

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Approved By:

Jim Dever

Prepared By:

Dana Biasetti

Report Highlights:

Report contains agricultural news items of interest for Italy, the EU and the world for the month of April 2012.

General Information:

ITALY

U.S. Moms Sue Nutella

Two U.S. moms took Nutella Ferrero USA to court over false advertising and won. Their goal was to get the maker of the famous hazelnut cream spread Nutella to admit that, contrary to its ads, the product is no healthier than a candy bar. Nutella's claim that the product is made with simple, quality ingredients like hazelnuts, skim milk, and a hint of coco are false.

In fact, just two tablespoons of Nutella contain 200 calories, 21 grams of sugar and 11 grams of fat. Nutella Ferrero USA settled the class action for about \$3 million, \$2.5 million of which is going to consumers willing to admit that they cannot read a nutrition label. *WSJ*

Weak Economy Brings Youth Back to the Farm

More than 3,000 Italian youths have decided to follow their parents into livestock shepherding as a way to make a living. Due to a recessionary economy, Italy's unemployment rate is now at 9.8 percent, (the highest level since 2000). While many businesses are cutting back on spending, shepherds are investing in their businesses. This is due to a growing Muslim immigrant population, with 2011 census data showing that Italy's immigrant population has now reached 3.77 million. *Coldiretti*

FEATURE ARTICLE

At What Cost EU Membership?

These are difficult times for the European Union, even though some EU politicians often speak of the "huge" benefits of belonging to the bloc. There have been, mostly from trade liberalization, however, as future negotiations on trade liberalization decrease tariffs worldwide, the benefits of the European free-trade area will diminish. The EU is neither as successful nor as beneficial as the political elites in Brussels claim are. While participation in the European free-trade area is not cost-free, the alternative to the European customs union cannot be economic isolation. All EU member states are also members of the World Trade Organization, and are therefore, bound by the EU's WTO commitments.

Should a country decide to leave the EU, in the worst-case scenario it would be subject to the same EU tariffs as other non-EU countries (average applied tariff of 10.1% on agricultural goods). While free trade among European countries was an important step forward, the process of economic liberalization has stalled in the last decade. Add to the picture the fact that the EU's Common Agricultural Policy (CAP) is really just a network of farm subsidies and production quotas that are expensive, wasteful, and corrupted. *The Wall Street Journal*

THE EUROPEAN UNION

EU Must Change its Attitude towards Biotechnology

According to the UK's Crop Protection Association (CPA), the EU has failed to take advantage of plant biotechnology. Mass starvation is expected to become an overriding political and moral problem and biotechnology could be a means by which to produce more food, more efficiently, worldwide. The EU's failure to adopt a coherent approach when it comes to genetically modified (GM) technology is becoming evident. Indeed, it is astonishing that the EU continues to be politically hamstrung by anti-GM campaigners. Hopefully, GM adoption will play an important role in helping to prevent the global food crisis that is being driven by increasingly acute water shortages and climate change unless more urgent steps are taken to defuse it. According to the Food and Agriculture Organization (FAO), there is the need for a 70% increase in global food production.

It is estimated that in 2011, 12 million new GM acres were planted across North and South America and in many developing countries. Use of pesticides in the U.S. has fallen by 15.4%, insecticide use by 90%, and fuel use by almost 80 liters per hectare since GM cropping was first introduced. However, recent signals are far from positive. For example Monsanto, a GM pioneer, will no longer sell its MON810 maize in France and BASF, another influential global player currently marketing the Amflora potato, has elected to turn its attention to more enthusiastic GM markets elsewhere. Animal feed organizations remain frustrated about the delivery of sufficient quantities of vegetable protein (mainly soya), into the EU that are being held up because of GM trace residue in imported non-GM feed.

A GLOBAL PERSPECTIVE

Critics of Biotech Crops Proved Wrong

Critics of agricultural biotechnology have long maintained that the technology is unsuitable for small-scale farmers and harmful to the environment. However, according to newly released adoption rates, evidence is pointing in the opposite direction. In its latest report, the Global Status of Commercialized Biotech GM Crops reported that biotechnology crops now cover 160 million hectares worldwide. Of the 16.7 million people who grew transgenic crops in 2011, 15 million were small resource-poor farmers in developing countries. Early critics of biotechnology contended that biotechnology crops would only benefit large-scale farmers in industrialized countries. Emerging evidence shows that nearly half of biotechnology crops are grown in developing countries. In 2010, economic benefits for developing countries were higher at \$7.7 billion compared with \$6.3 billion for developed countries.

Over the 1996-2010 periods, biotechnology crops have reduced 443 million kilos of pesticide use. This did not only reduce the spraying of chemicals that destroyed biological diversity, but they also cut down harmful exposure by farmers. Another major impact of the adoption of biotechnology crops has been reduction of carbon emissions. In 2010 alone, the world released 19 billion kilos of carbon dioxide due to the use of biotechnology crops. This is the equivalent to taking about nine million cars off the road. The world also reduced its use of land by 91 million hectares by adopting the crops. These trends do not in any way suggest that agricultural biotechnology is a panacea. To the contrary, the world needs to use the full range of technologies available today to sustain agricultural production. What the world needs now is a balanced review that looks at all the evidence available to date.

FAS Regional REPORTING

IT1209-Agricultural News for the month of March

IT1210-Italian farmer on trial for planting GM corn

IT1211-Regions Want Italy to Invoke the Safeguard Cause

HR1206-Croatia Beef Market Product Brief

BK 1202-Bosnian Farmers Accuse Agricultural Minister of Misuse of Support Funds

RB1203-Serbian Government Adopted the New System of Crop Subsidies

RB1 204-Serbia Grain and Feed Annual Report

GR1202-Greece Dairy Semi-Annual Report

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