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Voluntary - Public

Date: 12/16/2009

GAIN Report Number: IT9032

Italy

Post: Rome

Agricultural News for Italy and the EU - November 2009

Report Categories:

Agriculture in the News

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Report Highlights:

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

General Information:

Italian Agricultural News

Italy Increases Aid to Afghanistan: Italy pledged €53 million in micro-loans for Afghanistan's western provinces where Italian troops operate. The loans will reach tens of thousands of families and small businesses, towards the development of agriculture, governance, and institution building. Italy's pledge shows its continued commitment to rebuilding Afghanistan. Italy has contributed €466 million

since 2001 and 3,000 Italian troops are currently serving in Afghanistan.

Minister Zaia Opposes Food Price Speculation: During his meeting with UN Secretary General Ban Ki-moon, Italian Minister of Agriculture Luca Zaia called for a ban on food price speculation in financial markets, blaming speculation for the 2008 food price spikes. In reality, speculation gives markets depth and breath and would be nearly impossible to ban. While it may be popular to blame financial markets for various woes, few believe that speculation causes price spikes; although it may make them more dramatic.

U.S. Ambassador Thorne Meets with Italian Minister of Agriculture: On November 12th, U.S. Ambassador David Thorne met with Italian Minister of Agriculture Luca Zaia to discuss bilateral trade issues and agricultural production. In a statement to the press, Minister Zaia said, “I found the Ambassador to be very attentive towards agricultural problems, and very close to our positions, especially when it comes to farmers, local agricultural production, and organic food... This bodes well for future relations.”

EU Agricultural News

EU Approves New Biotech Corn for Import: The European Commission stepped in to approve three new biotech corn varieties for import after Member States failed to approve them. Italy abstained from the vote. The Commission’s decision allows the resumption of needed biotech feed ingredients for the EU’s livestock and dairy industry, which had been threatened by the EU’s zero-tolerance policy for non-approved biotech varieties. Recent poor yields in South America have threatened Europe’s feed supply and increased demand for U.S. feed, almost all of which are produced from biotech corn or soybeans.

U.S. Takes EU to WTO over Illegal Poultry Ban: In a procedural tactic, the EU blocked the U.S.’ first request that the WTO rule on the legality of the EU’s ban on U.S. poultry. However, in accordance with WTO rules, the EU will be unable to block the U.S.’s second request, which is expected soon. The EU banned U.S. poultry in 1997 based on non-scientific objections to U.S. processing techniques. The United States exported more than \$5 billion in poultry and poultry products in 2008. Potential U.S. poultry exports to the EU are estimated at \$300 million annually.

Europeans Spend More on Food: Food purchasing for home consumption represents the largest household expenditure in almost all EU countries, except in Ireland, Spain and the United Kingdom where, instead, consumers spend more in bars and restaurants. In 2008, Luxembourg spent the most per capita on food (more than €7,000). Italians were in the middle, spending €3,900 per capita. France spent €3,610, Germany €3,102, Spain €4,597, and Britain €4,094 per capita. In the United States, consumers spent significantly less on food, totaling €2,607 per capita. Abundant and relatively inexpensive food has contributed significantly to the high standard of living in the United States.

International Agricultural News

China Approves Biotech Rice: China’s approval of two biotech rice varieties opens the world’s largest rice producer and consumer to the use of agricultural biotechnology for large-scale, direct, human consumption. Although it may be several years until biotech rice is produced commercially, this decision is likely to dramatically change global production and trade in rice and perhaps other

food grains. China's decision to adopt biotech rice will put heavy pressure on Europe to ease its non-scientific restrictions on biotechnology, especially in regard to food security. U.S. companies welcome the decision, as they have been lobbying China for years to speed up approval for biotech crops.

FAO Hosts World Food Summit: The UN Food and Agriculture Organization hosted the 2009 World Food Summit in Rome, Italy, to discuss global food security issues. Director General Jacques Diouf stated that there are 1 billion hungry people in the world and expressed his belief that, "the planet can feed itself provided that the decisions made are honored and the required resources are effectively mobilized." Countries discussed ways to increase food security in developing countries, including through biotechnology. Although no new resources commitments were made, members built a consensus on how to deliver the \$20 billion of aid for agricultural development pledged at the July G8 meeting in L'Aquila.

FAS/Rome Activities

Post organized a visit for USDA Deputy Secretary Kathleen Merrigan to an Italian organic farm and winery during her recent trip to Rome to chair the FAO 36th Conference Session and participate in bilateral meetings with FAO Members to discuss reform efforts and bilateral issues. Also, in conjunction with Public Affairs, Post set up an interview for the Deputy Secretary with *RAI 1 Linea Verde* (the most important Italian TV show on agriculture) in which she discussed the "Know your farmer, know your food" initiative.