

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Italy

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### **Agricultural News for Italy EU and World June 2011**

**Report Categories:**

Agriculture in the News

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**Report Highlights:**

Report contains agricultural news items of interest for Italy, the EU and the world for the month of June 2011.

## General Information:

FAS Italy Ag News  
June 2011

ITALY

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### **Brussels Turns up the Pressure Over Italian Super Levy Debt**

The European Commission is considering legal action against Italy for failing to sanction farmers for overshooting milk production limits over a decade ago. Between 1995/96 and 2001/02 Italian dairy farmers over produced milk under established EU production quotas, which resulted in super levy fines totaling €1.3 billion. In 2004 the Italian government promised to repay the fines saying they would recoup the funds directly from the dairy producers over a span of fourteen years. This however, has not yet happened. Italy is now being required to report back to the EU on its' progress towards enforcing the fines, but there are those within the EU who doubt that Italian farmers will pay up before the 2018 deadline. Milk quotas are set to be abolished in 2015, and member states are currently being granted a 1% annual increase in quotas as part of a 'soft landing' process for producers in the run-up to that date. *AGRA Press*

### **Cargill to Buy Italian Feed Business**

Cargill has announced the purchase of an Italian animal feed company, Raggio di Sole, for an undisclosed sum. Industry observers view Cargill's acquisition as an important step into the Italian animal nutrition business while also expanding their dairy feed market. Raggio di Sole is a leading Italian company in the production and sale of pet food. Observers are therefore, forecasting increased imports of pet food and feed stocks to Italy. The company currently employs 150 people at four production facilities across Italy. *AGRA Press*

### **Vatican Turns up Heat on Global Warming**

Pope Benedict XVI may not resemble the stereotypical image of an environmental activist, but in his quiet way the pontiff is playing a big part to turn up the heat on global warming. To the dismay of greenhouse skeptics, the Pope has sided with environmental lobbyists by urging Catholics to accept the truth of climate change and take collective responsibility to reduce carbon emissions. A Vatican-appointed panel of independent scientists has echoed warnings that the planet is heating up, glaciers are melting and urgent action is needed. "Failure to mitigate climate change will violate our duty to the vulnerable of the Earth, including those dependent on the water supplies of mountain glaciers, and those facing rising sea levels and stronger storm surges." In 2008 the Vatican installed photovoltaic cells on the roof of its main auditorium to help meet its energy needs without producing greenhouse emission and subsequently installed a solar cooling unit for its main cafeteria. *ANSA*

FEATURE ARTICLE

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### **FAS Rome Hosts the International Food Defense Capacity Building Team**

Food Defense is the protection of the food supply from intentional contamination, be it an act of economically motivated adulteration, counterfeiting, misbranding, small-scale sabotage, domestic or foreign terrorists, or disgruntled employees. FAS has been coordinating with an interagency group, comprised of FDA/CFSAN, USDA/FSIS, Department of State, and U.S. industry consultants, in food defense capacity building efforts for the last several years.

FAS Rome hosted the Food Defense Expert Team comprised of Dr. Donald A. Prater, DVM Deputy Director (Foods), FDA Europe Office, U.S. Food and Drug Administration FDA Liaison Officer to EFSA, European Food Safety Authority, Dr. Cory Bryant, FDA/CFSAN/Food Defense Oversight Team (FDOT) and Kelly J. McCormick, International Trade Specialist, Trade and Scientific Capacity Building Division, Office of Capacity Building and Development, USDA-Foreign Agricultural Service, at an Embassy wide briefing on 24 June 2011.

THE EUROPEAN UNION

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### **EU Clinches Deal on New Food Labeling Rules**

EU negotiators have agreed on a new EU-wide food labeling regulation which is intended to fight rising obesity levels in Europe by helping consumers make more informed purchasing decisions. Under the agreement, within the next five years all food products must carry labels showing their energy, salt, sugar, protein, carbohydrate, fat and saturated fat content. "Guideline daily amount" or GDA information on salt, fat, sugar and energy content will be voluntary under the agreement, rather than mandatory, however the new rules require compulsory country-of-origin labeling for pork, poultry, lamb and goat meat within two years of entering force. *Reuters*

### **EU to Agree Aid to Farmers Hurt by E.coli Outbreak**

The European Union has agreed to provide financial aid for fruit and vegetable producers whose sales were affected by an E.coli outbreak that killed several people throughout Europe. A compensation package and the amount of aid have yet to be defined. EU trade in fresh fruit and vegetables is worth about €2.5 billion per week.  
*AGRA PRESS*

## **A GLOBAL PERSPECTIVE**

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### **World Bank Debuts Tool to Fight Food Price Swings**

Poor farmers in the developing world will now be able to use Wall Street-style financial wizardry to protect against food price volatility, under a new program announced by the World Bank. The Washington-based development lender said it was launching a new risk management product to provide an initial \$4 billion in protection from volatile food prices to farmers and consumers in developing countries. The new financial product -- which will help buyers hedge against price spikes in wheat, sugar, cocoa, milk, cattle, corn, soybeans, and rice -- was developed jointly by the World Bank and Wall Street bank JPMorgan Chase. *Wall Street Journal*

### **WTO Data Shows Signs of Growing Trade Protectionism**

The growing costs of not concluding a Doha trade round can be seen from new WTO figures showing increased protectionism among the world's leading G20 economies. According to a WTO report between October 2010 and April 2011, "trade restrictions taken by WTO members and observer governments over the past six months have become more pronounced than in previous periods." This amply shows that bilateral deals and protectionism were rising in the wake of the failure to conclude a Doha round for increased trade liberalization. The report also says that "new measures aimed at restricting exports, in particular of certain raw materials and agricultural commodities, have been introduced for various reasons ... including (by) G20 countries, which is in contradiction with the G20 standstill pledge." Attempts to rescue the ailing Doha discussions continue. The United States argued at a recent meeting in Geneva that new rules limiting government support to the fisheries sector were ready for inclusion in a package, but Japan and Korea, which have resisted strong disciplines on fisheries subsidies, disagreed. Other topics put on the table for December discussion include trade facilitation, updating provisions on special and differential treatment for developing countries, agricultural export support, provisions on regional trade agreements or liberalised trade in environmental goods and services. Many negotiators have warned however that attempting to overload the agenda would damage prospects for any sort of deal. *Financial Times*

### **UN: Brazilian to Become Head of the UN Food and Agriculture Organization**

Former Brazilian food security Minister, Jose Graziano da Silva, is the first person from Latin America to head the United Nations Food and Agriculture Organization (FAO). Da Silva will take up the post of FAO director-general on 1 January 2012. The 61-year-old will succeed Senegal's Jacques Diouf. Graziano da Silva has pledged to work towards five main goals: eradicating hunger, promoting a shift to sustainable food production, ensuring greater fairness in global food management; swiftly implementing agreed internal FAO reforms aimed at improving its effectiveness, and boosting cooperation between developing countries. The FAO has a 2.2 billion dollar budget for the two-year period through 2011, with 45 percent from contributions by member countries and the remainder provided through voluntary payments by members and other donors.  
*UN Food and Agriculture Organization website*

## **FAS Italy Regional REPORTING**

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- Export Success - U.S. Pet Producers Generate \$4.3 Million Sales at Zoomark in Italy

- Italy Pet Food Sector Overview
- Italy Poultry Outlook 2011
- Biotechnology in Italy 2011
- Croatia and the EU

Reports are available at: <http://gain.fas.usda.gov/Pages/Default.aspx>

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