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Report Highlights:

This report offers information for U.S. companies interested in exporting agri-food products to Italy, including an overview of the country's economic situation, market structure, export requirements, and best product export opportunities.

Market Fact Sheet: Italy

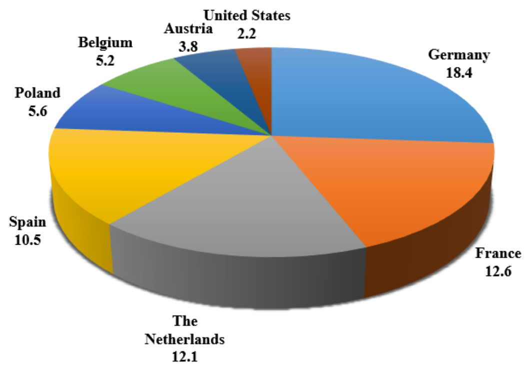
Executive Summary

GDP estimated at $2.1 trillion and a per capita GDP of $35,448. Being a net agricultural importer, most raw materials and ingredients are imported, as Italy's economic strength is in the processing and the manufacturing of goods. Italy exports mainly consumer-oriented products to the United States, while the United States exports mostly bulk commodities to Italy. In 2021, U.S. agricultural exports to Italy were $1 billion, while U.S. imports from Italy were $6.6 billion.

Imports of Consumer-Oriented Products

In 2021, Italy's imports of consumer-oriented products were approximately $28.4 billion, of which 82 percent originating from other EU-27 member states. Imports from the EU-27 were primarily dairy products, meat, and bakery goods.

Italy's leading suppliers of consumer-oriented products in 2021 (percent share)



Food Processing Industry

The Italian food-processing industry is highly fragmented, characterized by a growing consolidation of smaller companies. Progress in food technology, marketing innovations, "Made in Italy" products, and exports of finished food products have all contributed to Italy's increasing demand for food ingredients. Italian consumers continue to favor baked goods, processed meat and seafood, and dairy products.

Food Retail Industry

The Italian food retail industry is higly diversified. Hypermarkets, supermarkets, convenience stores, major discount stores, and specialized stores coexist with traditional corner grocery stores and open-air markets. Italy's food retail sales reached $167.8 billion in 2021, 2.9 percent more than in 2020. Increased sales were registered in discount stores (+6.0 percent), hypermarkets (+3.4 percent), supermarkets (+3.3 percent), grocery retailers (+1.2 percent), and convenience stores (+1.2 percent).

Quick Facts CY 2021

Imports of Consumer-Oriented Products: $28.4 billion

List of Top 10 Growth Products in Italy
1) Baked goods
2) Processed meat and seafood
3) Dairy products
4) Ice cream and frozen desserts
5) Pasta and rice
6) Chocolate confectionary
7) Savory snacks
8) Sauces, dressings, and condiments
9) Sweet biscuits, snacks bars, and fruit snacks
10) Ready meals

Food Industry by Channels ($ billion)

Food Industry Output	$170.2
Food Exports	$52.8
Food Imports	$28.4
Retail	$167.8
Food Service	$61.7

Top 10 Italian Retailers
1) Conad
2) Coop Italia
3) Selex Gruppo Commerciale SpA
4) Esselunga SpA
5) Crai Secom SpA
6) Gruppo VéGé
7) Gruppo Eurospin
8) Schwarz Gruppe
9) Carrefour SA
10) eBay Inc.

GDP/Population
Population: 59.2 million
GDP: 2.1 trillion
GDP per capita: $35,448

Strengths/Weaknesses/Opportunities/Threats	
Strengths	**Weaknesses**
Italy's food consumption levels are among the highest in the world.	Competition from EU countries that export to Italy tariff-free.
Opportunities	**Threats**
Italy is dependent on raw imports for its processed food industry. Italian food products have a reputation for being of high quality.	Non-tariff barriers, including traceability requirements, can hinder U.S. exports.

Data and Information Sources:
Trade Data Monitor (TDM), LLC; Euromonitor; industry contacts.

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SECTION I. MARKET OVERVIEW

Italy's economy is the eighth largest in the world and the third largest in the euro-zone, with a GDP estimated at $2.1 trillion and a per capita GDP of $35,448 in 2021. Being a net agricultural importer, most raw materials and ingredients are imported, as Italy's economic strength is in the processing and the manufacturing of goods, primarily in small and medium-sized family-owned firms. Italy exports mainly consumer products to the United States, while the United States exports mostly bulk commodities to Italy. In 2021, U.S. agricultural exports to Italy were $1 billion, while U.S. imports from Italy were $6.6 billion.

U.S. - Italy Agricultural Trade 2021

U.S. leading exports to Italy	**U.S. leading imports from Italy**
Tree nuts: $321.3 million	Wine: $2.5 billion
Soybeans: $258.5 million	Baked goods, cereals, and pasta: $795.5 million
Wheat: $112.7 million	Olive oil: $516.7 million
Planting seeds: $56.2 million	Dairy products: $483.4 million
Pulses: $46.8 million	Condiments and sauces: $405.7 million
Total: $1 billion	**Total: $6.6 billion**

Source: BICO

Agriculture is one of Italy's key economic sectors, accounting for approximately 2 percent of GDP. Italy's agriculture is typical of the northern and southern division found within the European Union (EU). The northern part of Italy produces primarily grains, soybeans, meat, and dairy products, while the south specializes in fruits, vegetables, olive oil, and durum wheat. Even though much of its mountainous terrain is unsuitable for farming, approximately 6 percent of the population (59.2 million) is employed in farming. Most farms are small, with the average size being eleven hectares.

Advantages	**Challenges**
High consumer interest in new products.	Price competition is fierce.
The tourism industry increases demand for hotel, restaurant, and institutional products.	Competition from similar food products produced in other EU countries that enter tariff-free.
U.S. food products are viewed as "trendy, new, and innovative", especially those with health benefits.	Complying with European and Italian regulations.
Italians are becoming more aware of foreign cuisines.	Competition in the Italian food market is fierce and many consumers still prefer traditional Italian products.
Exchange rate fluctuations can affect imports of U.S. products.	Mandatory customs duties, sanitary inspections, and labeling requirements can be onerous.

SECTION II. EXPORTER BUSINESS TIPS

- Survey existing and potential opportunities by reviewing FAS GAIN reports and consider engaging a market research firm to assist in analyzing market opportunities and challenges.
- Identify a key importer, broker, distributor, agent, or wholesaler, as they know how to best navigate the import and distribution process. They are key to doing business in Italy. Food

importing is a specialized business, and an importer plays a pivotal role in navigating the hurdles of Italian and EU food law. Italian importers are mostly small to medium-sized companies and normally carry a whole range of products. The terms and length of association between the U.S. company and the Italian company are normally established by contract.

- Price is always important, although quality and novelty alone do move some imported products.
- Be prepared to start small by shipping a few pallets or cases of a product and recognize that it could take several months or years before an importer is ready to order full containers. Italians place a lot of importance on first building the trust to consolidate the business relationship.
- Be willing to meet special EU labeling requirements and consider working through a consolidator or participating in mixed container shipments.
- Participation in some of the larger European international food trade shows (ANUGA, SIAL, and TUTTOFOOD) offers a good opportunity to get a sense of the Italian market and provides the opportunity to meet potential Italian importers or distributors.

SECTION III. IMPORT FOOD STANDARDS & REGULATIONS AND IMPORT PROCEDURES

As a member of the EU, Italy applies the "*Community Acquis*", i.e., the entire body of EU laws and regulations associated with the treaties and international agreements to which the EU is a party. EU member states share a customs union, a single market in which goods can move freely, a common trade policy, and a common agricultural and fisheries policy.

To the extent that EU food laws have been harmonized, Italy's food laws and regulations follow EU rules. Similarly, Italy employs the same tariffs and border measures as the other EU member states. Products imported into Italy must meet all Italian and EU food safety and quality standards, as well as labeling and packaging regulations. In Italy, the primary responsibility for food safety rests with the Italian Ministry of Health, while food production is the primary responsibility of the Italian Ministry of Agriculture, Food Sovereignty, and Forests. In some instances, other Italian ministries may have responsibilities, such as the Ministry of Economic Development on standards, labeling, and trade promotion, or the Ministry of Economy and Finance on customs and duties.

For more information, see latest *Italy Food and Agricultural Import Regulations and Standards (FAIRS)* and *Italy FAIRS Certificate* reports at: https://gain.fas.usda.gov/#/

You may also want to review the FAIRS reports produced by the U.S. Mission to the EU in Brussels, Belgium that are available at: http://www.usda-eu.org/trade-with-the-eu/eu-import-rules/fairs-reports/.

Most imported food products enter the Italian market through brokers or specialized traders. Imported products from North America often enter Italy indirectly from the Netherlands' Port of Rotterdam or directly via air. U.S. exporters need to work closely with the industry, focusing on the importers and distributors who can best promote U.S. products to the Italian food sector. These groups have an in-depth knowledge of import requirements, such as product certification, labeling, and packaging. They also typically handle shipping, customs clearance, warehousing, and distribution of products within the country. American exporters who can assist in consolidating shipments from other U.S. sources or have a wide range of products for export have the greatest chance for success in the Italian market.

SECTION IV. MARKET SECTOR STRUCTURE AND TRENDS

- **Italian Food Processing Ingredients Sector**

The Italian food-processing industry continues to be highly fragmented, characterized by a growing consolidation of smaller companies. The leading players tend to employ multichannel strategies, which have helped them to offset food service losses with higher sales in the retail channel during the COVID-19 pandemic. In 2021, a gradual return to in-person work, study, and activities left consumers with less time or inclination to cook or bake. On the other hand, confectionery, snack bars, ice cream, and pastries benefitted from a gradual return to normality. Italy depends almost entirely on raw material imports, most of which come from other EU countries. For additional information, see *Italy Food Processing Ingredients 2022* report at: https://gain.fas.usda.gov/#/

- **Italian Food Retail Sector**

The Italian retail food market is highly diversified. Italy's food retail sales reached $167.8 billion in 2021, a 2.9 percent increase compared to 2020 in spite of the lingering COVID-19 pandemic. Increased sales were registered at discount stores (+6.0 percent), hypermarkets (+3.4 percent), supermarkets (+3.3 percent), grocery retailers (+1.2 percent), and convenience stores (+1.2 percent). Multi-channel strategies, blending online and in-store sales, are key to success across retailing. Grocery retailers are paving the way towards innovative solutions in this respect, offering e-commerce shopping with deliveries to the consumer's home and in-store lockers for customers to collect online orders. For additional information, see *Italy Retail Foods 2022* report at: https://gain.fas.usda.gov/#/

- **Italian Food Service – Hotel, Restaurant, Institutional**

In 2021, Italy's consumer food service value sales registered an increase of 23 percent compared to 2020 in spite of the lingering COVID-19 pandemic. Consumer food service players faced the challenge of reviving footfall in outlets: while some looked at price promotions, many focused on improving their menus and the dining experience. Healthy options made their way onto menus, as COVID-19 accelerated healthy eating trends in the country. Indulgence remained important, as many consumers continued to see a trip to a food service outlet as a treat and a means of enjoyment, not least at such a complex and uncertain time. For more information, see *Italy Food Service – Hotel Restaurant Institutional 2022* report at: https://gain.fas.usda.gov/#/

- **Competitive situation for selected consumer-oriented products**

Commodity	Italy's imports from the world 2021	Italy's imports from the United States 2021	Key constraints over market development	Market attractiveness for the United States
Pork meat and products	$2.3 billion	$0	Competition from other EU countries, mainly Germany, the Netherlands, Spain, and Denmark	Growing consumers' demand.
Bakery goods	$1.7 billion	$988,178	Competition from other EU countries, mainly Germany, France, Austria, and Spain.	Growing consumers' demand.
Tree nuts	$1.6 billion	$315.5 million	Competition from Turkey, Germany, Chile, and Spain.	Growing demand from manufacturers, confectionary, and snack industry.
Chocolate and cocoa products	$1.2 billion	$271,416	Competition from other EU countries, mainly Germany, France, the Netherlands, and Belgium.	Growing consumers' demand.
Food preparations	$942.7 million	$7.5 million	Competition from other EU countries, mainly Germany, the Netherlands, France, and Belgium.	Growing consumers' demand.

Source: Trade Data Monitor LLC

SECTION V. AGRICULTURAL AND FOOD IMPORTS

Linking U.S. Agriculture FAS to the World

U.S. Exports of Agricultural & Related Products to *Italy(*)*
CY 2017 - 2021 and Year-to-Date Comparisons
(in millions of dollars+)

Export Market: *Italy(*)*

	Calendar Years (Jan-Dec)					January - September Comparisons		
Product	2017	2018	2019	2020	2021	2021	2022	%Chg
Bulk Total	239.0	540.5	428.2	465.7	439.7	197.6	446.7	126.1
Wheat	117.0	139.6	186.3	215.9	112.7	76.1	101.9	34.0
Corn	8.0	9.9	0.0	0.0	0.0	0.0	17.4	-
Coarse Grains (ex. corn)	0.0	0.0	6.5	0.0	0.0	0.0	0.0	-
Rice	1.0	1.9	1.9	1.4	0.3	0.3	0.3	-4.6
Soybeans	28.0	304.2*	138.5	177.9	258.5	71.8	270.4	276.4
Oilseeds (ex. soybean)	0.0	0.2	0.0	0.0	0.0	0.0	0.5	1268.0
Cotton	4.0	6.0	3.7	8.2	9.4	7.9	6.2	-21.2
Pulses	51.0*	38.8	42.5	39.4	46.8	32.1	42.7	33.1
Tobacco	24.0	29.5	38.1	14.8	4.2	3.0	2.6	-13.3
Other Bulk Commodities	7.0	10.3	10.5	8.0	7.9	6.3	4.7	-25.6
Intermediate Total	164.0	213.3	175.3	126.7	144.0	99.0	87.7	-11.4
Milled Grains & Products	1.0	1.0	0.3	0.3	0.4	0.3	0.3	23.3
Soybean Meal	1.0	48.0	34.5	0.0	20.8	20.6	0.1	-99.4
Soybean Oil	0.0	0.1	0.1	0.0	0.1	0.1	0.4	225.7
Vegetable Oils (ex. soybean)	3.0	7.1	7.7	3.4	1.2	1.1	1.2	9.9
Animal Fats	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Live Animals	1.0	2.1	2.3	1.6	1.2	0.8	1.4	83.2
Hides & Skins	54.0	54.5	29.6	16.8	16.9	13.1	26.0	98.7
Hay	0.0	0.1	0.1	0.1	0.3	0.3	0.2	-23.6
Distillers Grains	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Other Feeds, Meals & Fodders	7.0	8.0	11.9	8.1	7.8	5.6	4.7	-15.6
Ethanol (non-bev.)	0.0	0.0	0.2	0.8	3.6*	3.5	0.0	-99.9
Planting Seeds	50.0	40.6	50.8	56.6	56.2	28.9	21.9	-24.2
Sugar, Sweeteners, Bev. Bases	1.0	0.4	0.9	2.3	1.8	1.0	2.6	152.8
Dextrins, Peptones, & Proteins	2.0	2.5	1.5	1.4	1.7	1.0	1.6	62.7
Essential Oils	10.0	11.8	7.5	6.2	7.4	5.6	6.1	7.8
Other Intermediate Products	35.0	37.0*	28.0	28.9	24.6	17.1	21.1	23.1
Consumer Oriented Total	485.0	464.8	501.4	443.0	449.4	295.9	309.9	4.7
Beef & Beef Products	62.0	48.9	30.9	10.5	19.0	13.7	21.5	56.7
Pork & Pork Products	2.0	1.6	1.2	0.4	0.7	0.6	0.2	-70.9
Poultry Meat & Prods. (ex. eggs)	1.0	1.3	0.9	0.3	0.2	0.2	0.6	172.6
Meat Products NESOI	1.0	0.4	1.0	0.1	0.2	0.2	0.1	-7.4
Eggs & Products	4.0*	2.6	0.9	0.8	0.3	0.2	0.1	-58.3
Dairy Products	1.0	1.7	0.9	0.8	0.6	0.4	0.5	29.8
Fresh Fruit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Processed Fruit	14.0	12.7	11.3	11.3	14.3	9.5	14.9	56.2
Fresh Vegetables	0.0	0.8	0.4	0.3	0.8	0.7	0.2	-76.9
Processed Vegetables	39.0	36.4	19.9	38.3	21.9	17.2	12.9	-24.9
Fruit & Vegetable Juices	1.0	0.8	0.5	1.2	0.4	0.3	0.5	75.3
Tree Nuts	288.0	282.9	362.7*	313.6	321.3	203.1	205.0	1.0
Confectionery	1.0	1.4	1.4	1.5	1.3	1.0	0.3	-73.7
Chocolate & Cocoa Products	1.0*	0.4	0.3	0.4	0.3	0.3	0.3	32.8
Bakery Goods, Cereals, & Pasta	0.0	0.8	0.8	0.9	1.1	0.8	1.2	47.7
Food Preparations	11.0	11.3	11.5	14.1	16.4*	11.5	10.5	-8.9
Condiments & Sauces	3.0	3.1*	2.6	1.7	2.8	2.4	1.8	-23.9
Non-Alcoholic Bev. (ex. juices)	2.0	1.6	2.1	1.7	1.7	1.3	1.5	19.5
Beer	3.0	4.3*	3.3	1.4	2.2	1.9	1.4	-29.6
Wine & Related Products	9.0	1.7	2.9	1.0	2.0	1.2	3.5	205.3
Distilled Spirits	35.0	46.6*	41.9	41.2	40.6	28.6	31.7	10.7
Nursery Products & Cut Flowers	0.0	0.0	0.3	0.2	0.5	0.1	0.1	167.0
Dog & Cat Food	1.0	1.0	0.5	0.7	0.6	0.4	0.6	37.5
Other Consumer Oriented	4.0	2.3	2.9	0.6	0.3	0.3	0.4	56.0
Agricultural Related Products	167.0	170.3	136.5	95.9	147.0	105.3	146.2	38.9
Biodiesel & Blends > B30	0.0	0.0	0.0	0.0	0.0	0.0	0.0	21.2
Forest Products	92.0	93.2	82.9	55.5	83.9	61.4	89.0	45.0
Seafood Products	74.0	77.1	53.6	40.4	63.1	43.9	57.2	30.2
Agricultural Products	888.0	1,218.6*	1,104.9	1,035.3	1,033.2	592.4	844.3	42.5
Agricultural & Related Products	1,054.0	1,388.9*	1,241.4	1,131.2	1,180.2	697.7	990.5	42.0

Prepared By: Trade & Economic Analysis Division/GMA/FAS/USDA
Source: U.S. Census Bureau Trade Data

* Denote Highest Export Levels Since at Least CY 1970

www.fas.usda.gov/GATS
GATSHelp@fas.usda.gov

Biodiesel aggregate includes only higher-level and pure biodiesel HTS chapter 38 codes; biodiesel blends below 30% by volume (aka. petroleum oils containing biodiesel) found in chapter 27 are excluded.

For more detailed U.S. trade statistics, check USDA's Global Agricultural Trade System (GATS): https://apps.fas.usda.gov/gats/default.aspx

Best High Value, Consumer-Oriented Product Prospects Categories

- **Products present in the market which have good sales potential**
  - Tree nuts
  - Distilled spirits
  - Food preparations
  - Beer
  - Sauces, dressings, and condiments

- **Top consumer-oriented products imported from the world**
  - Dairy products
  - Pork and beef
  - Fresh fruit
  - Processed vegetables

- **Top consumer-oriented products imported from the United States**
  - Tree Nuts
  - Distilled spirits
  - Processed vegetables
  - Processed fruit

- **Products not present in significant quantities, but which have good sales potential**
  - Functional and health food
  - Free-from products (lactose-free, gluten-free)
  - Specialty foods
  - Organic products

- **Products not present in the market because they face significant barriers**
  - Beef, other than that sold through the High-Quality Beef Quota
  - Poultry (sanitary procedures – chlorine wash)
  - Processed food products containing genetically engineered (GE) ingredients

SECTION VI. KEY CONTACTS AND FURTHER INFORMATION

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FAS Italy publishes numerous market and commodity reports available through the Global Agricultural Information Network (GAIN) at: https://gain.fas.usda.gov/#/

Attachments:

No Attachments