



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - Public distribution

**Date:** 11/3/2008

**GAIN Report Number:** IT8033

## Italy

### Agricultural Situation

### Italian Agricultural Updates

**2008**

**Approved by:**

Jim Dever  
U.S. Embassy

**Prepared by:**

Natasha Sachs

---

**Report Highlights:**

Listed below are brief summaries of recent Italian Agricultural News.

---

Includes PSD Changes: No  
Includes Trade Matrix: No  
Annual Report  
Rome [IT1]  
[IT]

**Italian Agricultural Updates**

Europe's commitment to ambitious green goals became the latest victim of the global financial crisis when a growing number of EU countries rebelled, claiming that the plans were now too expensive. Italy, along with Poland, helped lead 8 other countries to scrap the E.U. mission to enact binding legislation on post-Kyoto greenhouse gas levels.

Silvio Berlusconi, the Italian Prime Minister, rejected any claims by President Sarkozy of France to stick to their targets. During a stand-up row behind the scenes, he told Mr Sarkozy that the targets would crucify Italian industry. "Our businesses are in absolutely no position at the moment to absorb the costs of the regulations that have been proposed," In an extraordinary break with EU protocol, both leaders said that they did not have to stick to the deal because neither had been in office when it was signed by their predecessors in March 2007. Under the original deal, EU countries would cut carbon dioxide emissions by 20 per cent from 1990 levels by 2020.

**Italian concern over British 'anti-cancer' tomato**

Anger and concern rippled across Italian consumer groups over the endorsement of a second-generation biotech 'anti-cancer' tomato by leading oncologist and former Minister of Health Umberto Veronesi. In his address last week at an oncology conference in London, Veronesi said, "there is a great deal of resistance to this fantastic projection into the future and I've never understood why. GMOs cause no problems; they are exactly the same as other organisms only better, because conscious efforts have been made to improve their qualities. 'It's difficult to predict what will happen but I hope there will be a growing awareness of the benefits such developments offer'".

His address came at the announcement in the scientific journal *Nature Biotechnology* of a British study to create a 'super tomato' chock-full of healthy antioxidants. Tomato plants have all the necessary genes to create the antioxidants, but these genes are normally dormant. The team engineered a genetic modification with the addition of the two genes from the snapdragon flower, which triggered the antioxidants in the tomato to become active. Anthocyanins, the activated gene in the "purple tomato", have been shown to protect against cardiovascular disease, obesity, diabetes, and some cancers. Before any human consumption of the genetically modified "purple tomato", the fruit will have to undergo toxicology studies to ensure that no other genes have been activated to produce less beneficial chemicals.

**Italy's Prosecco Sets its Sights on Champagne**

Prosecco production has grown to 150 million bottles from 5 million a year in 40 years, mainly due to demand for exports to Germany and the United States. Now, prosecco producers aim for up to 250 million bottles in order to compete with the French champagne. Prosecco is usually considered softer and easier to drink than champagne, and the price is almost always lower. Its makers will have to boost exports, which currently are at about 16 million bottles last year and are a fraction in comparison to the 150 million bottles of exported champagne.

The next step for the producers is to create a new D.O.C. zone in northeastern Italy. With a designated area, all prosecco producers will be regulated and the drink will remain a regional brand instead of only a generic name. Italy's Agriculture Minister Luca Zaia, himself a wine-making specialist from Conegliano, supports the move to protect prosecco's name.

Producers said they hope Zaia will push for it at next month's meeting of European Union agriculture ministers on wine quotas.

**Italy earns top EU fine for exceeding milk quota**

Italy is the main culprit in the 340 million euro fines given to several E.U. countries who exceeded milk production quotas. The EU executive slapped a fine of 160.6 million Euros on Rome for overproducing milk in the 2007/08 season, close to half the overall penalty handed down by Brussels. Germany came second with a fine of 101.7 million Euros. Italy has come top of the EU "milk offenders" league for the last five years

**Italy flouting bluefin tuna rules, WWF says**

The World Wildlife Fund recently reported that Italy is greatly overshooting fishing quotas for bluefin tuna, flouting international agreements and further threatening the endangered species. A WWF report says Italian fishermen overran their quota in 2008 and 2007, are using a banned method to track tuna, and are underreporting the size of their fleets. The Agriculture Ministry, which is responsible for fisheries, said Italy respects the rules designed to protect the overfished species and insisted the country had not met its quota this year. But Rome has been feuding with the European Union since June, when Brussels shut down the fishing season two weeks early because by its own count the year's quotas had been met

**Parmigiano off market to boost prices**

The agriculture ministry authorized the withdrawal from the market of 100,000 wheels of prized Parmigiano Reggiano cheese and an equal number of Grana Padano wheels in order to stabilize their prices. Agriculture Minister Luca Zaia said that the subsidies granted under European Union law for taking the cheese off the market would be given to charity.

"What we are faced with is not a market crisis nor one of quality but of the discrepancy between what it costs to make the cheese and what producers are able to sell it for". The minister said similar measures may be taken to help producers of other cheese for which cost more to produce than what they sell for. These included TrentinGrana, a hard cheese similar to the more famous Parmigiano and Grana, Asiago, Taleggio and Pecorino Romano. Prices for Italy's prized cheeses have fallen below their production costs in part because of the ability of major supermarkets to buy bulk quantities at lower prices.

**Sources:**

"Italy flouting bluefin tuna rules, WWF says"

<http://www.iht.com/articles/ap/2008/10/07/europe/EU-Italy-Endangered-Tuna.php>

"Parmigiano off market to boost prices"

<http://www.italymag.co.uk/italy/business/parmigiano-market-boost-prices>

"Italy earns top EU fine for exceeding milk quota"

[http://article.wn.com/view/2008/10/13/Italy\\_earns\\_top\\_EU\\_fine\\_for\\_exceeding\\_milk\\_quota/](http://article.wn.com/view/2008/10/13/Italy_earns_top_EU_fine_for_exceeding_milk_quota/)

"EU climate change push in disarray as Italy joins Iron Curtain revolt"

<http://www.timesonline.co.uk/tol/news/environment/article4957408.ece>

"Italian concern over British 'anti-cancer' Tomato"

<http://www.lifeinitaly.com/news/news-detailed.asp?newsid=11600>

"Italy's prosecco sets its sights on champagne"

<http://www.reuters.com/article/lifestyleMolt/idUSL0245200720080722>