

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Agriculture in the News

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Report Highlights:

Report contains Italian and EU agricultural news items of interest for the month of September 2010.

General Information:

ITALY

Italy Court Fines Farmer for Growing GM Maize

An Italian court has imposed a €25,000 (\$33,670) fine on a farmer for illegally growing genetically modified maize and ordered him to destroy the crop. The farmer has already declared that he intends to appeal the decision.

Italy has yet to establish co-existence regulations and therefore has a de-facto ban on the cultivation of genetically modified (GM) crops. A judge in the town of Pordenone issued the ruling after confirmation that Monsanto's MON 810 maize had been cultivated on a plot of land in the north-eastern region of Friuli Venezia Giulia and had contaminated some nearby fields, (although within accepted levels in the European Union.) *Reuters*

Sheep Protest in Rome

Sheep farmers from all over Italy protested outside the Italian Ministry of Agriculture against low milk prices and dwindling earnings that are threatening their livelihoods. About a thousand farmers from Sardinia, Lazio, Tuscany, Umbria, Sicily and other regions gathered under the banners of Italian farmers' association Coldiretti to highlight what they called "a grave crisis in sheep farming". "Milk is underpaid by dairy firms, with unsustainable consequences for farmers," Coldiretti said. The farmers also brought with them 'Pecorino' sheep cheese in representation of Italy's seven million sheep. Milk prices are 25% down and 30% of Italy's sheep farms have disappeared over the last ten years. *Ansa*

Italy Urges Protection against Chinese Tomatoes

Italy has petitioned the EU for greater support in its' quest to protect domestically processed tomato production through obligatory origin labeling in an effort to ward off competitive imports from China and other third countries. The imported products - of "mediocre quality but very competitive in price" - are gaining market share by virtue of the EU's failure to "impose any obligation to specify the origin of the raw material on processed tomato products". Italy has therefore, called upon the Commission to offer a helping hand to domestic growers and processors by availing itself of the possibility to adopt marketing standards for processed fruit and vegetable products in the areas of labeling and origin. So far the labeling motion has found support from Portugal, Greece, France, and Hungary. The EU however, has told Italy that upcoming work on food quality policy will address the issue of origin labeling more broadly. *Agra Press*

THE EUROPEAN UNION

Greek Crisis Forcing Shop Keepers to Shut Down

According to the National Confederation of Greek Commerce (ESEE), the Greek economic crisis and low consumer demand have forced the closure of one in six stores in Athens's main shopping areas. An ESEE survey found that 25% of 3,421 shops closed in the up market areas, 17% in the lower income districts and 11% in the Port of Piraeus. *La Repubblica*

French Activists Continue to Destroy GM Grapevine Trials

Field trials of genetically modified (GM) fan leaf virus-resistant grapevine rootstock have been destroyed again in France. The trials were being conducted at Colmar in the Haut-Rhin principality by the French national institute for agricultural research, INRA. A group of 60 anti-GM activists entered the field and destroyed 70 vines. A similar act of vandalism occurred at the site last year. The action has been "strongly condemned" by the French Ministries of Agriculture, Ecology, and Higher Education and Research. According to the French Government the GM trials are strictly regulated and do not represent any risk to health or environmental safety. *Agra Europe*

EU Wines Awarded Greater Protection

Australia has until September 2011 to continue using EU wine names on its own products, after which terms like "Champagne", "Port", "Sherry" and other EU geographical indicators will no longer be permitted. The new EU-Australia agreement will give full protection to EU geographical indicators. In exchange Australian wine producers will be provided with a list of alternative labels, such as an indication of vine varieties, an indication relating to an award, medal or competition or an indication relating to a specific color to be used on their wine labels. The new agreement also outlines the conditions for Australian wine producers to continue to use a number of quality wine terms, such as "vintage", "cream" and "tawny" to describe Australian wines exported to Europe and sold domestically. In 2009, EU wine exports to Australia were worth €68 million and Australian exports to the EU were worth €643m. *Agra Europe*

FEATURE STORY

Strong Exports Lift U.S. Agriculture Sector

Even as the broader economy falters amid signs of a weakening recovery, the nation's agriculture sector is going strong, bolstered in part by a surge in exports, according to federal estimates of farm trade and income. The estimates confirm what economists have been saying for months: agriculture, which was generally not hit as hard by the recession as many other segments of the economy, remains a small bright spot going forward.

The estimates show that American farmers will ship \$107.5 billion in agricultural products abroad in the fiscal year that ends Sept. 30. That is the second-highest amount ever, behind the record \$115.3 billion in exports logged in 2008, when commodity prices soared as the global demand for agricultural products was helped by fast-growing economies in the developing world.

Next year, exports are expected to total \$113 billion. In releasing the data, Tom Vilsack, the Secretary of Agriculture, said exports of grains and meats were leading the rebound. The export growth is propelled by higher prices for many products, including wheat, whose prices have skyrocketed as drought and punishing heat decimated crops in Russia, Ukraine and Kazakhstan. Exports to Asia have been particularly strong, and China is forecast to surpass Mexico next year to become the second-largest foreign buyer of American farm products. Canada is the No. 1 export market.

Wheat exports this year are estimated at \$6 billion, about the same as last year, as much of this year's crop had already been sold when prices started to rise. But wheat exports for the fiscal year 2011 are expected to rise to \$8 billion, because of higher prices and increased production.

Prices have also risen significantly for cotton, meat and dairy products. Cotton exports are expected to reach \$6 billion next year, up from \$4.8 billion this year and \$3.5 billion last year, on the strength of a large crop here and tight worldwide supplies that have lifted prices.

Despite such increases, prices for most agricultural commodities remain well short of the record levels of 2008. And the price paid to farmers is only a small portion of the end cost of most foods. So economists predict that the prices consumers pay in the supermarket will rise only moderately this year.

United States Department of Agriculture

A GLOBAL PERSPECTIVE

Hunger Below Billion Mark Says FAO

The number of hungry people around the world has dropped below the one billion mark but it still remains high according to the Food and Agriculture Organization (FAO). Hunger remains the world's largest tragedy and

scandal," FAO Director-General Jacques Diouf told a press conference in presenting the new figures. "Another global food crisis could explode at any time unless governments tackle the underlying causes of hunger, including food price volatility, decades of underinvestment in agriculture, and climate change". The FAO said most of the 9.6% drop was concentrated in Asia, with two-thirds of the worlds undernourished living in Bangladesh, China, the Democratic Republic of Congo, Ethiopia, India, Indonesia and Pakistan. ANSA

FAS REGIONAL REPORTING

FAS Italy

IT1038 - Grain and Feed Crop Update 2010

Most recent industry estimates forecast Italian MY 2010/2011 wheat production at 6.5 MMT (2.9 of soft wheat and 3.6 of durum wheat), barley at 961,000 MT and corn at 8.6 MMT. This is partly due to wet and stormy weather conditions during the months of May and June which have disrupted the harvesting and affected crop yields and quality.

IT1040 - Italian Tree Nuts 2010

The Italian tree nuts sector has been going through a significant restructuring process over the last decades which have affected both planted areas and production, hence eroding the Italian share in world production. According to first estimates, in MY 2010/2011 Italian tree nut production will be at 2,500 MT for pistachios, 6,000 MT for almonds, 15,000 MT for walnuts and 87,000 MT for hazelnuts.

IT1041 - Italian Dairy Outlook 2010

The past few years have been difficult for the Italian dairy sector and despite the long term restructuring process which has forced more than 30,000 dairy farms to shut down, in MY 2010 the Italian dairy sector seems to be gradually recovering. Cow milk deliveries in MY 2010 are expected to grow slightly to 11 MMT; approximately 1.4% higher than the previous year production, butter production should slightly increase in MY 2010 to 96,000 MT while cheese production is expected to decrease slightly to 1.1 MMT.

FAS Greece and Cyprus

GR1004 - Tree Nuts 2010

Greece is the third largest producer of almonds in the EU-27, after Spain and Italy. Per capita consumption of tree nuts in Greece (17 Kg/year) is the highest in the EU - followed by Spain and Italy - and one of the highest in the world. Greece is the major producer of pistachios in the EU. The United States are the main supplier of the Greek almond and pistachio markets, accounting for 78 percent of the total imports. MY 2010/2011 Cypriot almond production is forecast at 550 MT (shelled basis), a significant increase compared to MY 2009/2010 (68 MT). Domestic almond and pistachio demand in Cyprus is mainly satisfied by imports from the United States and Greece, accounting for 90 percent of the total.

GR1005 - Dairy 2010

The Greek dairy industry is the third most important segment of the food and drink sector. However, Greece's current economic crisis has affected milk and cheese production, consumption, and trade.

FAS Croatia

HR 1012 - Food and Agricultural Import Regulations and Standards - Narrative

This report provides information on food import rules for Croatia. It includes information on labeling, packaging,

food additives and import procedures. Important points of contact for U.S. food exporters are listed in the appendices. All sections of this annual report were updated in August 2010. It should be noted that due to Croatia's rapid harmonization of food legislation with EU legislation, information in this report should be verified for accuracy with the USDA/FAS office in Croatia.

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