

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Report Highlights:

Report contains Italian and EU agricultural news items of interest for the month of December 2009.

General Information:

Italian Agricultural News

ITALY

New Italian Ministry of Health

On December 15 Professor Ferruccio Fazio, a medical doctor, was sworn in as Italy's new Health Minister. The Berlusconi government had combined the previously independent Health Ministry with the Ministry of Labor and Social Policies, in a bid to limit costs and bureaucracy. However, recent high

profile health issues (H1N1, food scares) have led the government to recreate an independent Ministry of Health. FAS/Rome works closely with the Ministry of Health, FDA, and other USG regulatory agencies to ensure the safety of Italian food exports to the United States.

Naples Pizza Gets EU Laurel

After 25 years of lobbying Italy has obtained from the EU the quality TSG seal (Traditional Specialty Guaranteed) for the "real" Naples-style pizza. Producers of 'Pizza Napoletana' who wish to use the TSG label on their pizzas must follow the precise specifications set out in the regulation. Italian farming association Coldiretti

applauded the decision to help safeguard consumers from purchasing pizzas produced with cheese from Eastern Europe, Chinese tomatoes, Tunisian or Spanish olive oil, and Canadian or Ukrainian flour. Of note is that the word pizza is the most widely recognized Italian word abroad, followed by cappuccino, spaghetti, and espresso.

Italian Bubbly Exports to the U.S. Overtake French Champagne

Exports of Italian sparkling wines to the United States surpassed French champagne in volume and narrowed the gap in terms of value. Spumante and Prosecco exports during the first ten months of 2009 totaled 137,810

hectoliters, valued at \$87.66 million. Italian vineyards are expected to produce 300 million bottles of bubbly this year against the 260 million bottles of champagne. For the first time ever, Italy has exported more bubbly than it consumed.

Italian Winemakers First to Invest in India

Two Italian winemakers, Moncaro and Enzo Mecella, intend to invest \$42.5 million in India by 2010. They are the first foreign wine producers to invest directly in the country. India is one of the fastest growing markets for wine, but high tariffs discourage foreign wine imports. The EU and the

United States have repeatedly taken India to the WTO over its alcohol tariffs. India consumed 9 million liters last year, the majority of which was cheap domestic wine. Foreign wines dominate the premium segment of the market, with 50% French and 30% Italian.

EU Split over Animal Welfare Label

EU Member States are torn over an EU initiative to create a harmonized animal welfare label. The disagreement (mainly between Greece, Italy, and the Netherlands) centers on a series of policy

options that would make it easier for consumers to identify and choose welfare-friendly products. The idea is to ensure a fair market share for sustainable forms of farming that guarantee a high level of animal welfare.

Climate Change Conference Ignores Agriculture

Agriculture was largely excluded from the main climate financing mechanisms under discussion at the UN Climate Change Conference held in Copenhagen. However, according to the FAO, farming practices that capture carbon and store it in agricultural soils offer some of the most promising options for early and cost-effective

action on climate change. These measures could also address the threat of rising food shortages, poverty, and civil unrest in some developing regions. A joint statement recommended that negotiators consider food security and agricultural development when crafting agreements on land use, deforestation, and other issues.

THE UNITED STATES

USTR Announces End of Banana War

United States Trade Representative Ron Kirk announced that the United States and the EU signed an agreement to resolve the longstanding dispute over the EU's WTO-illegal banana trading regime. Since 1993, the EU has provided tariff concessions to banana imports from former colonies, which violates WTO rules by discriminating against other banana producers (including large U.S. corporations such as Del

Monte, Chiquita, and Dole). The settlement will result in less-expensive bananas for Europeans and better profits for U.S. fruit companies. It ends the WTO's longest running tariff dispute by opening access to the EU's \$6.7 billion banana market – the world's largest. Bananas, which are largely produced in developing countries, are the world's most widely traded fruit and form the staple food of many third world diets.

U.S. Pledges \$1 Billion to Reduce Deforestation

The United States pledged \$1 billion at the UN Climate Change Conference in Copenhagen as part of a \$3.5 billion plan to slow deforestation. In his statement from Copenhagen, U.S. Secretary of Agriculture Tom Vilsack argued that, "protecting the world's forests is not a luxury – it's a

Deforestation is responsible for one-fifth of mankind's greenhouse gas emissions." Agriculture contributes to global climate change and is responsible for 15% of greenhouse gas emissions, compared to 17% for deforestation. The effects of climate change can also threaten agricultural productivity.

necessity.

Government Auditors Say Food-Tracing Program Flawed

A crucial part of the United States' rapid-response plan (the ability to trace food through the supply chain during an illness or bioterrorism attack) is seriously flawed according to an independent watchdog agency. After interviewing managers at a sample of 130 U.S. food companies, government investigators found that 48% did not give FDA accurate information, more than half were

unaware companies had to register, and about a quarter provided no emergency contact information because current rules don't require it. After September 11, Congress set up bioterrorism program requiring that all companies that manufacture, process, pack, or hold food that is eaten in the United States provide information to the FDA in hopes of protecting and safeguarding the U.S. consumer.

A GLOBAL PERSPECTIVE

With an Eye to EU Accession, Turkey Prepares to Ban GM Farming

In a move widely seen as preparation for eventual EU accession, Turkey's Ministry of Agriculture submitted a bill to severely limit the propagation of genetically modified (GM) plants and livestock. The bill, which is expected to be passed next year, introduces a complete ban on

the production of GM plants or livestock either as food for humans or livestock and on the introduction of any GM organisms into the wild. Turkey also recently banned the import of all GM foods only to overturn the ban several weeks later when it realized it was completely unworkable.

FAS ROME REPORTING

Italy's Agriculture Ministry Remains Vocal Against GMOs

The Italian Ministry of Agriculture recently issued a press release in which it heavily criticized the EU Commission's approval of the genetically modified "Syngenta Mir 604" maize variety despite the fact that Italy's livestock, dairy, and poultry sectors are heavily dependent on imported GMO feeds, which are used to produce some of Italy's best known

products, including Parma ham and Parmigiano-Reggiano cheese. Moreover, Minister of Agriculture Zaia has refused thus far to sign a decree which would allow biotech field trials in Italy. (For a copy of the complete report, please e-mail Dana.Biasetti@usda.gov)

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