



Voluntary Report - public distribution

Date: 12/1/2000

GAIN Report #IT0041

Italy

Agricultural Situation

Flood

2000

Approved by:

Elizabeth Berry

U.S. Embassy

Prepared by:

Sandro Perini

Report Highlights: This report is a re-transmittal of information provided by cable on October 27 regarding flood damage in Northern Italy. Excessive rains between October 15 and 18 caused massive flooding resulting in up to \$4.3 billion in damage, the majority of which was infrastructural with actual losses to crops limited due to most crops having already been harvested.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Rome [IT2], IT0041

The Po valley was hit by excessive rains October 15 to 18, resulting in flooding of the Po river and its tributaries. The most affected regions were Valle d'Aosta (the Alpine region in northwestern Italy), Piedmont and the southern part of Lombardy, with lesser damage reported also in Emilia and Veneto. Government sources report damage totaling over 10 trillion lire (about \$ 4.3 billion), an amount that primarily includes infrastructural losses, e.g. rural buildings, irrigation facilities, industrial plants and warehouses, roads, railways, etc. The Government allocated immediate emergency assistance of 150 billion lire (\$ 64 million). Coldiretti, a leading farm organization, estimated damage in the agricultural sector at 2 trillion lire (over \$ 860 million). Confagricoltura, another farm organization, expressed concern over possible losses of corn in storage, but has not yet developed estimates.

While the flood has undoubtedly damaged agricultural infrastructure, its actual impact on this year's crops appears to be marginal, although a final evaluation of the damage will require several weeks. The major crops that have been affected to some degree are corn, soybeans, rice and wine grapes.

In the case of corn, the flood occurred in a period when harvesting operations had not yet been completed, particularly in Piedmont, where about 40 percent of the corn fields were as yet unharvested. However, our trade and industry sources indicate a possible loss of only about 100,000 tons, which represents less than one percent of the national harvest. With regard to soybeans, the actual loss caused by the flood is presently estimated to be no more than 2 to 3 percent of expected overall domestic production. The rice crop may have been affected to a greater extent, being concentrated mainly in the Piedmont region. However, unofficial sources indicate only marginal losses caused by the flood, while a more significant production cut resulted as a consequence of adverse weather during the previous months. Finally, the wine grape harvest was virtually completed in all the flood-affected areas with the exception of some minor late-ripening grape varieties, which might have been adversely affected.

Our preliminary impression is that the damage estimates made so far by the farm organizations appear to be exaggerated in order to maximize public sector assistance. However, we will monitor the situation in the coming weeks and convey more accurate estimates of the flood damage as they become available.