Italy: 30% target by 2030

Supporting the organic consumption and production techniques

Angelo Frascarelli

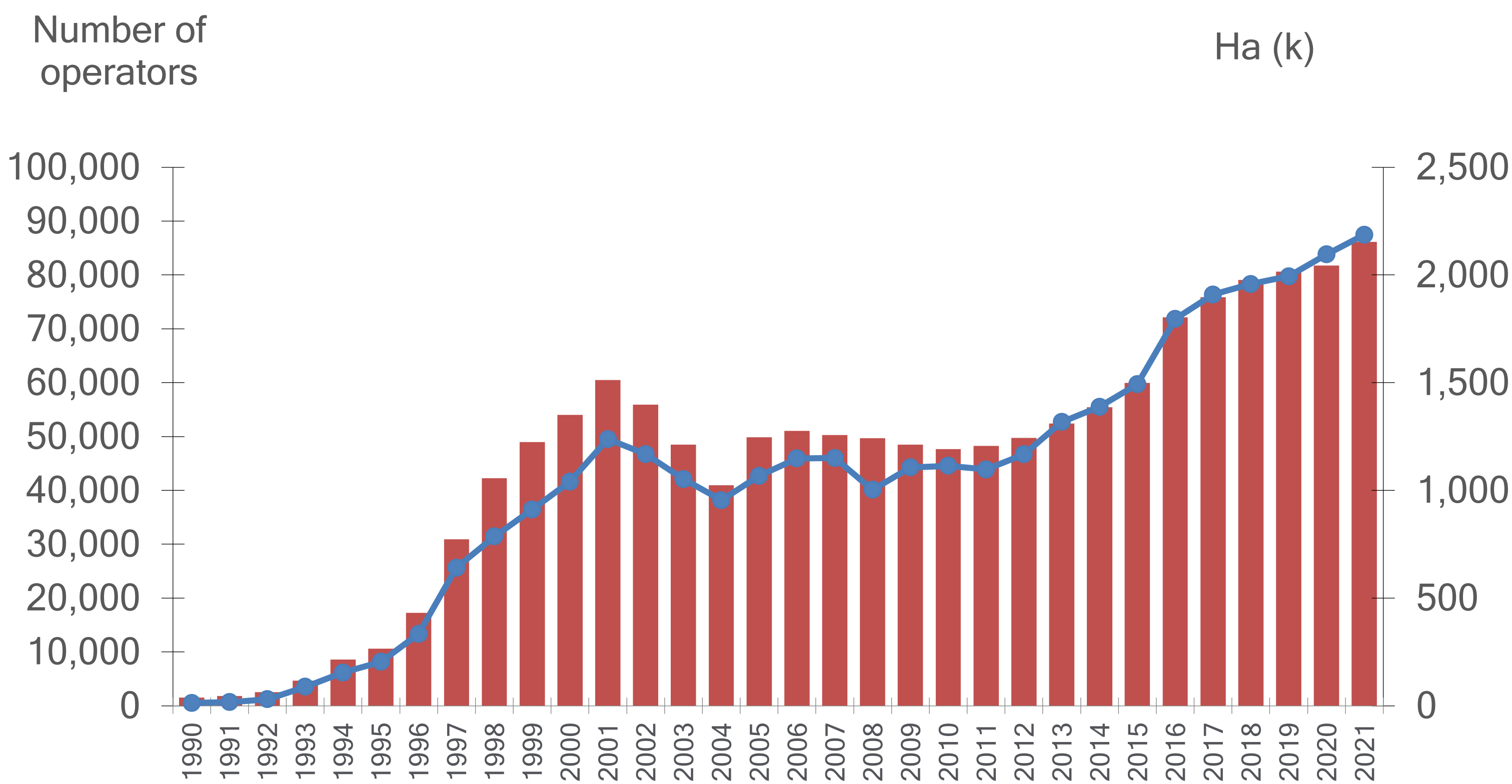
Presidente ISMEA

Docente di Politica Agroalimentare

Università di Perugia

IFOAM ORGANICS EUROPE

• Organic operators and surfaces in Italy



Organic in the 2023-2027 CAP Strategic Plan: the key elements (1)

- ✓ 2027 → Target year for achieving 25 % organic UAA, objective
- ✓ €90 millions a year allocated for organic interventions for the period 2024-2027, transferred from the I° Pilaster *(2,48% of Feaga IT)* and distributed in relation to the respective organic UAA on of total regional UAA
- ✓ Support for organic farming comes from Rural Development, not Ecosystems (SRA Intervention 29). *(Intervention SRA 29)*
- ✓ organic farmers have access also to the ecoschemes

Fonte:RRN

Organic in the PSP CAP 2023- 2027 : the key elements (2)

- ✓ Total allocated resources to the surfaces invested in organic agriculture are **2,165 billions euros** for the 2023-2027 period;
- ✓ Other resources for the organic sector development in PSP come from OCM/ sectorial policies, investment measures, young settlement, cooperation, risk management and AKIS. All these meaures establish selection parameters and specific premiums for organic farms.

Fonte:RRN

Regions	Total rurale developmennt (EUR)	Organic Resources (EUR)
Abruzzo	354.295.621,19	47.395.621,19
Basilicata	452.944.740,59	78.000.000,00
Bolzano	271.866.123,00	14.000.000,00
Calabria	781.294.584,13	180.000.000,00
Campania	1.149.605.259,41	160.225.158,50
Emilia-Romagna	913.219.511,00	188.000.000,16
Friuli-Venezia Giulia	227.593.361,19	25.000.000,00
Lazio	602.555.922,66	107.513.423,71
Liguria	207.037.061,43	3.726.667,11
Lombardia	834.485.800,98	45.000.000,00
Marche	390.875.150,61	74.743.904,61
Molise	157.712.920,79	30.000.000,00
Piemonte	756.397.932,00	47.200.000,00
Puglia	1.184.879.283,00	275.000.000,00
Sardegna	819.493.112,87	69.700.000,00
Sicilia	1.474.613.117,00	450.000.000,00
Toscana	748.813.503,69	204.000.000,00
Trento	198.960.232,01	10.308.610,56
Umbria	518.602.137,00	42.700.000,00
Valle D'aosta	91.845.517,00	7.700.000,00
Veneto	824.564.075,00	35.365.384,58
Italia	15.934.836.844,12	2.095.578.770,42

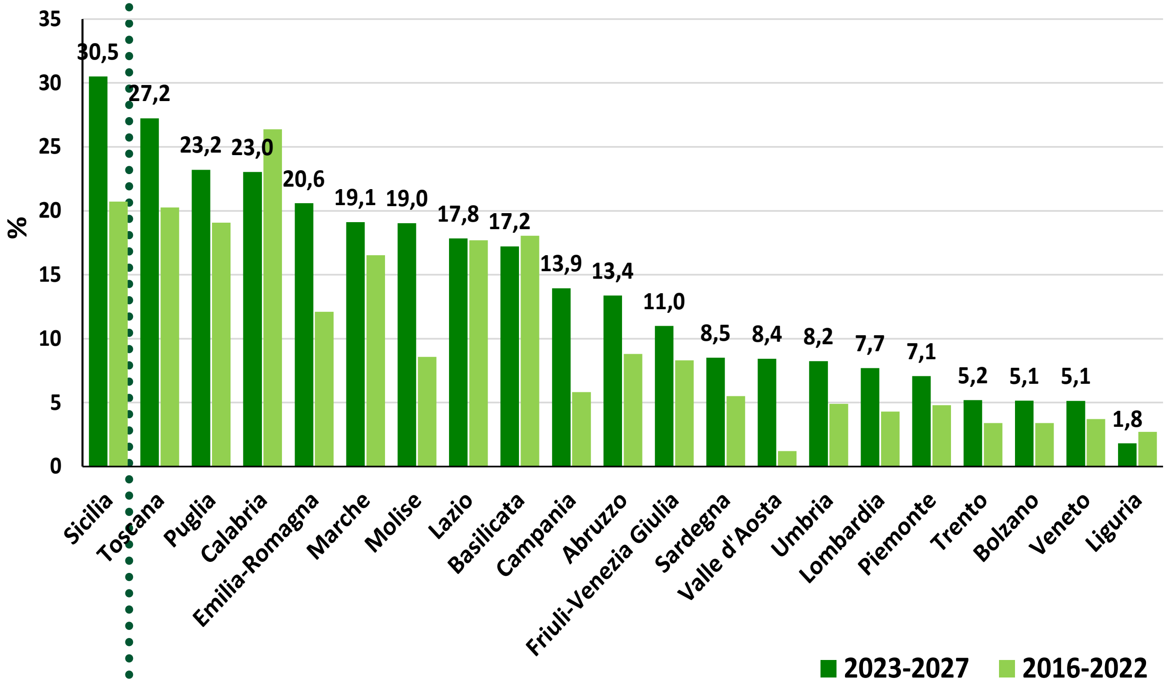
Financial envelope 2023-2027 SRA29 Organic agriculture

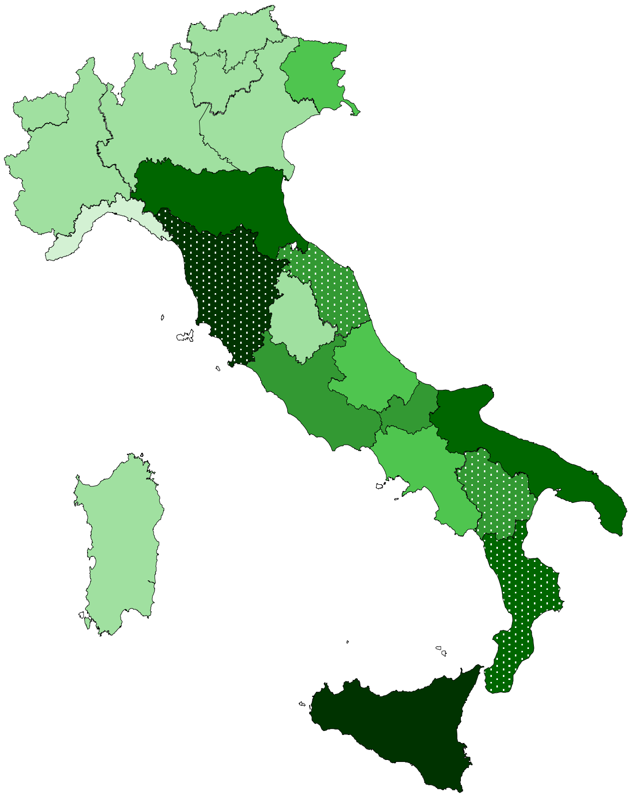
ismeA

IFOAM ORGANICS EUROPE

Biological agriculture

% incidence of SRA29/Measure 11 resources compared to the total resources of the Regions





Is Organic a victim of its own success?

✓organic is going to grow if organic farms' incomes will be satisfing.

RN = incomes - costs

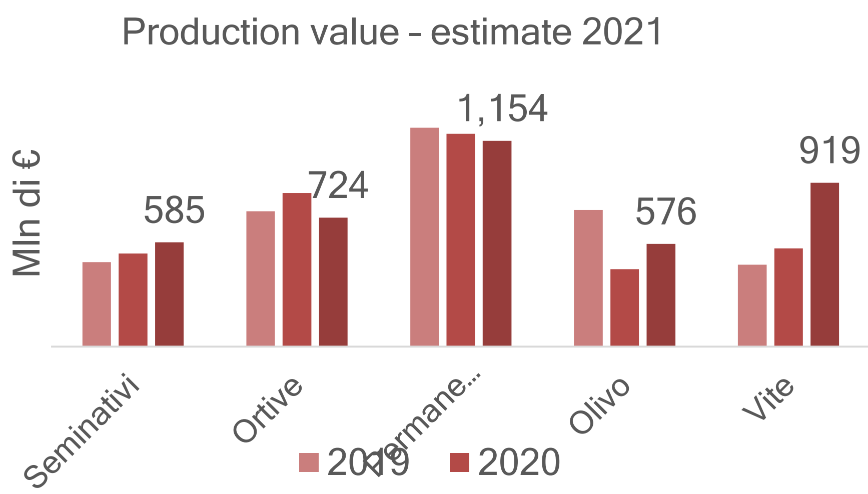
Incomes = p * q + Pac

RN = (p * q + Pac) - costs

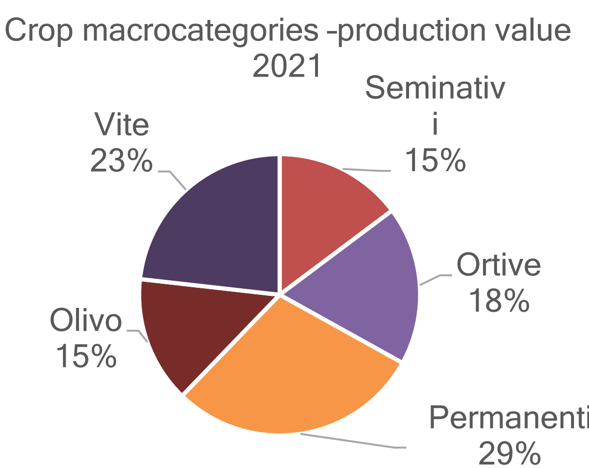
p = price

q = quantity (outputs)

Production value – estimate 2021

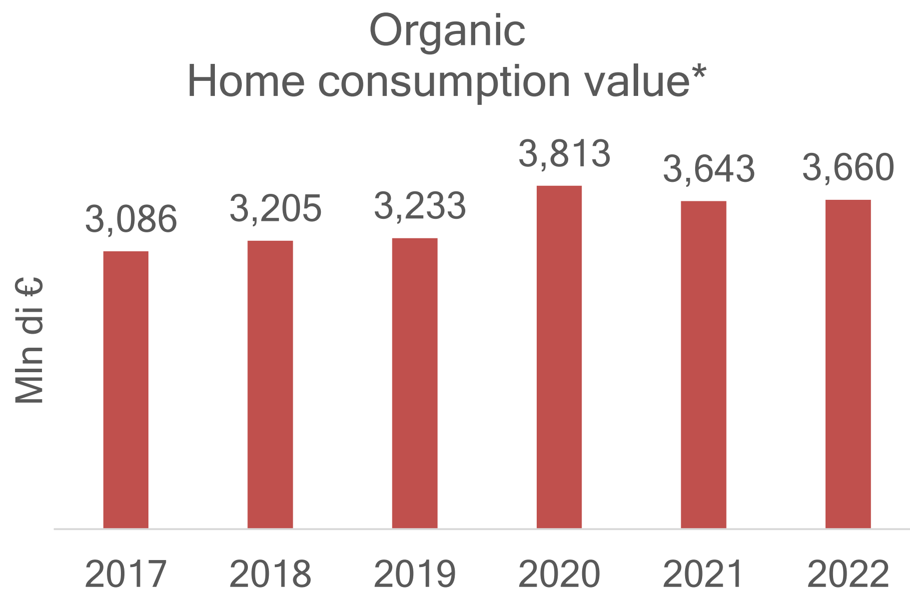


- Production value is **3,96 billions euros***, it has been growing of 11% since 2020 and 7,3% compared to 2019
- Organic vines and arables crops are constantly growing over the last triennium
- Permanent crops are losing value despite the increase in surfaces due to the low outputs in 2020 and 2021



*stime su dati Ismea; non includono le foraggere e i prodotti zootecnici

Market and consumptions – Italy 2022



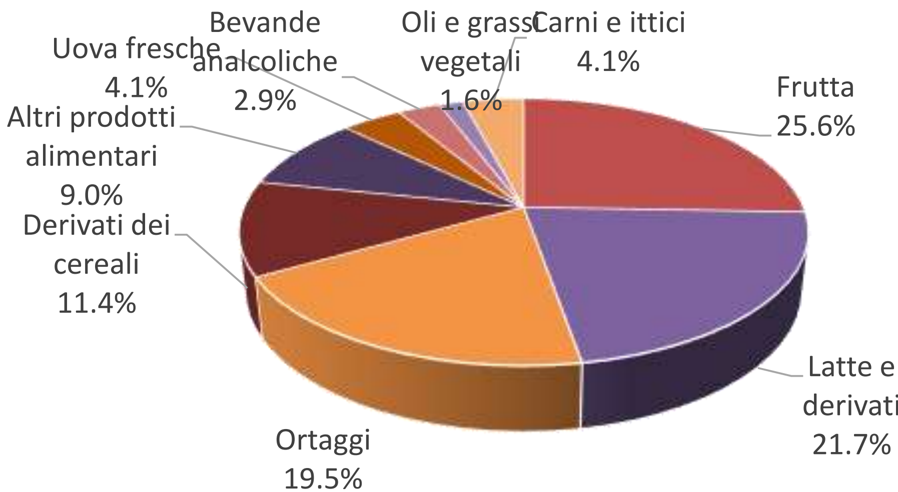
Elaborazioni Ismea su dati Nielsen

- ✓ **Italian Organic consumption : 3,66 billions €**
  - ✓ 0,5% increase compared to 2021
- ✓ **Incidence of Organic sales on the agricultural expense: 3,6 %**
  - ✓ 3,9% decrease compared to 2021

**dal 2020 i dati tengono conto dell'ampliamento e della nuova stratificazione del campione delle banche dati Nielsen*

Market and consumptions – Italy 2022

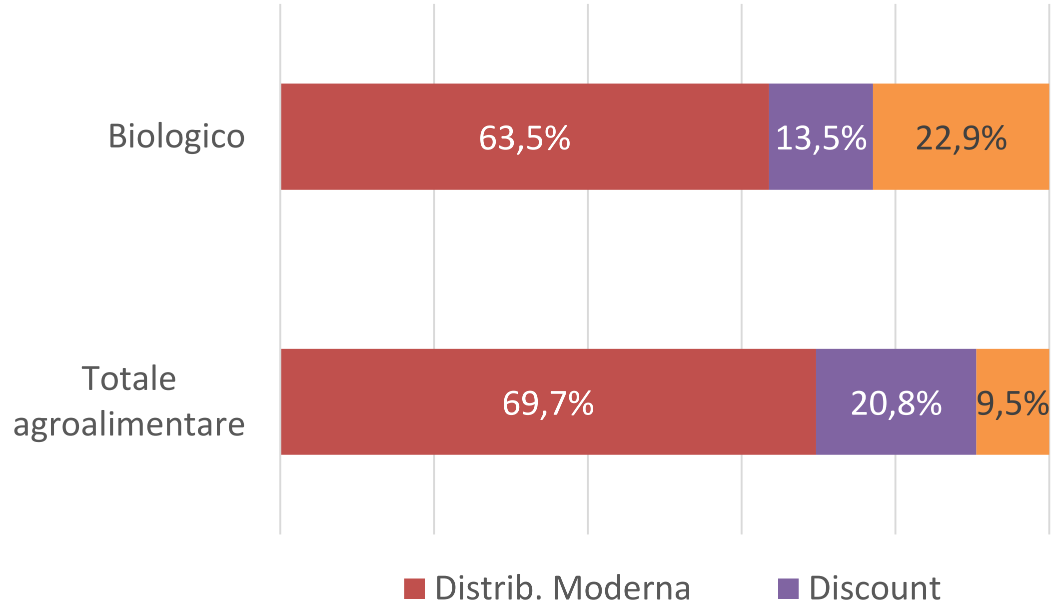
- ✓ Invariated composition of the shopping panel compared to 2021
- ✓ In the organic shopping panel, fruit and vegetables are the most representive categories
  (45,1% organic vs 20% traditional)



Fonte: Ismea su Dati Nielsen

Market: sales channels- 2022

- Modern distribution is the most important sale channel for organic
- Specialized stores are decreasing (incidence pass from 25,2 of 2021 to 22,9%)
- Discounts are growing both in 2021 and 2022 (+16%)



Fonte: Ismea su Dati Nielsen

Future prospects : italian organic in a new economic contest

<u>Strenghts</u>

- ✓ Surfaces and productions are growing due to the local policies and the strengthening of organic supply chain
- ✓ The European Green Transition supports and finances tools for increasing and sustaining organic agriculture *(eg. Pac, FarmToFork)*
- ✓ The experiences acquired and the awareness of sustainable agricultural models encourage farms to conversion.
- ✓ Institutions and professional farming organizations promote organic across the territory
- ✓ European regulatory framework regulate accurately organic sector
- ✓ European citizens are attentive to food safety and quality
- ✓ Image and value of Italian production have a high impact on the most rich markets

Italian organic in a new economic contest

Weaknesses

- ✓ Stagnant organic home consumption→ shared condition between several european countries
- ✓ Inflation and loss of purchasing power → consumers cut food purchases as a protection strategy
- ✓ Origin price differential reduction for several organic commodities compared to conventional productions
- ✓ Not certified organic productions
- ✓ High cost and difficult availability of productive factors *(particularly for seeds and animal feeds)*
- ✓ Organic surfaces' payments generate speculative phenomenos and mere land incomes
- ✓ Different regional development policies generate different operative conditions for organic firms
- ✓ Distribution strategies are more promotion – oriented for Organic private label compared to the whole section

Italian organic in a new economic contest

<u>Proposals to relaunch the sector</u>

- ✓ Supporting the spread of organic products in **collective food service** more powerfully, including hospitals, public canteens and providing incentives for private ones
- ✓ Promoting organic by creating collaborations with italian agri-food ambassadors, which promotes high quality italian products *(eg. chefs e influencers)*
- ✓ Involve Institutions and other Ministeries in a sinergic sector development *(eg. Health Ministry and Economic Development Ministry)*
- ✓ Implementing the information system to generate better management of information on the sector and simplify administrative procedures for farms.
- ✓ Addressing support for **real certified production** as much as possible
- ✓ Invest in **research and development** of new techniques and technologies *(particularly in genomic and seeds production, agricultural mechanic and technic abilities)*
- ✓ Strengthen **consultation** system
- ✓ Coherenthly develop the regulatory framework by taking advange of the oppotunities given in organic sector.

Thanks for attention!

a.frascarelli@ismea.it

angelo.frascarelli@unipg.it

IFOAM ORGANICS EUROPE