“The Rural Development Policy in Italy”
29 April 2010

Outline of the presentation

1) Italy’s main agricultural features
2) Italian rural development institutional organization: roles and responsibilities
3) Italy’s main features concerning agriculture and rural development

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1 - Italy’s main agricultural figures
Italian Agriculture in figures

- Country Population: 57,0 million of inhabitants
- GDP/Inhabitant: 115% (EU 27)
- Unemployment rate: 9%
- Surface: 30,1 millions of ha
  - UAA: 13,2 millions of ha (43,8%)
  - Forest surface: 10,7 millions of ha (35,5%)
- Less favourite areas/mountains: 18,4 millions of ha (61%)
- Natura 2000 area: 4,3 millions of ha (14,4%)
- Nitrate Vulnerable Areas: 4,05 millions of ha (13%)
2007: Main rural areas features

- Urban poles: 8% surface, 43% population, 1,050 inhabitants/square kilometre
- Rural areas with specialised agriculture: 17% surface, 22% population, 253 inhabitants/square kilometre
- Intermediate rural areas: 32% surface, 24% population, 143 inhabitants/square kilometre
- Rural areas with development problems: 43% surface, 12% population, 54 inhabitants/square kilometre

(*) Inhabitants per square kilometre
Italian economy

<table>
<thead>
<tr>
<th>1960 Rural areas features</th>
<th>2007 Rural areas features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture 38%</td>
<td>5,3%</td>
</tr>
<tr>
<td>Industry 30%</td>
<td>26,6%</td>
</tr>
<tr>
<td>Services 32%</td>
<td>68,1%</td>
</tr>
</tbody>
</table>

UAA Ectars

18.000.000 13.200.000

UAA %

59,7% 43,8%

Agricultural holdings

4.293.924 1.728.532

Average farm size (ha)

4,1 7,4
Italian rural development institutional organisation
2007-2013 Rural Development programming period:

Institutions involved

MiPAAF: Ministry of agricultural, food and forestry policies

20 Regions
110 Provinces
8.101 Municipalities
373 Mountain Communities

State-Regions Permanent Conference
The role of the Ministry in rural development

- Definition and implementation of National strategic plan for rural development
- Financial coordination for 21 Rural Development Programs and 1 National Rural Network” - National Monitoring Committee (art. 77.3 Reg. 1698/05)
- Ensuring complementary and coherence among policies
- Implementation of “National monitoring and evaluation system” (art. 80 Reg. 1698/05)
- Horizontal issues (cross-compliance and baseline identification, rules on eligibility of expenditure, reductions and exclusion system, etc.)
- National Rural Network implementation
The regional level

✔ Each Region is responsible for the definition of the regional strategy and for the implementation of its own Rural Development Programme (Managing Authority)

✔ Some Regions manage RDPs with a centralized method. Other Regions manage RDPs following a decentralized method (involvement of local authorities: Provinces and Mountain Communities)
“State – Regions Permanent Conference”

✓ Coordination of all agricultural and rural development policies between Ministry and Regions.

✓ *Technical conference*: inside the Permanent Conference. It discusses at technical level all main issues concerning rural development policies.
The European Union (27 member states) has its own budget, which comes from external tariffs, a 0.50% percentage on VAT, and a direct contribution from member states' budget. The EU finances, among others, the CAP (Common Agricultural Policy with his two funds), the Structural funds (European Development Regional Fund, European Social fund, Cohesion Fund) and the European Fisheries Fund.
Rural development measures (EC regulation 1698/2005)
Measures included in a Rural Development Plan are grouped in four axis, plus technical assistance

**Axis one: Improving the competitiveness of the agricultural and forestry sector** (e.g., farm modernisation, adding value to agricultural and forestry products, setting up of young farmers; advisory services, participation of farmers in food quality schemes)

**Axis two: Improving the environment and the countryside**
(payments to farmers in mountain areas, agro-environmental payments, first forestation of non-agricultural land)

**Axis three: The quality of life in rural areas and diversification of the rural economy** (e.g. diversification into non-agricultural activities, basic services for the economy and rural population, village renewal and development)

**Axis four: Leader approach** (bottom-up approach; Local Action Groups)

Technical assistance
## EAFRD Measures by Axis and Policies (millions euro, including national cofinancing)

<table>
<thead>
<tr>
<th>AXIS</th>
<th>Public expenditure and %</th>
<th>Main measure of the Axis (%)</th>
<th>On the whole</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>6.435 (39%)</td>
<td>Modernisation of agricultural holdings (37%)&lt;br&gt;Adding value to agric. and forestry products (19%)&lt;br&gt;Setting up of young farmers (12%)</td>
<td>14% 7% 5%</td>
</tr>
<tr>
<td>II</td>
<td>6.981 (42%)</td>
<td>Agro-environment payments (53%)&lt;br&gt;Natural handicap (mountain area) payments (12%)</td>
<td>22% 5%</td>
</tr>
<tr>
<td>III</td>
<td>1.414 (9%)</td>
<td>Diversification into non agricultural activities (42%)</td>
<td>4%</td>
</tr>
<tr>
<td>IV</td>
<td>1.346 (8%)</td>
<td>Implementing local development strategies (66%)</td>
<td>5%</td>
</tr>
<tr>
<td>V</td>
<td>429 (3%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>16.605</td>
<td></td>
<td>100%</td>
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</tbody>
</table>
3 - Italy’s main features concerning agriculture and rural development

1 – Environmental measures and climate change
2 – Landscape
3 – Quality products and organic production
4 – Agro-tourism
5 – Social Farming
Environmental measures and climate change

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Environmental measures and climate change

In EU every farm must comply with environmental requirements in order to get public support. Those requirements are described under the so-called Cross Compliance.

**Cross Compliance** concerns regulations/directives in the field of environment, public and animal health, animal welfare, plant protection products and the maintenance of all rural land in good agricultural and environmental conditions.
The general role of Cross Compliance

- **Agri-environmental Commitments (RDP)**
  - Reference level: Cross-compliance

- **BASELINE**
  - Infringements of the CC commitments

- **Farmer 1**
  - Possible sanctions; reductions or exclusion

- **Farmer 2**
  - No incentive, no sanction

- **Farmer 3**
  - Positive incentive (AE payment)
Agri-environmental Payments (RDPs)

• Farms are engaged for 5 years to observe measures related to environmental protection and rural land safeguard
  – i.e. Organic farming, integrated agriculture, conservation of landscaped resources

• The incentives balance increased farmer’s expenses or the missing yields as consequence of the environmental measures
The Italian position on climate change

- Promote strategies related to climate change mitigation
  - Conservative agriculture, organic farming, forestry management (Carbon sink and emission reductions)

- Set up specific adaptation policies for National agriculture
  - Support scientific research

- Foster energy saving and renewable energy production in agriculture

- The above mentioned concepts are particularly focused on the features of Mediterranean areas
Landscape

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Presence of landscape as a focal element in the Italian RD programming period 2007-2013

- The landscape as a first programming document was elaborated to define the national strategies for the future interventions in the period 2007-2013

- The National Strategic Plan receipt the proposed elements from the programming doc

- In the Italian Rural network a specific working group was created to afford the topic “rural landscape”

- Special projects
  a) Catalogue of rural landscapes of historical interest
  b) Support to the implementation of rural landscape conservation and valorisation
Axis I - Improving competitiveness

“Landscapes as an “added value” for the rural territory in order to develop a “competitive identity”

• 1- favor a strong link between quality of local products and uniqueness of local landscapes

• 2 - valorization of landscape resources for tourism and agri tourism
Axis 2 - conservation of terraced almond orchards
Axis 2 - measures for valorization of terraced vineyards
Axis II - Conservation of pastures
- Axis III
quality of life in rural areas and diversification of the rural economy

A high quality landscape for a high quality of life in rural areas. The "cultural identity" of places against globalization
Quality products and organic production

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Quality products

Total PDO & PGI products in the European Union = 877

ITALY

22.3 %

n.196 QUALITY PRODUCTS

ITALY 1st EU Country for PDO & PDI products

Annual turnover of the n.196 Italian PDO PGI products (10 billions Euro) of which 85 % coming from the market sell of quality cheeses and cured meats. Most of Italian PDO and PGI products are exported.
Organic farming

49,654 organic farms (2008 data)
1,002,414 ha (2008 data) ◇ 14 % of EU organic farming surface
3,600,000 livestock units
1 million of ha “Integrated agriculture”

Italy leader in EU
for n. of organic farms
for n. of ha cultivated with Integrated pest method
RDP Support “Integrated agriculture” and “Organic farming”

• **Organic Agriculture**: average RDP support per ha → 250 Euro

• **Overall organic surface** in Italy 1,002,414 ha

• **Total RDP support (per year) for organic agriculture** (250,603,500 Euro)

• **“Integrated pest method agriculture”**: average RDP support per ha → 172 Euro

• **Overall “integrated pest method” surface** in Italy 1,000,000 (esteem) ha

• **Total RDP support (per year) for “integrated pest method agriculture”** (172,000,000 Euro)
Agro-tourism

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Agro-tourism

Agro-tourist farms provide for accommodations; catering; recreational activities; direct products selling

18,480 farms in 2008
19,000 trend for 2009

51,4% located in hilly areas
34,4% located in mountain areas

Italy leader in EU for n. of agro-tourism farms
Social farming

1 – Environmental measures and climate change
2 – Landscape
3 – Quality products and organic production
4 – Agro-tourism
5 – Social Farming
Strengths of the Italian model

✓ Social Farming
Farms offering “green care”+ education activities

Mostly located near the urban poles
• In Italy 2,000 social farms
  ✓ 51% farms (mostly managed by young farmers and women)
  ✓ 25.5% social communities
  ✓ 23.5% social cooperatives
Thank you for your attention

For further information:

www.politicheagricole.it/svilupporurale

www.reterurale.it