measures" in the SPDs compared to the ROPs: commitments were 26% lower and spending was 54% lower in the ROPs.

(*) At 31/3/99.

(**) Measures which though not specific to services contain actions which benefit them.

INSTITUTIONS AND LEGISLATION

EU Trade Agreements

Agreements with CEECs

On 1st February 1999, the association agreement with Slovenia - the last of the association agreements between the EU and the ten countries of Central and Eastern Europe (CEECs) - came into force. In the first few months of the year, the protocols adjusting trade concessions in the association agreements also became effective, taking account of the latest enlargement of the EU and GATT commitments and improving the existing preferential tariff regime.

As regards the 1993 wine agreement between the EU and Hungary, Bulgaria and Romania, in 1999 the negotiations for reviewing existing concessions further to EU enlargement were concluded, resulting in a reciprocal adjustment of tariff quotas for certain kinds of wines and an extension to 31 December 1999

of the preferential treatment granted by the EU to the three countries.

Agreements with CIS countries

On 1st July 1999, the partnership and cooperation agreements between the EU and some of the countries of the Community of Independent States (Azerbaijan, Armenia, Uzbekistan, Georgia, Kazakhstan and Kirghizstan) came into force, following other agreements already operative with Russia, Ukraine and Moldavia.

The partnership and cooperation agreements are of a mixed, non-preferential nature - with the parties granting one another reciprocal "favourite nation" treatment - and aim at regulating relations on political, economic and commercial levels. The section on trade

regulations in these agreements excludes agriculture, which is covered in the extensive section on cooperation.

On a more general level, the partnership and cooperation agreements are part of the EU's global strategy of coordinating and integrating political and economic instruments in order to strengthen relations between the EU and CIS countries. For this purpose, the European Council approved a common strategy in 1999 towards Russia and subsequently towards Ukraine with the objective of strengthening the strategic partnership between the EU and each of these two countries and creating the means to implement and develop these partnerships. In so doing, the EU applied the common security and foreign policy instrument created by the Treaty of

Amsterdam (Art. 13) for the first time.

Agreements with Mediterranean countries

In April 1999 the third Euro-Mediterranean Conference was held in Stuttgart and confirmed the priority objectives established at the 1995 Barcelona Conference. It was decided that a new boost should be given to the partnership in three chosen sectors (the political and security relationship; economic and financial cooperation; social, cultural and human perspectives), with a view in particular to improving intra-regional and sub-regional cooperation.

In the framework of the Euro-Mediterranean Partnership established at the Barcelona Conference, progress on agreements is as fol-

lows: on 1st March 2000, the agreement between the EU and Morocco came into effect, the third in line following the ones already in effect with Tunisia and the Palestinian Authorities; the agreements reached with Israel and Jordan are still being ratified by the national Parliaments in EU states although some arrangements regarding concessions for agricultural products have been applied in advance on a provisional basis; agreements with Algeria, the Lebanon and Syria are still in the negotiating stage while negotiations with Egypt were concluded in June 1999.

After starting accession negotiations with Cyprus in March 1998, in 1999 the European Commission decided to propose an accession agreement to Malta too and asked the Maltese Government to prepare

a programme for the adoption of the EU acquis.

Agreements with countries in other parts of the world

The EU has started numerous initiatives for political, economic and commercial cooperation in different parts of the world and is negotiating and concluding agreements of a varied nature with different countries. In 1999 there were three developments of importance:

- the free trade agreement between the EU and the South African Republic was concluded after over four years of negotiations;*
- negotiations between the EU and ACP countries were intensified with the aim of reaching a new partnership agreement lasting twenty-five years for the development of these countries;*
- the inter-regional cooperation*

framework agreement between the EU and MERCOSUR (Argentina, Brazil, Paraguay, Uruguay) was concluded in December 1999.

The agreement with the South African Republic is the first agreement concluded by the EU with a non-EU country which covers trade in all production sectors, on the basis of requisites set by the World Trade Organization (WTO). The free trade agreement is of unlimited duration and is asymmetrical, its timescales and conditions of implementation favouring South Africa. The agricultural sector is a main element of the agreement, which provides for varying liberalization

of trade between the parties according to the agricultural commodity concerned, depending on the commercial sensitivity of the commodity and the interest in exporting it.

As far as the cooperation agreement with Mercosur is concerned, one of the keystones of the agreement is the creation of a free trade area which, while complying with WTO rules, takes the commercial sensitivity of certain commodities - especially agricultural products - into consideration. This was an important agreement for the European Commission to sign since it lays the foundations for opening the flow of trade with Latin America. The agreement follows

another important cooperation agreement, with the Andean Community (Bolivia, Colombia, Ecuador, Peru and Venezuela), which came into effect on 1st May 1998. The EU is also committed to start negotiations for a political and economic association agreement with Chile.

In accordance with the agreement on economic partnership, political coordination and cooperation between the EU and Mexico signed in December 1997, negotiations began in 1999 to work out the preferential measures on which the liberalization of trade - including the agricultural sector - between the two areas will be based.

Agenda 2000 Reforms

Reform of the CAP by sector

The political agreement reached by the European Council in March 1999 led to the adoption of a reform package which reshaped common agricultural policy for the period 2000-06.

The new regulations adopted by the Council in the reform will affect some market measures in major agricultural regimes (arable crops, beef, milk and wine) and the structural measures for rural development.

The CAP reform is of such wide scope that it cannot fail to have a considerable effect on both European and Italian agriculture, although certain sensitive issues remain open regarding the regimes for strategic production sectors for our country such as Mediterranean products (fruit and vegetables, olive oil, rice).

Market support and structural policies for agriculture are no longer strictly sectoral but are part of a new and

wider strategy which aims at creating a consistent and lasting context guaranteeing development and growth in rural areas by exploiting the multi-functional role of agriculture.

The new course taken by the CAP, which began with the 1992 reform, continues in the direction of reducing price support and increasing direct payments; its aims are to strengthen the role of the EU in international trade, to promote integration of environmental considerations in all areas of policy and to consolidate the new rural development policy.

The new EU legislative framework was followed at national level by the start of an important phase of implementation of the CAP reform for 2000-06.

Arable sector

The reform, in effect from 2000, provides for a 15% reduction in the cere-

als intervention price spread over 2000/01 and 2001/02 and for a parallel increase in area aid compensation from the current 54 to 63 euro/tonne. Payments will be gradually brought to the same level for linseeds (in three phases), land taken out of production (two phases) and oilseeds (three phases). For oilseeds, in addition to the reduction in direct payments, the reform also changes the method for calculating payments by abolishing the system of reference prices. Moreover, from 2002/03 aid will be calculated on the basis of the average cereal yield only. For protein crops, on the other hand, the basic payment will drop to 72.5 euro/tonne from 2000/01. There remains the supplementary payment of 344.5 euro/hectare for durum wheat in traditional production areas within a maximum guaranteed area of 1,646,000 hectares, and special com-

pensation of 138.9 euro/hectare in other areas up to a limit of 4,000 hectares.

When the regime is operating fully, the premium will be calculated by multiplying the basic payment per tonne by the average cereal yield set out in the regionalization plan adopted in 1992 and readjusted by the Ministry for Agricultural and Forestry Policies to allow for the increase from 3.78 to 3.9 tonnes/hectare in the national reference yield which was granted in the Agenda 2000 reform. Italy has maintained the system of specific yields and separate base areas for maize but has not taken up the option of adopting base sub-areas, or of applying a separate regime to irrigated areas.

Obligatory set-aside remains at 10% in 2000-06 for large growers - farmers whose production of cereals

exceeds 92 tonnes - whereas small growers - with under 92 tonnes of cereal production - are exempt from this obligation. All growers, however, may opt to join the voluntary set-aside scheme up to a maximum limit of 12%.

Beef sector

The reform of the beef regime, in effect from 2000, provides for a 20% reduction in the intervention price in three annual steps (reaching 2,780 euro/tonne by 1st July 2002), while private storage aid will be gradually introduced to replace public support. There will be an increase in direct aid payments for: young bulls (210 euro/head at the age of 9 months); steers (150 euro/head payable twice between 9 and 21 months); suckler cows and heifers (200 euro/head). For suckler cows there is a supplementary national premium which is

set at 50 euro/head for Italy. For this kind of aid there is a restriction on the density of livestock on farms; this must not exceed 2 LU (livestock units) per hectare of forage area, at least 50% of which must be made up of pasture or land producing forage for animals. The extensification premium for livestock has been confirmed and raised, with payments reaching 40 euro/head for a stocking density between 1.4 and 1.8 LU/hectare and 80 euro/head below the 1.4 LU/hectare limit when the regime is fully operative.

There is a 3% increase over the past in national ceilings for premiums granted to suckler cows (621,611 head) and young male bovines (598,746 head), which also benefit from abolition of the limit of 90 head per farm. A slaughter premium has been introduced, of 80 euro/head for adult cattle (young bulls, steers,

suckler and dairy cows, heifers) and 50 euro/head for calves aged between 1 and 7 months and with a slaughter weight of under 160 kg deadweight; these premiums are paid directly to the farmer in the six months following slaughter.

A system of "national envelopes" has been introduced by which each member state receives additional resources to manage at its own discretion. Italy's national envelope will be worth 21.9 million euro in 2000, 43.7 million euro in 2001 and 65.6 million euro from 2002 onwards, when the regime will be fully operative. Italy will use some 82% of its national envelope to top up slaughter premiums for young adult male bovines (+54.1 euro/head from 2002) and will use the remainder to top up premiums for suckler cows and beef heifers of special breeds (+62 euro/head from 2002).

Lastly, according to national implementation regulations, farms which have been fined for maltreatment of animals are denied access to all beef regime premiums and the slaughter premium is not paid if farm structures do not meet the EU directive on the protection of animals during slaughter or killing.

Dairy sector

There will be a 15% reduction in intervention prices of butter and skimmed milk powder in three equal annual steps starting in the marketing year 2005/06. The milk quota regime has been extended until 2007/08. In general, the quotas in member states will be increased by 1.5% phased over three years, with parallel reductions in prices beginning from 2005. Italy, Spain, Greece and Ireland will benefit in particular from an increase in quotas in two

Distribution of the increase in Italy's national milk quota among the regions - 2000/01

	tonnes	%
Piemonte	30,050	7.8
Valle d'Aosta	1,700	0.4
Lombardia	141,900	37.0
Bolzano	13,150	3.4
Trento	4,200	1.1
Veneto	43,750	11.4
Friuli Venezia Giulia	8,650	2.3
Liguria	400	0.1
Emilia Romagna	64,500	16.8
Toscana	3,550	0.9
Umbria	2,250	0.6
Marche	1,850	0.5
Lazio	18,600	4.8
Abruzzo	3,650	1.0
Molise	3,200	0.8
Campania	11,750	3.1
Puglia	10,850	2.8
Basilicata	3,800	1.0
Calabria	2,400	0.6
Sicilia	5,750	1.5
Sardegna	8,050	2.1
ITALY	384,000	100.0

steps in 2000/01 and 2001/02. The Italian quota will be increased by 384,000 tonnes in 2000/01, which will be shared out among regions and autonomous provinces on the basis of both actual production and quotas assigned in the past, while another 216,000 tonnes will be allotted in 2001 on the basis of criteria which will be set out in a specific ministerial decree.

Over 64% of the increase in the national quota has been allotted, in order of importance, to the regions of Lombardy, Emilia Romagna and Veneto.

To protect farmers' incomes, a system of increasing aid payments will be introduced over a period of three years to compensate for the reduction in support prices. The amount of compensation, which will be granted to farms on the basis of admissible individual quotas, has been set at

5.75 euro/tonne in 2005, 11.49 euro/tonne in 2006 and 17.24 euro/tonne in 2007.

To comply with the general principles of EU legislation, national directives have been issued to ensure that milk quotas are only allotted to working dairy farms. The Government's policy is to reinforce the mechanisms by which quotas can be reallocated, using a mixed system: together with partial liberalization of the market (creating the possibility of reallocating up to 50% of regional quotas from one region to another), amendments to quota revocation mechanisms have been introduced to make them more effective. The possibility of compensation, on the other hand, has been reduced to a minimum through the abolition of priority criteria and by establishing that farmers may only be compensated for 70% of their excess production.

Wine sector

The reform, which became effective on 1st July 2000, maintains the ban on planting new vineyards for 10 years but gives wine-producing countries the right to plant a certain area of new vineyards, which for Italy amounts to 12,933 hectares. The EU Commission may assign a further 17,000 hectares by the year 2003 to regions proving they have a specific need. A system for regularizing unauthorized vineyards has also been introduced by which penalties are applied or planting rights have to be paid. Structural aid, for conversion and improvement of the structure of vineyards, has been included again in the common organization of the market for the sector and therefore remains excluded from the regulation on rural development.

As a market control mechanism, voluntary distillation has been intro-

duced to guarantee the supply of alcohol for food use and, in the case of surplus wine production, recourse to "crisis" distillation has been made possible, also on a voluntary basis.

The bans on making wine from grape must and on mixing wines with wines from non-EU countries have been confirmed and no changes have been made to wine-making practices.

In Spring 2000, procedures for applying the regulations on production potential were established, while discussion continues on the remaining implementing regulations (concerning market mechanisms, quality products, oenological practices, horizontal measures).

At national level, AIMA (the Italian Intervention Board for the Agricultural Market), the Ministry for Agricultural and Forestry Policies and the Regions concluded an agreement on the establishment of an Inventory,

the existence of which is a precondition for the application of the new regime.

Lastly, the terms and conditions of the amnesty for unauthorized vineyards will be approved by summer 2000.

Horizontal measures

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

Through the horizontal measures, member states may attach minimal environmental conditions to the pay-

ment of premiums for each sector (cross compliance) or apply modulation, which can consist in reducing direct payments to farmers if the number of workers employed on their farms is below a certain minimum and/or the overall prosperity of the farms and/or total amount of premiums paid to the farmers exceed certain ceilings. Italy has not applied these measures in 2000 but is considering the possibility of implementing them from 2001 and discussion is in progress on the environmental conditions which would be imposed and how modulation would be applied.

Rural development

In the single Regulation 1257/99, the measures included in nine previous Council regulations were brought together; this simplification and concentration process was given concrete form by granting the regions the pos-

sibility of drawing up a single intervention programme valid for a seven-year period (2000-2006). For regions in the Centre-North, the Rural Development Plans contain all the measures set out in the Regulation whereas for Objective 1 regions they only contain the three accompanying measures and compensatory allowances as the other measures for these regions are contained in the Operational Programmes.

Other aspects of the reform are:

- greater involvement of the Guarantee section of the EAGGF, which will finance all rural development measures in non-Objective 1 regions as well as the traditional accompanying measures and compensatory allowances;
- greater featuring of the environment in all measures.

In Italy the negotiations which began in Spring 2000 for the approval of the

Rural Development Plans are still open. For regions in the Centre-North, these Plans may contain the whole package of 22 measures set out in the Regulation.

The Ministry for Agricultural and Forestry Policies does not manage the funds directly but has a guiding and coordinating role. The member states, in fact, have been given the task of defining certain essential aspects for implementation of the measures. For Italy, the Ministry for Agricultural and Forestry Policies has provided the necessary guidance for the preparation and implementation of programmes by drawing up guidelines for rural development (also approved by the State-Regions Conference) and by preparing six documents providing methodological guidance on the following subjects: profitability; good farming practice; minimum requirements regarding the

environment, hygiene and the wellbeing of animals; compatibility with the common organization of the market for each sector; implementation procedures; inspections and sanctions.

As far as financing is concerned, the distribution of Community resources among the programmes was approved by the CIPE in the Resolution passed on 21/12/99. The Resolution also provided for a National Board to be set up to supervise the implementation of rural development plans, with the aim of ensuring all actions are carried out efficiently. The sum initially allotted to Italy of 4,165 million euro has been subsequently raised, further to indexation, to 4,512 million euro (Dec. 426/2000).

Reform of the Structural Funds

The aim of the reform of the Structural Funds is to improve their effectiveness through concentration

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

	Budget 2000-06	%
Piemonte	335.1	8.0
Valle d'Aosta	40.6	1.0
Lombardia	311.0	7.5
Bolzano	109.7	2.6
Trento	83.2	2.0
Veneto	274.3	6.6
Friuli Venezia Giulia	92.2	2.2
Liguria	80.3	2.0
Emilia Romagna	356.9	8.6
Toscana	303.8	7.3
Umbria	165.8	4.0
Marche	171.2	4.1
Lazio	235.7	5.7
Abruzzo	122.6	3.0
Molise	30.8	0.8
Campania	139.4	3.4
Puglia	269.4	6.5
Basilicata	169.3	4.1
Calabria	206.5	5.0
Sicilia	388.0	9.3
Sardegna	279.5	6.7
ITALY	4,165.0	100.0

(*) Before indexation.

Source: CIPE.

of resources, improvement of the financial administration of funds and simplification of procedures for managing the various programmes. Priority Objectives have been reduced from six to three, thus concentrating structural aid in regions with the greatest need. Economic and social cohesion is to be achieved through the harmonious, well-balanced and sustainable development of all economic activities, the development of employment and human resources, the protection and enhancement of the environment, the elimination of disparities and the promotion of equality between men and women.

A total of 213,000 million euro has been allocated for the implementation of structural policies under Rubric 2 in the EU Financial Perspective, of which 18,000 million are allotted to the Cohesion Fund.

Objective 1: In the new round of the Structural Funds (2000-06), the aim of Objective 1 continues to be the promotion of development and of structural adjustment in less developed regions with GDP per head below 75% of the EU average.

The Italian regions included in Objective 1 are Campania, Puglia, Basilicata, Calabria, Sicily and Sardinia. The region of Molise no longer qualifies for Objective 1 but will be able to benefit from transitional (phasing-out) support.

With the CIPE Resolution passed on 21/12/98, the Ministry for the Treasury, Budget and Economic Planning drew up a time-chart for the planning phase and established tasks and responsibilities for both central Government Departments and Regional Authorities. With the CIPE Resolution passed on 14/05/99, the "Guidelines for the

Development Programme for the South 2000-2006” drawn up by the National Committee for the Structural Funds 2000-06 were acknowledged as a basis for drawing up the Development Programme for the South. This Programme indicates the six priority areas to be taken into consideration in deciding how to invest public money:

- exploitation of natural and environmental resources;
- exploitation of cultural and historical resources;
- exploitation of human resources;
- improvement in the quality of towns and local institutions and in the quality of life connected with them;
- local development systems;
- service networks and junctions.

The Programme, as set out in the CIPE Resolution dated 6/08/99, is

divided up into seven Regional Operational Programmes (for the seven Objective 1 regions) and seven National Operational Programmes (for security, research, transport, education, technical assistance, industry, fishing).

The Ministry for Agricultural and Forestry Policies, with the collaboration of the Regions, business associations and other Ministries (Treasury, Environment, Research, Industry etc), has drawn up an Interim Report entitled “Agriculture and Rural Development”, on which the Development Programme for the South and a condensed document entitled “Guidelines for Planning the Structural Funds 2000-06”, approved by the State-Regions Conference, were based.

While the Community Support Framework was approved at

Community level, the Regional Operational Programmes must await approval by the European Commission and preparation of the related programme complements, before implementation of measures and schemes can begin.

Objective 2: According to Reg. 1260/1999, this Objective embraces regions with structural problems, especially areas undergoing socio-economic change in industry and the services industry, rural areas in decline, urban areas in difficulty and depressed areas which rely on fishing. The areas proposed by Italy for Objective 2 have been approved by the European Commission; the list was drawn up by the Department for Development and Cohesion Policies in the Ministry for the Treasury, Budget and Economic Planning.

Community Initiative Programmes

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

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

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

EQUAL: For transnational cooperation in the fight against unemployment and inequality on the labour market, with a budget of 2,847 million euro from the ERDF;

LEADER+: For exploitation of resources in rural areas as part of an integrated national strategy for rural development to be carried out through regional programmes. The purpose of LEADER+ is to complete programmes with structural goals. It promotes new forms of exploitation of natural and cultural resources, enhancement of local economies and improvement of the organizational abilities of local communities. The innovative feature of this initiative is "cooperation", with the provision of support for inter-territorial and transnational cooperation. Unlike in the past, LEADER+ will involve all rural areas throughout the country. Its total budget for the whole of the next round of the Funds amounts to 2,148.9 million euro from the EAGGF, of which Italy has been allocated 284.1 million.

Distribution of the budget for LEADER+ ('000 euro, 2003 prices), 2000-06

	Budget 2000-06	%
Belgium	15.9	0.7
France	268.1	12.5
Germany	262.8	12.2
Italy	284.1	13.2
Luxembourg	2.1	0.1
Netherlands	82.9	3.9
Denmark	17.0	0.8
Ireland	47.9	2.2
United Kingdom	112.7	5.2
Greece	182.9	8.5
Portugal	161.6	7.5
Spain	496.9	23.1
Austria	75.5	3.5
Finland	55.4	2.6
Sweden	40.5	1.9
EU	42.6	2.0
TOTAL	2,149	100.0

Source: European Commission.

Regulations approved further to Agenda 2000 reforms

Arable crops

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

Reg. 1252/1999 setting up a quota regime for potato flour

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

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

Beef

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

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

Reg. 907/2000 containing application procedures for Reg. 1254/1999

Milk and dairy products

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

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

Wine

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

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

Direct support

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

Rural development

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

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

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

Funding of common agricultural policy

Reg. 1258/1999 regarding funding of the CAP

Transitional support

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

Cohesion Fund

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

Application of the CAP

Arable sector

In 1999, a total of 640,824 claims for arable area payments in respect of a total area of over 4.7 million hectares were made in Italy. Compared to last year there were fewer claims in both the simplified and main schemes; the main scheme, however, predominated as regards both number of claims (82%) and amount of area involved, which was mostly planted to cereals.

The largest fall in claims was for oilseeds under the main scheme, as if in anticipation of the effects of the reform by which the difference in premium enjoyed up to now by soya, sunflowers and rape over cereals will be reduced in 2000 and will disappear altogether in 2002. Protein crops predominated in farms run by "small growers"; as for "large growers", their set-aside,

Areas of land under the main and simplified schemes, 1999

	Main scheme Area of land (ha)	Simplified scheme Area of land (ha)
Durum wheat	469,423	1,144,089
Corn	682,145	445,496
Other cereals	378,686	733,221
Total cereals	1,530,254	2,322,806
of which ensiled	71,227	44,398
Soya	221,361	11,352
Sunflowers	231,490	4,735
Rape	66,951	779
Total oilseeds	519,802	16,866
Total protein crops	28,487	44,796
Total non-textile flax	164	1
Obligatory set-aside	225,104	
Voluntary set-aside	32,571	
Uncompensated set-aside	2,073	
Total set-aside	259,748	
of which non-food	28,228	
Forage areas for cattle premiums	4,221	12,145
TOTAL AREAS	2,342,676	2,396,614

Source: AIMA figures processed by the Ministry for Agricultural and Forestry Policies.

Application of the CAP in the arable sector in EU countries ('000 hectares), 1998/99

	Base area	Set-aside	Land planted to arable crops (1)			
			Simplified scheme	%	Main scheme	%
Belgium	479	13	246	55.2	200	44.8
France	13,526	938	1,648	12.1	12,022	87.9
Germany	10,156	807	1,462	14.6	8,532	85.4
Italy	5,801	160	2,148	46.6	2,457	53.4
Luxembourg	43	1	20	50.0	20	50.0
Netherlands	437	6	292	74.7	99	25.3
Denmark	2,018	153	252	12.5	1,771	87.5
Ireland	346	20	92	27.8	239	72.2
United Kingdom	4,461	298	210	4.7	4,276	95.3
Greece	1,492	14	1,158	87.9	160	12.1
Portugal	1,035	72	330	43.2	434	56.8
Spain	9,220	1,309	1,241	14.4	7,381	85.6
Austria	1,203	71	365	32.0	774	68.0
Finland	1,591	156	415	30.4	948	69.6
Sweden	1,737	194	261	16.6	1,313	83.4
EU	53,545	4,212	10,140	20.0	40,626	80.0

(1) Excludes land planted to forage.
Source: European Commission, DG VI.

set at 10% in 1999 under the obligatory scheme, constituted 5% of the total area of land for which payments were made.

Approximately one third of claims came from Objective 1 regions in the South while the largest number came from the Centre-North of the country.

The crop for which most claims were made was durum wheat (thanks also to the supplementary aid granted to growers) with over 1.5 million hectares claimed, most of which was situated in South Italy.

Beef sector

In 1999, claims for cattle premiums were concentrated in regions in the Centre-North of Italy, as was the number of male bovines for which claims were made. Regions in the South, on the other hand, kept the

largest number of suckler cows claimed.

At national level, the region of Piemonte stood out for its overall number of claims (17% of the national total) and the number of male bovines claimed (a good 21% of the national total), while Sicily accounted for almost a quarter of the total suckler cows claimed nationally.

The Veneto region distinguished itself for the number of male bovines claimed and in particular for the well-above-average number of male bovines on its farms; the number of head per claim from the Veneto averaged out at over 13 compared to a national average of 3.5.

Accompanying measures

After a slow initial phase, the application of Reg. 2078/92, which provides financial resources for

Claims and numbers of suckler cows and male bovines for which claims were made, 1999

	Number of claims	Suckler cows (*)	Male bovines
Piemonte	22,604	122,619	95,120
Valle d'Aosta	1,555	6,480	980
Lombardia	8,276	27,553	42,797
Trentino - Alto Adige	1,715	4,376	3,941
Veneto	5,569	3,879	76,416
Friuli - Venezia Giulia	1,000	2,732	3,214
Liguria	1,149	5,931	1,353
Emilia - Romagna	4,494	19,763	17,308
Toscana	4,279	26,371	12,293
Umbria	3,978	16,560	9,747
Marche	6,646	22,935	13,168
Lazio	6,883	45,947	15,947
Abruzzo	6,309	17,863	11,817
Molise	3,817	5,965	7,422
Campania	11,973	49,719	24,499
Puglia	3,693	19,107	12,064
Basilicata	3,393	21,790	8,326
Calabria	7,067	63,007	20,808
Sicilia	14,744	172,161	51,360
Sardegna	10,259	100,499	24,312
ITALY	129,403	755,257	452,892

Source: AIMA data processed by the Ministry for Agricultural and Forestry Policies.

(*) The number of suckler cows appears to be higher than the national ceiling, but the number of eligible head is probably actually lower, considering irregularities and the fact that not only premium claims have been included but also quota claims.

Utilization of Community budget for the implementation of Regs. 2078/92, 2079/92, 2080/92 (million ecu/euro), 1994-99

	2078/92		2079/92		2080/92	
	1999	1994-99	1999	1994-99	1999	1994-99
Belgium	3.1	8.3	5.1	17.3	0.2	0.4
France	121.7	638.3	55.2	527.9	4.1	15.8
Germany	348.4	1,447.4	0.0	0.0	12.1	91.2
Italy	571.8	1,157.0	1.9	3.1	90.9	225.7
Luxembourg	6.8	13.1	0.0	0.0	0.0	0.0
Netherlands	12.4	49.9	0.0	0.0	1.4	10.2
Denmark	11.4	35.5	1.6	7.9	3.3	15.9
Ireland	134.9	416.1	65.3	242.0	39.9	198.6
United Kingdom	58.9	195.2	0.0	0.0	24.0	97.7
Greece	8.6	24.7	54.8	115.8	21.8	74.8
Portugal	74.3	279.6	6.3	17.4	37.2	135.2
Spain	73.7	230.3	24.4	69.6	147.0	611.6
Austria	272.9	1,346.7	0.0	0.0	4.4	18.7
Finland	136.4	666.5	15.3	37.0	5.9	23.3
Sweden	116.3	344.1	0.0	0.0	0.0	0.0
EU	1,951.6	6,852.7	229.9	1,038.0	392.2	1,519.1

Source: European Commission.

introducing and maintaining environmentally beneficial production methods and techniques, underwent a considerable boost.

In the 1994-1999 round of the Structural Funds, the EU spent no less than 6,852 million euro on the application of this regulation; of this total, Italy was allocated 1,157 million euro (17%), only spending less than Germany and Austria, which spent around 20% each of the total. Over 50% of the sums disbursed in Italy went to just four regions (Piemonte, Emilia Romagna, Tuscany and Sicily).

Reg. 2079/92, which sets out a series of measures ensuring a generation turnover in agriculture and supporting land unification programmes, showed a decidedly lower level of implementation. In fact only 1,038 million euro have been spent throughout the EU since 1994, with

France and Ireland absorbing some two thirds of this. Reg. 2080/92, which introduced a programme for afforesting land withdrawn from production, also

showed a low level of implementation; total Community expenditure amounted to approximately 1,519 million euro, of which Italy spent just under 15%.

Financial framework for agri-environmental measures in Italy (million lire), 1994-99 (*)

	1994-99	%
Piemonte	449,981	11.9
Valle d'Aosta	40,858	1.1
Liguria	20,121	0.5
Lombardia	199,939	5.3
Bolzano	64,122	1.7
Trento	31,455	0.8
Veneto	197,648	5.2
Friuli Venezia Giulia	27,788	0.7
Emilia Romagna	368,338	9.8
Toscana	489,575	13.0
Umbria	130,329	3.5
Marche	102,340	2.7
Lazio	289,781	7.7
Abruzzo	25,125	0.7
Molise	10,671	0.3
Campania	11,292	0.3
Puglia	110,261	2.9
Basilicata	198,339	5.3
Calabria	101,773	2.7
Sicilia	662,871	17.6
Sardegna	241,434	6.4
ITALY	3,774,042	100.0

(*) Provisional.

Source: Calculations by INEA using AIMA data.

Structural Funds for Agriculture

Objective 1

Objective 1 programmes continued to run successfully in 1999. There was in fact an increment during the year in both commitment and disbursement levels, which reached 98% and 53% respectively.

There were particularly large increases in levels of commitment in the Regional Programmes for Molise (approximately 103%), Calabria (114%) and Sardinia (107%). The two Multi-Regional Programmes - "Activities Providing Support for Agricultural Development Services" and "Exploitation of Agricultural Products" - also performed well, with their commitment levels reaching about 99%; their disbursement levels increased considerably too, especially for the "Exploitation of Agricultural Products", which rose from 0.3% in 1998 to 22% in 1999.

Financial implementation of the Community Support Framework in Objective 1 areas ('000 euro), 1994-99 (*)

Programme	Total cost 1994-1999 (a)	Commitments (b)	Disbursements (c)	Progress (%)		
				(b/a)	(c/a)	(c/b)
Multi-regional	379,147.0	378,462.2	165,448.7	99.8	43.6	43.7
OP - support agric. dev.ment services	231,429.0	231,080.5	134,457.7	99.8	58.1	58.2
OP - promotion agric. production	102,690.0	102,490.8	22,505.0	99.8	21.9	22.0
OP - support veg. & fruit growers	8,226.0	8,175.9	8,175.9	99.4	99.4	100.0
OP - territorial pacts (1)	36,802.0	36,715.0	310.0	99.8	0.8	0.8
Regional	4,062,512.4	3,961,803.2	2,201,911.6	97.5	54.2	55.6
OP - EAGGF rural dev.ment Abruzzo	189,850.0	191,480.8	136,972.0	100.9	72.1	71.5
MOP - Basilicata	427,660.0	555,101.3	289,060.1	129.8	67.6	52.1
OP - EAGGF rural dev.ment Calabria	508,172.7	579,048.4	330,112.5	113.9	65.0	57.0
MOP - Campania	600,913.0	451,358.4	294,304.9	75.1	49.0	65.2
GS - Stockbreeding Campania Region	66,470.0	66,448.2	867.7	100.0	1.3	1.3
MOP - Molise	221,488.7	227,730.0	106,475.8	102.8	48.1	46.8
MOP Puglia	672,701.0	665,211.9	285,638.2	98.9	42.5	42.9
MOP Sardegna	644,014.0	690,127.3	416,742.2	107.2	64.7	60.4
MOP Sicilia	731,243.0	535,296.9	341,738.2	73.2	46.7	63.8
TOTAL	4,441,659.4	4,340,265.4	2,367,360.3	97.7	53.3	54.5

(*) At 31/12/1999.

(1) Ministry of Treasury, Budget and Economic Planning.

Source: Data processing by S.I.R.G.S.

OP = Operational Programme
MOP = Multi-fund Operational Programme
GS = Global Subsidy

Objective 5a

Objective 5a is implemented in Italy with a clear distinction between actions for the benefit of farms ("indirect actions" - Reg. 950/97) and actions regarding the processing and marketing of agricultural and forestry products ("direct actions" - Regs. 951/97 and 867/90). Through indirect actions, financing is provided for investments on farms, for young farmers starting up a business for the first time, for education and training schemes and for compensatory allowances. Through direct actions, incentives are provided for investments in processing and marketing agricultural products.

The level of implementation reached by indirect actions under Reg. 950/97 is particularly interesting as it topped 100% in most regions in

Financial implementation of Reg. 950/97 in Obj. 5a areas (million euro) (*)

	Original amount (a)	Residual amount (b) (1)	Disbursements 1994-1998 (c)	Progress (%)	
				(c/a)	(c/b)
Piemonte	89.5	84.3	86.1	96.2	102.2
Valle d'Aosta	10.3	10.3	7.3	71.1	71.1
Liguria	23.4	22.3	20.6	87.6	92.0
Lombardia	43.8	34.7	39.8	90.9	114.7
Bolzano	19.2	14.8	16.8	87.7	113.8
Trento	21.7	16.6	17.0	78.4	102.8
Veneto	60.6	52.5	53.3	88.0	101.5
Friuli - Venezia Giulia	16.9	16.3	16.6	98.5	102.2
Emilia - Romagna	60.1	55.2	62.8	104.5	113.7
Toscana	38.3	32.4	26.8	70.0	82.8
Umbria	18.0	15.8	15.7	86.8	99.4
Marche	30.6	23.1	27.0	88.3	116.6
Lazio	26.0	23.6	23.8	91.5	100.8
Abruzzo	13.9	13.9	12.7	90.8	90.8
TOTAL	472.4	415.7	426.6	90.3	102.6
National contribution	4.0	0.4	0.3	6.4	64.3
TOTAL Reg. 950/97	476.4	416.1	426.9	89.6	102.6

(*) EAGGF quota. At 31/12/99.

(1) The residual amount is lower than the original amount because of cuts following the earthquake and the transfer of funds to Reg. 951/97.

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

1999. This result was achieved thanks to the fact that most regions committed greater sums than those actually available so that the natural wastage of some projects would not damage final disbursement levels; some regions also have the prospect of recovering funds diverted to areas hit by the earthquake.

Objective 5b

Objective 5b was allocated a budget of over 5.2 billion euro for the 1994-99 round of the Funds. At 31/12/99, the implementation results achieved by the 13 Single Programming Documents (SPDs) managed by the Regions plus the one managed directly by the Ministry for Industry showed commitments for over 5.5 billion euro and a total sum of disbursements for over 2.6 billion euro. Compared to the previous year, the

Financial implementation of the Single Programming Documents in Objective 5b areas ('000 euro), 1994-99 (*)

SPD	Total cost 1994-1999 (a)	Commitments (b)	Disbursements (c)	Progress (%)		
				(b/a)	(c/a)	(c/b)
Piemonte	293,140.2	306,835.3	189,855.9	104.7	64.8	61.9
Valle d'Aosta	14,282.5	15,662.1	8,200.0	109.7	57.4	52.4
Liguria	104,614.7	120,201.9	83,907.9	114.9	80.2	69.8
Lombardia	158,559.4	180,904.0	129,823.7	114.1	81.9	71.8
Bolzano	148,097.8	161,639.6	104,390.5	109.1	70.5	64.6
Trento	56,451.5	71,063.0	37,308.9	125.9	66.1	52.5
Veneto	540,271.5	488,986.2	297,589.3	90.5	55.1	60.9
Friuli - Venezia Giulia	197,821.8	256,209.6	153,498.9	129.5	77.6	59.9
Emilia - Romagna	253,680.0	208,900.2	133,788.1	82.3	52.7	64.0
Toscana	492,624.6	537,047.4	325,369.8	109.0	66.0	60.6
Umbria	978,867.6	1,166,095.5	266,024.9	119.1	27.2	22.8
Marche	644,055.3	658,928.8	162,230.4	102.3	25.2	24.6
Lazio	369,901.6	331,431.8	171,205.0	89.6	46.3	51.7
Ministry of Industry	974,367.8	1,007,785.9	569,882.6	103.4	58.5	56.5
TOTAL	5,226,736.2	5,511,691.5	2,633,075.9	105.5	50.4	47.8

(*) At 31/12/1999.

Source: Data processing by S.I.R.G.S.

level of commitments was much higher, rising to over 100% in most regions thanks to "overbooking" operations which aimed at preventing available financial resources being left unused.

The same cannot be said of the level of disbursement which remained rather low: the average was 50.4% with peaks in Liguria (80.2%), Lombardy (81.9%) and Friuli Venezia Giulia (77.6%).

LEADER II

LEADER II made good progress in 1999 compared to the previous year, in terms of both commitment and disbursement levels. For non-Objective 1 areas, these increased considerably: the level of commitments rose from 40.5% in 1998 to 93.9% in 1999 and the level of disbursements rose from 5.5% to

Financial implementation of LEADER II Community Initiative ('000 euro), 1994-99 ()*

	Total cost (a)	Commitments (b)	Disbursements (c)	Progress (%)		
				(b/a)	(c/a)	(c/b)
Objective 1 areas	191,692.7	132,318.2	28,704.6	69.0	15.0	21.7
Abruzzo	15,320.0	14,585.2	3,729.4	95.2	24.3	25.6
Molise	10,328.0	10,276.6	426.8	99.5	4.1	4.2
Campania	23,269.0	1,701.2	630.7	7.3	2.7	37.1
Puglia	35,304.7	31,333.3	9,400.0	88.8	26.6	30.0
Basilicata	13,285.0	12,648.8	3,036.9	95.2	22.9	24.0
Calabria	26,559.0	27,033.9	2,253.8	101.8	8.5	8.3
Sicilia	34,059.0	0.0	0.0	0.0	0.0	-
Sardegna	33,568.0	34,739.2	9,227.0	103.5	27.5	26.6
Non-Objective 1 areas	158,895.4	149,262.2	22,089.7	93.9	13.9	14.8
Piemonte	16,449.4	16,419.7	5,501.8	99.8	33.4	33.5
Valle d'Aosta	770.9	917.9	212.8	119.1	27.6	23.2
Liguria	4,821.5	4,715.2	1,193.0	97.8	24.7	25.3
Lombardia	4,199.8	4,222.5	671.0	100.5	16.0	15.9
Bolzano	5,448.7	5,814.8	2,140.5	106.7	39.3	36.8
Trento	5,623.6	4,404.4	495.1	78.3	8.8	11.2
Veneto	23,910.4	25,398.5	1,436.4	106.2	6.0	5.7
Friuli - Venezia Giulia	3,582.9	2,376.5	630.7	66.3	17.6	26.5
Emilia - Romagna	10,047.5	8,551.6	3,469.6	85.1	34.5	40.6
Toscana	26,194.4	33,935.0	1,989.1	129.6	7.6	5.9
Umbria	13,569.2	13,430.8	1,077.8	99.0	7.9	8.0
Marche	20,565.4	14,802.6	1,557.2	72.0	7.6	10.5
Lazio	23,711.7	14,272.6	1,714.8	60.2	7.2	12.0
National network	3,077.0	3,178.3	1,110.4	103.3	36.1	34.9
TOTAL LEADER II	353,665.1	284,758.6	51,904.7	80.5	14.7	18.2

13.9%. Despite the improvement, the latter was undoubtedly still too low, considering the 1994-99

round came to an end on 31/12/99. For programmes involving Objective 1 areas, the level of com-

mitments rose from 50.2% to 69% and the level of disbursements from 8.6% to 15%.

EAGGF - Guarantee Section

In 1999 spending in Italy by the Guarantee section of the EAGGF amounted to over 4.7 billion euro, bringing Italy's share of the total to some 11.7%, an increase over last year. Most payments were for arable crops (38.7%), followed by olive oil (14%), fruit and vegetables (8%) and tobacco (7.4%).

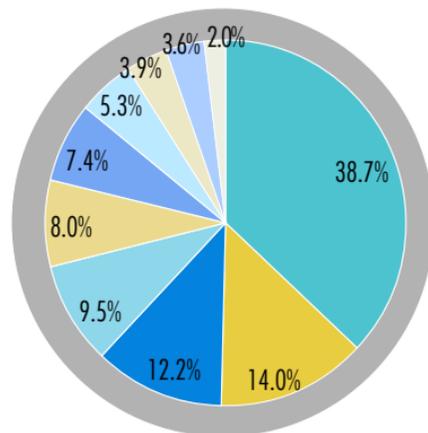
The livestock sector was a special case, receiving very low payments; this was mostly due to the fines inflicted on the dairy sector which actually led to a payout by Italy in 1999. Payments for the accompanying measures, on the other hand, were high, in particular Reg. 2078/92, which absorbed over 12% of the national total.

It should be pointed out that the distribution of CAP-related payments in Italy does not fully reflect the contribution of each agricultural sector to the value of agricultural

output, as Mediterranean products account for just under 35% of

total spending whereas continental products are allocated over 42%.

Spending by the EAGGF-Guarantee section in Italy by sector, 1999 ()*



Source: European Commission data processed by INEA.

	(million euro)
TOTAL	4,729.9
Arable crops	1,831.6
Olive oil	664.3
Reg. 2078/92	576.0
Others	449.5
Fruit and vegetables	378.2
Tobacco	349.2
Wine	249.8
Beef	183.1
Goatmeat and sheepmeat	168.2
Reg. 2080/92	93.1
Milk and cheese (*)	-214.8

(*) The milk and cheese sector is not represented in the diagram because it is a negative quantity.

EAGGF - Guidance Sector

The 1994-99 round of the Structural Funds came to an end in 1999. Under the Guidance section of the EAGGF, which co-finances programmes for areas in Objectives 1, 5a, 5b and 6 and some of the Community Initiative Programmes (LEADER, INTERREG etc), the total sums committed for Italy's benefit amounted to over 3.8 billion euro, of which 1.3 billion during 1999.

Italy's share amounted to 15.3% of the EU total and put our country in third place after Germany and Spain with about 19% each. Italy's position compared to other member states did not change substantially from the previous round (1989-93), when it absorbed 15.9% of the EU total.

In 1999, just under 60% of Italy's total commitments were concentrated on programmes for Objective 1 areas. Objective 5a, on the other

hand, accounted for just 10.6% while Objective 5b accounted for a substantial 21.6%. The Community Initiative Programmes brought up the rear with just 7.6% of the total.

Spending by the EAGGF/Guidance section by country, 1994-99 - commitments

	million euro	%
Belgium	297.4	1.2
France	3,580.6	14.4
Germany	4,742.4	19.0
Italy	3,819.1	15.3
Luxembourg	44.6	0.2
Netherlands	155.2	0.6
Denmark	180.0	0.7
Ireland	1,114.9	4.5
United Kingdom	673.4	2.7
Greece	2,092.8	8.4
Portugal	2,085.6	8.4
Spain	4,644.3	18.6
Austria	620.4	2.5
Finland	614.6	2.5
Sweden	245.0	1.0
EU	22.2	0.1
TOTAL	24,932.7	100.0

Source: European Commission data processed by INEA.

Main National Legislation

Major provisions

The **Economic and Financial Planning Document (DPEF)** for 2000-03, approved in June 1999, sets out the Government's main policies for the agri-industrial sector, which are:

- to encourage innovation;
- to integrate cost-cutting and structural policies;
- to exploit agricultural activities in order to protect land, the environment and the countryside;
- to promote the competitiveness and traditional character of commodities and protect consumers' health;
- to develop informative systems for the market;
- to simplify and reorder legislation and rationalize measures.

Law n. 499 dated 23 December 1999 - "Rationalization of measures

in the agricultural, agri-food, agri-industrial and forestry sectors". This law allows modulation of funding in these sectors over a period of several years and incorporates agricultural planning in the national planning framework of the DPEF. The total budget for the four-year period 1999-2002 amounts to 2,882 billion lire, of which 499 billion are allocated to measures in Decree Law n. 173/98, 249 billion to measures in

Law n. 423/98 (inter-regional programmes, common actions, cover for repayments for land improvement loans contracted by the Regions) and 541 billion to the Regions for each of the years 2000 and 2001 for implementation of measures devolved on them by administrative decentralization (Decree Laws n. 143/97 and n. 112/98). The Ministry of Agricultural and Forestry Policies has been allocated 250 billion lire per annum over

Financial allocations under Law n. 499/99 (billion lire)

Year	General measures	Regions	Agriculture Ministry	Total
1999	499.3 (1)	-	250	749.3
2000	99.1	540.7	250	889.8
2001	101.1	540.7	250	891.8
2002	101.1	-	250	351.1
TOTAL	800.6	1,081.40	1,000	2,882.00

(1) Of which 250 billion for aid regimes under Decree Law n. 173/98 and 249.3 billion for initiatives under Law n. 423/98, art. 1, para 3 (inter-regional programmes, land improvement loans contracted by the Regions, etc).

the four-year period to be divided among: SIAN (the National Agricultural Information System); research and experimentation; national producer associations and organizations; quality protection and repression of adulteration and fraud; genetic, vegetable and animal improvements carried out by national associations; forestry policies.

The “Programming Document for the Agri-food Sector” was drawn up to implement the measures in Law n. 499; it will cover a three-year period and will comprise the following:

- regional agricultural programmes;
- training programmes and measures encouraging young entrepreneurs;
- inter-regional programmes and common actions;
- activities carried out by the Agriculture Ministry in accordance with Decree Law n. 143/97;

- public measures and support actions in accordance with Decree Law n. 173/98 and measures for rationalization in the sector;

- agricultural programmes and measures arranged by “Sviluppo Italia”.

All aid for agricultural investments and incomes, including aid from the EU Structural Funds, will be included in this Programming Document.

Law n. 488 dated 23 December 1999 - “Provisions for the annual and multiyear State Budget” (Finance Act for 2000). The aims of this law are to promote competitiveness in the agricultural and agri-food sectors, including fishing and aquaculture, and to encourage organic and quality farming by :

- allocating 300 billion lire to the Agricultural Development Fund (art. 25, Law n. 144/999) for acti-

vating aid regimes which reduce production costs in accordance with Decree Law n. 173/98;

- re-financing Law n. 237/92 on cooperatives;

- re-financing Law n. 817/71 for the development of cultivated land and confirming annual funds for AIMA and the National Solidarity Fund;

- providing national co-financing for the Development Plan for the South 2000-06, for which Community funds will be available for agriculture (approximately 5,800 billion lire);

- extending the general regulations for the sale of State property to farmable property; ensuring young entrepreneurs below the age of 40 are given priority;

- encouraging organic and quality farming by taxing the use of plant treatment products and animal feed containing animal flour and

- proteins. The tax levied on these products will finance the following: national and regional programmes for further research and experimentation in low-impact agriculture; promotion and consumer information campaigns; drafting, revising and disseminating codes of good agricultural practice;
- extending tax relief for the creation or enlargement of farming estates up to 31 December 2001 and confirming the special IRAP rate of 1.9%;
 - extending temporary work contracts to farm employees;
 - amending the special VAT regime for agriculture, setting out specific obligations and conditions for farmers(*);
 - amending Decree Law n. 146/97 for the reform of social security in agriculture, by which relief on

social security contributions paid by agricultural employers in mountainous and disadvantaged areas or Southern regions will be redistributed as from 1st January 2000 in accordance with the new classification of disadvantaged areas based on the EU's new objectives and area definitions (Reg. 1260/99). All the South of Italy is considered a disadvantaged area and so will still be granted relief after the expiry date for exemption of payment of social security contributions, fixed at 31 December 1999.

Other provisions

Implementation measures for Legislative Decree n. 173 dated 30 April 1998 (reduction of production costs and structural improvement of farms):

- Decree n. 350 (art. 8) dated 8 September 1999 sets out regulations for a national list of traditional agri-food products (including the methods by which they are processed, preserved and matured); the products are identified by the Regions, which send their lists to the Ministry for Agricultural and Forestry Policies.
- Decree n. 401 (art. 1, paras 3 & 4) dated 11 September 1999 sets out provisions encouraging biomass production and use for energy and provides incentives for the use of

(*) The Government conceded the extension with Decree Law n. 21/00, converted into Law n. 92/00, by which it reinstated the regulations for the special VAT regime for agriculture for the whole of the year 2000.

renewable energy sources in the agricultural and agri-industrial sectors. Funds are shared out among the Regions on the basis of production and the number of farms involved.

- *Presidential Decree n. 503 (art. 14, para 3) dated 1st December 1999 provides for the creation of a Farmer's and Fisherman's Charter and of a Farm Register. The purpose of these instruments is to improve the administrative efficiency of aid regimes for enterprises through information, rationalization and simplification.*
- *Decree dated 1st December 1999 regulates territorial pacts and programme contracts for the agricultural and fishing sector, thus implementing the CIPE Resolution of 11 November 1998 (art. 10, para 1 of*

Decree Law n. 173/98). The decree establishes the criteria by which initiatives will be selected for financing, based on their profitability and capacity to create employment. Initiatives regarding any sector in the whole of the agri-food supply chain, including fishing and aquaculture products and the pro-

cessing and marketing of forestry products, are eligible for funding.

- *CIPE Resolution n. 14 dated 15 February 2000 - "Distribution of funds for depressed areas 2000-02. Finance Act for 2000 (Table D)". This Resolution contains financial and implementing provisions for*

Funding for productive measures in depressed areas (billion lire), 2000-02 (*)

Measure	South		Centre-North		Total	
	(billion lire)	(%)	(billion lire)	(%)	(billion lire)	(%)
General territorial pacts	1,134	14.9	-	0.0	1,134	13.3
Agricultural territorial pacts (1)	925	12.2	75	8.3	1,000	11.8
Area contracts	700	9.2	-	0.0	700	8.2
Other contractual instruments (2)	765	10.1	135	15.0	900	10.6
Financial facilitations L. 488/92 (3)	3,991	52.5	675	75.0	4,666	54.9
Minor islands (DUPIIM)	85	1.1	15	1.7	100	1.2

(*) CIPE Resolution n. 14/2000

(1) Includes sum of 500 billion lire funded by the agriculture section of the ROPs (Objective 1).

(2) Programme contracts and other instruments of contractual planning.

(3) Includes the sum of 1,500 billion lire funded by the Industry NOP and 500 billion lire funded by the industry section of the ROPs (Objective 1).

territorial pacts in the agricultural and fishing sectors. These are allotted a sum of 1,000 billion lire, which includes the 500 billion lire from the Structural Funds for Regional Operational Programmes.

- Decree dated 21 March 2000 (art. 13, para 1) implements the aid regime for the sectors involved in processing and marketing agricultural commodities. Measures must be arranged in Regional or Multi-Regional Operational Programmes and must concern technological innovation, structural improvements, compliance of production plants with health regulations, enhancement and exploitation of products, or research and development activities. Multi-Regional Programmes must involve operators from more than one region, with measures regarding the sup-

ply chain or logistic services for primary products.

Legislative Decree n. 165 dated 27 May 1999 - "Abolition of AIMA and creation of AGEA (Payments Board for Agriculture) according to art. 11 of Law n. 59/97". The role given to AGEA by the Government is to coordinate market intervention in the agricultural and agri-food sectors and supplies of agri-food commodities. The Board is responsible to the EU for the fulfilment of obligations regarding the management of CAP payments and market and structural intervention financed by the EAGGF. The Regions are instructed to set up appropriate services and agencies for the disbursement of payments.

Legislative Decree n. 300 dated 30 July 1999 - "Reform of Government organization according to art. 11 of

Law n. 59/97". The decree provides for the reorganization and rationalization of ministries and local administrations. The name of the Ministry for Agricultural Policies has been changed to Ministry for Agricultural and Forestry Policies and the Ministry's operational duties have been divided into two main areas: one regarding agriculture and fishing (formulation and coordination of agricultural and forestry policies in collaboration with the Regions and Autonomous Provinces; fishing and aquaculture; fulfilment of obligations and inspection activities related to the Guarantee and Guidance sections of the EAGGF) and the other regarding the quality of agricultural products and services (inspection and quality control bodies; organic farming; environmentally friendly production; protected areas; *codex alimentarius*; economic exploitation

of agricultural and fishing products; recognition of and support for national producer organizations and associations; agreements among producers; prevention and repression of food adulteration and fraud; fight against unfair competition).

Law n. 410 dated 28 October 1999 - "New regulations for producer organizations". This law updates and reorders the juridical and financial regulations on producer organizations and its aims are: to promote innovations and improvements in agricultural production; to set up and run services of use to agriculture; to carry out credit operations in kind regarding agricultural working capital; to exercise other functions regarding credit and company matters.

Law n. 526 dated 21 December 1999 - "Regulations for the fulfilment

of obligations deriving from Italy's membership of the European Community (community law 1999)". The law contains important legislative adjustments such as the hygiene regulations for food products (art. 10 of the community law amending Decree Law n. 155/97, implementing Directives 93/43 and 96/3) and the regulations on the control and inspection of food products with registered names and certifications of specific character (art. 14 of Law 526/99, amending art. 53 of Law 128/98).

Legislative Decree n. 3 dated 14 January 2000 amends and makes additions to the decree by which the Company "Sviluppo Italia" was formed (Decree Law n. 1/99). The company is transformed into an agency which operates through branches of directly or indirectly

controlled companies coordinated by central and regional administrations. The policies and operational priorities of the Company include: exploiting and transferring innovations (in the agri-industrial and environmental sectors as well as others); natural resources; entrepreneurial activity by women and young people.

Law n. 79 dated 7 April 2000 converts Decree Law n. 8/00 - "Urgent instructions for the distribution of the Community's increase of the national milk quota and for the provisional regulation of the milk and dairy sector". The law implements the 1999 Community regulation by which farms which use less than 70% of their quota for a year lose the unused part of the quota, save for exceptional cases. The law also regulates relations and deadlines with the Regions.

APPENDIX

Glossary

Contract work

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

AWU - Annual Work Units

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

ESU - European Size Unit

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

FADN has adopted the 1986 SGM since 1995, according to which 1 ESU = 1,200 ecu = 1,783,200 lire.

ISTAT adopts the average SGM for 1993, 1994 and 1995, so that 1 ESU = 1,200 ecu = 2,308,608 lire.

FT - Farm Type

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

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

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

Fixed costs

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

Forms of Farm Management

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

GDP - Gross Domestic Product

GDP is the net result of activities carried out by productive units operating on the economic territory of the country. It equates to the sum of the value of goods and services produced within that territory during a specified period of time (usually a

calendar year). It does not include the value of intermediate goods and services.

Intermediate consumption in agriculture

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

and research services; producer organization membership, insurance, banking and financial services; legal and accountancy services. The cost of transactions within the agricultural industry has also been added, including own use of products on farms and the sale of products between farms.

Net Income

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

Normalized Balance

This is the ratio of the simple balance of trade (exports minus imports) to the overall volume of trade (exports plus imports); it varies between -100 (absence of exports) and +100 (absence of imports) and is used to compare the trade perfor-

mance of aggregates of different products and of products of different absolute value.

Occupation of UAA

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

Output at basic prices

With ESA 95, the concept of a “local kind-of-activity unit” (KAU) is adopted in the agricultural account in order to describe production processes and the revenue obtained from them and to compare enterprises from a financial viewpoint and as regards their types of production. The “national farm” concept, which was used previously, has been superseded, replaced by the term “agricultural industry”, which embraces all KAUs involved in agriculture and

classified according to their main productive activity. These units constitute together the “economic branch of the agricultural industry”, which includes not only the financial results of agricultural activity in the strict sense but also the results of correlated secondary activities such as the processing of agricultural products by farms and/or certain services and other productive activities (forestry etc).

Related to the concept of the KAU is the concept of “output” which according to ESA 95 methodology does not only include products destined for the market at an economically significant price (saleable production) but also those used by producers as final consumption or investment (production for own final use). The new system therefore supersedes the old concept of “final output” by including in the concept of output

not only production sold on the market or kept as stock or consumed on the farm, but also the part of production used as an intermediate input in the same year by the unit which produced it.

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

Production-related subsidies

Premiums and grants paid out by

public bodies in support of the agricultural sector.

SGM - Standard Gross Margin

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

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

Total Farm Area

For structural surveys of farms, total farm area includes UAA, cultivated woodland (woods and poplar groves), unused agricultural land and any other land within the farm perimeter. It differs therefore from the definition used in current agricultural statistics, which also includes other untended areas of land not belonging to any farm.

UAA - Used Agricultural Area

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

VA - Value Added

Value added is the difference between the value of goods and services produced in each sector and

the value of the intermediate goods and services consumed in producing them. It is equivalent to the sum of income and depreciation in each sector.

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

Output less intermediate consumption gives value added at basic prices.

Variable costs

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

WU - Standard Work Unit

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

Useful Addresses

Ministero delle Politiche Agricole e Forestali - MiPAF (Ministry for Agricultural and Forestry Policies)
Via XX Settembre, 20 - Roma

REGIONAL DEPARTMENTS OF AGRICULTURE

Abruzzo

Il Dipartimento

Pescara, Via Catullo, 17

Basilicata

Potenza, Via Anzio, 44

Calabria

Catanzaro, Via S. Nicola, 5

Campania

Napoli, Centre Direzionale Isola A/6

Emilia-Romagna

Bologna, Viale Silvani, 6

Friuli-Venezia Giulia

Udine, Via Caccia, 17

Lazio

Roma, Via Rosa Raimondi Garibaldi, 7

Liguria

Genova, Via D'Annunzio, 113

Lombardia

Milano, Piazza IV Novembre, 5

Marche

Ancona, Via Tiziano, 44

Molise

Campobasso, Via Nazario Sauro, 1

Piemonte

Torino, Corso Stati Uniti, 21

Puglia

Bari, Lungomare N. Sauro, 45

Sardegna

Cagliari, Via Pessagno, 4

Sicilia

Palermo, Viale Regione Siciliana, 2675 ang. Via Leonardo da Vinci

Toscana

Firenze, Via di Novoli, 26

Provincia Autonoma di Trento

Trento, Via G. B. Trener, 3

Provincia Autonoma di Bolzano

Bolzano, Via Brennero, 6

Umbria

Perugia, Centre Direzionale Fontivegge

Valle d'Aosta

Aosta, Quart - loc. Amerigeu, 127/A

Veneto

Mestre, Palazzo Balbi - Dorsoduro 3901

NATIONAL RESEARCH BODIES

CNR - Consiglio Nazionale delle Ricerche

Roma, Piazzale Aldo Moro, 7

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

Santa Maria di Galeria (RM), Strada Prov. Anguillarese, 301

INEA - Istituto Nazionale di Economia Agraria

Roma, Via Barberini, 36

INFS - Istituto Nazionale per la Fauna Selvatica

Ozzano Emilia, (BO) Via Cà Fornacetta, 9

INN - Istituto Nazionale della Nutrizione

Roma, Via Ardeatina, 546

ISMEA - Istituto per Studi Ricerche e Informazioni sul Mercato Agricolo
Roma, Via C. Celso, 6

ISTAT - Istituto Nazionale di Statistica

Roma, Via Cesare Balbo, 16

Istituto Nazionale di Apicoltura

Bologna, Via di Saliceto, 80

Istituto Superiore di Sanità

Roma, Viale Regina Margherita, 299

NOMISMA

Bologna, Strada Maggiore, 44

UCEA - Ufficio Centrale di

Ecologia Agraria e Difesa delle Piantе Coltivate dalle Arversità Meteoriche

Roma, Via del Caravita, 7/A

AGRICULTURAL RESEARCH AND EXPERIMENTATION INSTITUTES

Centre di Specializzazione e Ricerche Economico-Agrarie nel Mezzogiorno

Portici (NA), Via Università, 96

Istituto Agronomico per l'Oltremare

Firenze, Via Cocchi, 4

Istituto Centrale per la Ricerca Scientifica e Tecnologica Applicata al Mare

Roma, Via Lorenzo Respighi, 5

Ist. Sper. Agronomico

Bari, Via Celso Ulpiani, 5

Ist. Sper. Lattiero Caseario

Lodi (MI), Via A. Lombardo, 11

Ist. Sper. per l'Agrumicoltura

Acireale (CT), Corso Savoia, 190

Ist. Sper. per l'Assesamento Forestale e l'Apicoltura

Trento (Villazzano), P.zza Nicolini, 6

Ist. Sper. per la Cerealicoltura

Roma, Via Cassia, 176

Ist. Sper. per le Colture Foraggere

Lodi (MI), Viale Piacenza, 29

Ist. Sper. per le Colture Industriali

Bologna, Via di Corticella, 133

Ist. Sper. per la Elaiotecnica

Pescara, Via Cesare Battisti, 198

Ist. Sper. per l'Enologia

Asti, Via Pietro Micca, 35

Ist. Sper. per la Floricoltura

Sanremo (IM), Corso degli Inglesi, 508

Ist. Sper. per la Frutticoltura

Ciampino (RM), Via Fioranello, 52

Ist. Sper. per la Meccanizzazione Agricola

Monterotondo (RM), Via della

Pascolare, 16 (Via Salaria, km. 29,200)

Ist. Sper. per la Nutrizione delle Piantе

Roma, Via della Navicella, 2

Ist. Sper. per l'Olivicoltura

Rende (CS), Contrada "Li Rocchi" Vermicelli

Ist. Sper. per l'Orticoltura

Pontecagnano (SA), Via dei Cavalleggeri, 25

Ist. Sper. per la Patologia Vegetale

Roma, Via Carlo G. Bertero, 22

Ist. Sper. per la Selvicoltura

Arezzo, Viale Santa Margherita, 80

Ist. Sper. per lo Studio e la Difesa del Suolo

Firenze, Piazza M. D'Azelio, 30

Ist. Sper. per il Tabacco

Scafati (SA), Via P. Vitiello, 66

Ist. Sper. per la Valorizzazione

Tecnologica dei Prodotti Agricoli

Milano, G. Venezian, 26

Ist. Sper. per la Viticoltura

Conegliano (TV), Via 28 Aprile, 26

Ist. Sper. per la Zoologia Agraria

Firenze, Via Lanciola, 12a

Ist. Sper. per la Zootecnia

Roma, Via O. Panvinio, 11

EDUCATION CENTRES

Centre di Formazione Professionale di Motta di Livenza

Villanova di Motta di Livenza (TV)

Centre Addestramento Professionale "Francesco Mancini"

S.S. n. 3 Flaminia Km 147,750

CIFDA Metapontum Basilicata-Calabria-Puglia

S.S. 106 Jonica, km 448,200

Metaponto di Bernalda (Matera)

CIFDA Sicilia-Sardegna

Sede per la Sardegna

c/o Assessorato Agricoltura

Regione Sardegna

Via Emanuele Pessagno (CA)

Sede per la Sicilia

Hotel Azzolini Palm Beach

Terrasini, Palermo

CENASAC

Roma, Corso Vittorio Emanuele, 101

CIPA/AT

Roma, Via Fortuny, 20

FORMEZ

Arco Felice - Pozzuoli (NA),

Via dei Campi Flegrei, 34

INIPA

Roma, Via XXIV Maggio, 43

OTHER BODIES AND ORGANIZATIONS

AIMA - Azienda di Stato per gli Interventi nel Mercato Agricolo

Roma, Via Palestro, 81

Cassa per la Formazione della Proprietà Contadina

Roma, Via Nizza, 128

Consorzio Nazionale per il Credito Agrario di Miglioramento

Roma, Viale Castro Pretorio, 118

Ente Nazionale Cellulosa e Carta

Roma, Viale Regina Margherita, 262/e

Ente Nazionale Previdenza e Assistenza per gli Impiegati dell'Agricoltura

Roma, Viale Beethoven, 48

Ente Nazionale Risi

Milano, Piazza Pio XI, 1

Ente Nazionale delle Sementi Elette

Milano, Via F. Wittgens, 4

FAO - Food and Agriculture Organization of the United Nations

Roma, Viale delle Terme di Caracalla

FATA - Fondo Assicurativo Agricoltori

Roma, Via Urbana, 169
ICE - Istituto Commercio Estero
Roma, Via Liszt, 21
INEMO - Istituto Nazionale
Economia Montana
Roma, Piazza della Rovere, 104
INSOR - Istituto Nazionale Sociologia
Rurale
Roma, Via della Stelletta, 23
Società Agricola Forestale
per le Piante da Cellulosa e Carte
Roma, Via dei Crociferi, 19

FARMERS' ORGANIZATIONS,
TRADE UNIONS AND
PRODUCERS' ASSOCIATIONS
AIA -Associazione Italiana Allevatori
Roma, Via Tomassetti, 9
AIC - COPAGRI - Associazione
Italiana Coltivatori
Roma, Corso Vittorio Emanuele II, 326
AIPO - Associazione Italiana
Produttori Olivicoli
Roma, Via Alberico II, 35

ANAS - Associazione Nazionale
Allevatori Suini
Roma, Via G. B. De Rossi, 3
ANCA-LEGA - Associazione
Nazionale delle Cooperative Agricole
Roma, Via Guattani, 13
ANICAV
Napoli, Via della Costituzione
Centre Direzionale F3
ASSALZOO - Associazione
Nazionale Produttori Alimenti
Zootecnici
Roma, Via Lovanio, 6
ASSICA - Associazione Industriale
delle Carni
Rozzano (MI), Milanofiori - Strada
4 - Palazzo Q 8
ASSITOL - Associazione Italiana
dell'Industria Olearia
Roma, P.zza Campitelli, 3
ASSITRAPA - Associazione Italiana
Trasformatori Prodotti Agrumari
Roma, Via Aureliana, 53
ASSOBOSCHI - Associazione

Nazionale Forestale
Roma, Corso V. Emanuele, 101
ASSOCARNI - Associazione
Nazionale Industria e Commercio
Carni e Bestiame
Roma, Corso Italy, 92
ASSOCARTA
Roma, V.le Pasteur, 10
ASSOLATTE - Associazione
Italiana Lattiero Casearia
Milano, Corso di Porta Romana, 2
ASSONAPA - Associazione
Nazionale della Pastorizia
Roma, Viale Palmiro Togliatti, 1587
Associazione Generale delle
Cooperative Italiane
Roma, Via Tirso, 26
Associazione Granaria Meridionale
Napoli, Corso Meridionale
Associazione Industriali Mugnai e
Pastai d'Italy
Roma, Via dei Crociferi, 44
Associazione Nazionale Bieticoltori
Bologna, Via D'Azeglio, 48

**Associazione Nazionale Bonifiche
Irrigazioni Miglioramenti
Fondari**
Roma, Via di S. Teresa, 23

Associazione Nazionale Cerealisti
Roma, Via Po, 102

**Associazione Nazionale
delle Cooperative Agricole**
Roma, Via Guattani, 13

**Associazione Nazionale
Esportatori Importatori
Ortofrutticoli e Agrumari**
Roma, Via Sabotino, 46

**AVITALY - Unione Nazionale
Associazioni di Produttori Avicunicoli**
Forlì, Via Battuti Rossi, 6/A

**CIA - Confederazione Italiana
Agricoltori (ex Confcoltivatori)**
Roma, Via Fortuny, 20

**CISL - Unione Generale
Coltivatori**
Roma, Via Tevere, 44

**CNO - Consorzio Nazionale degli
Olivicoltori**

Roma, Via Piave, 8

Collegio dei Periti Agrari
Roma, Via Angelo Poliziano, 8

**CONFCOOPERATIVE
Confederazione Cooperative
Italiane**
Roma, Via Dè Gigli d'Oro, 21

**Confederazione Generale del-
l'Agricoltura**
Roma, Corso Vittorio Emanuele, 101

**Confederazione Italiana della Vite
e del Vino**
Milano, Via San Vittore al Teatro, 3

Consorzio Nazionale Bieticoltori
Bologna, Via Massimo d'Azeglio, 48

**Confederazione Nazionale
Coltivatori Diretti**
Roma, Via XXIV Maggio, 43

Consorzio Parmigiano Reggiano
Reggio Emilia, Via Kennedy, 18

**FEDERALIMENTARI - Federazione
Italiana dell'Industria Alimentare**
Roma, Viale dell'Astronomia, 30

FEDEROLIO

Roma, Via delle Conce, 20

FEDERPASTORI
Roma, Via XXIV Maggio, 43

FEDERVINI
Roma, Via Mentana, 27/B

**FISBA-CISL - Federazione
Italiana Salariati Braccianti e
Maestranze Specializzate Agricole
e Forestali**
Roma, Via Tevere, 20

**FLAI CGIL - Federazione
Lavoratori Agroindustria**
Roma, Via L. Serra, 31

**Ordine dei Dottori Agronomi
e Forestali**
Roma, Via Livorno, 6

**Consorzio per la tutela del
Formaggio Grana Padano**
Desenzano del Garda (BS),
Via XXIV Giugno, 8

**UIAPOA - Unione Italiana
Associazioni Produttori
Ortofrutticoli e Agrumari**
Roma Via Alessandria, 199

**UIAPROC - Unione Italiana
Associazioni
Produttori Ovicaprini**
Roma, Lungotevere Michelangelo, 9

**UIAPROF - Unione Italiana
Associazioni Produttori Frumento**
Roma, Lungotevere Michelangelo, 9

**UILA - Unione Italiana
Lavoratori Agroalimentari**
Roma, Via Savoia, 80

**UIME - Unione Italiana Mezzadri
e Coltivatori**
Roma, Via XX Settembre, 118

**UNA - Unione Nazionale
Avicoltura**
Roma, Via Vibio Mariano, 58

**UNACE - Unione Nazionale
Associazione Cerealicoltori e Semi
Oleaginosi**
Roma, Via Isonzo, 20

**UNACOA - Unione Nazionale
Associazioni Coltivatori
Ortofrutticoli e Agrumari**
Roma, Via Nizza, 46

**UNACOMA - Unione Nazionale
Costruttori Macchine Agricole**
Roma, Via Spallanzani, 22/A

**UNAFLORE - Unione Nazionale
Produttori Florovivaisti**
Roma, Via Modena, 5

**UNALAT - Unione Nazionale fra le
Associazioni dei Produttori di Latte
Bovino**
Roma, Via Parigi, 11

**UNAPA - Unione Nazionale
Associazioni Produttori Patate**
Roma, Via Ticino, 14

**UNAPOC - Unione Nazionale
Associazioni Produttori Ovicaprini**
Roma, Via Nazionale, 172

**UNAPOL - Unione Nazionale
Associazioni Produttori Olivicoli**
Roma, Via San Damaso, 13

**UNAPROA - Unione Nazionale
Associazioni Produttori
Ortofrutticoli**
Roma, Via F. De Sanctis, 11

UNAPROL - Unione Nazionale

Associazioni Produttori Olive
Roma, Via Rocca di Papa, 12

**UNARISO - Unione Nazionale
Associazioni Produttori Riso**
Roma, Via XXIV Maggio, 43

**UNASCO - Unione Nazionale
Associazione Coltivatori Olivicoli**
Roma, Via Tevere, 20

**UNATA - Unione Nazionale
Associazioni Produttori di Tabacco**
Roma, Lungotevere Michelangelo, 9

**UNAVINI - Unione Nazionale
Associazioni Produttori
Vitivinicoli**
Roma, c/o Confagricoltura - C.so
Vittorio Emanuele, 101

**UNAZOO - Unione Nazionale
Associazioni Zootecniche**
Roma, Via Isonzo, 20

**UNCI - Unione Nazionale
Cooperative Italiane**
Roma, Via S. Sotero, 32

**UNICAB - Unione Italiana
Associazioni Produttori Carni**

Bovine

Roma, Lungotevere Michelangelo, 9

***UNICEB - Unione Nazionale
Importatori Carni e Bestiame***

Roma, Viale Campioni, 13

***UNIMA - Unione Nazionale
Imprese di Meccanizzazione***

Agricola

Roma, Via Savoia, 82

Union Camere

Roma, Piazza Sallustio, 21

Unione Italiana Vini

Roma, Via G. B. De Rossi, 15/A

***UTI - Unione Tabacchicoltori
Italiani***

Roma, Via Curtatone, 3

AGRICULTURE ACADEMIES

Accademia di Agricoltura

Torino, Via Doria, 10

Accademia di Agricoltura

Pesaro, Via Giordani, 28

***Accademia di Agricoltura
Scienze e Lettere***

Verona, Via Leoncino, 6

***Accademia Economico-Agraria
dei Georgofili***

Firenze, Logge degli Uffizi

***Accademia Nazionale di
Agricoltura***

Bologna, Via Castiglione, 11

Useful Websites

NATIONAL INSTITUTIONS

Ministry for Agricultural and Forestry Policies

<http://www.politicheagricole.it>

Ministry for the Environment

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

Senate of the Republic

<http://www.senato.it>

Chamber of Deputies

<http://www.camera.it>

Agriculture Committee, Chamber of Deputies

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

EUROPEAN UNION

European Union

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

European Commission

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

DG VI - Agriculture

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

EUROSTAT

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

EUR - Lex II European Union Law

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

INFOREGIO

<http://www.inforegio.org>

European Environment Agency

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

NATIONAL RESEARCH INSTITUTES

INEA

<http://www.inea.it>

CNR

<http://www.cnr.it>

ENEA

<http://www.sede.enea.it>

ISTAT

<http://www.istat.it>

INN

<http://www.inn.ingrm.it/pageita.htm>

ISMEA

<http://www.ismea.it>

UCEA

<http://www.inea.it/ucea/uceaind.htm>

IRSA

<http://www.politicheagricole.it/MiPA/LinksUtili>

ANPA

<http://www.sinanet.anpa.it/novita/Emas.asp>

AGRICULTURAL BUSINESS ORGANIZATIONS

Confederazione italiana agricoltori

(Confederation of Italian Farmers)

http://www.cia.it

Confederazione nazionale coltivatori diretti

(National Confederation of Direct Growers)

http://www.coldiretti.it

Confederazione generale dell'agricoltura

(General Confederation of Agriculture)

http://www.confagricoltura.it

OTHER ITALIAN SITES

Cassa per la Formazione della Proprietà Contadina

(Fund for Creation of Farming Estates)

http://www.cassacontadina.it

ICE (Institute for Foreign Trade)

http://www.ice.it

Italian Chambers of Commerce

http://www.unioncamere.it

NOMISMA

http://www.nomisma.it

CENSIS Foundation

http://www.censis.it

INTERNATIONAL SITES

OECD

http://www.oecd.org/agr

FAO

http://www.fao.org

International Monetary Fund

http://www.imf.org

World Bank

http://www.worldbank.org

World Trade Organization

http://www.wto.org

Institut National de la Recherche Agronomique

http://www.inra.fr

United States Department of Agriculture

http://www.usda.gov

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Editors

*Alessandro Antimiani, Roberto Giordani, Francesca Marras,
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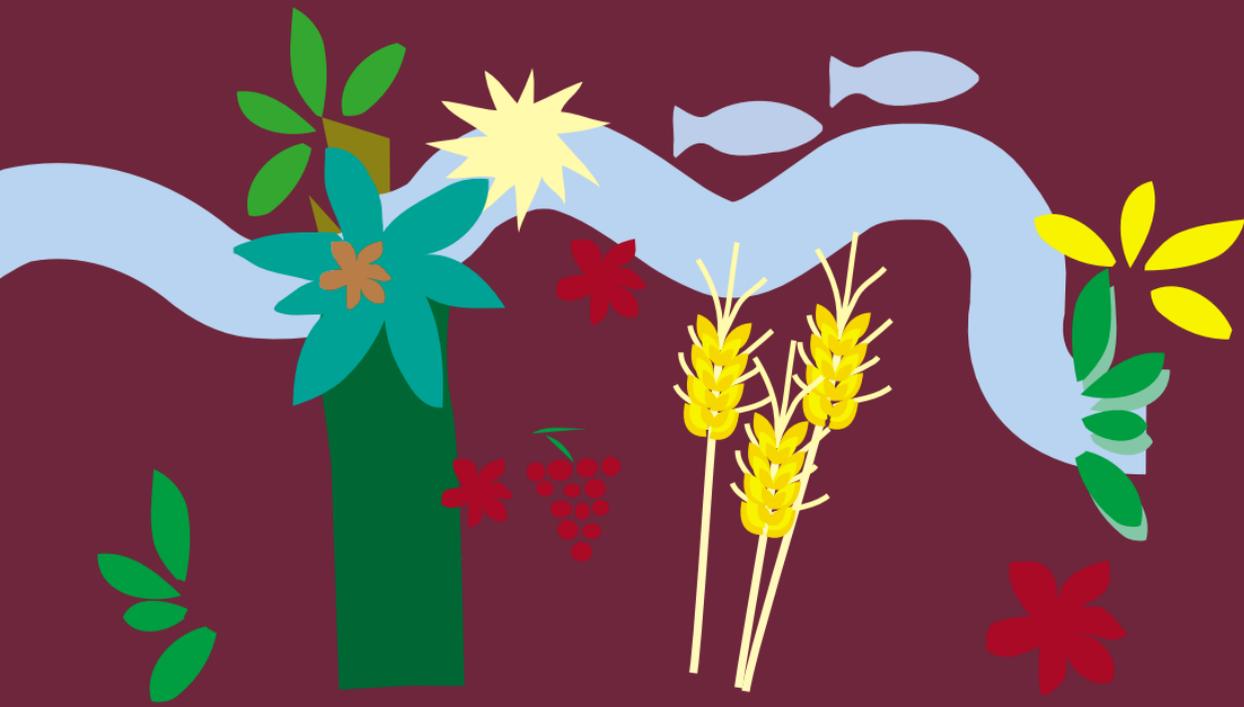
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