

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

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Report Highlights:

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

General Information: THE EUROPEAN UNION

Decades Long “Banana War” Ends

A decades-long "banana war" between Europe and the Americas has finally come to an end. The EU Parliament has agreed to reduce import tariffs giving the go ahead to a December 2009 deal brokered by the World Trade Organization in response to complaints by Latin American and U.S. producers of preferential treatment for bananas grown in far-flung EU outposts in African, Caribbean and Pacific ex-colonies. In return banana producers in the Americas have agreed to drop their longstanding pursuit of Brussels at the Geneva-based WTO. *AGRA PRESS*

Honey Containing GMO’s Needs EU Approval For Sale

An EU Judge has decreed that honey containing even the tiniest traces of genetically-modified material (GM) needs EU approval before it can be sold in the European Union. Under EU rules all crops or food made with GM ingredients need to be approved before they can be sold in the EU. The EU's Court of Justice has therefore decreed that even “a minute quantity of pollen” from a GM crop would mean that “honey must also be the subject to the approval of the EU before being sold in the European market”. *European Voice*

EU Agrees to Ease Rules on GM Traces

Member states of the EU Standing Committee on the Food Chain and Animal Health were able to form a qualified majority in favor of new rules regarding 'Low Level Presence' (LLP) by which approving slight traces of GMOs (genetically modified organisms) in animal feed. The Commission decision implements a new 0.1% tolerance threshold for GM traces in feed consignments, which is a significant change to the current "zero tolerance" approach. *AGRA EUROPE*



FEATURE ARTICLE



**Planting Ceremony of the “Repubblica di San Marino” Rose at
Villa Taverna**

The San Marino Chief Veterinary and Health Officer and a local San Marino Nursery “Flora Verbena” donated to the U.S.

Ambassador and Mrs. Thorne ten rose bushes for the grounds at Villa Taverna of a new rose variety by the name of “Repubblica di San Marino”. The rose planting event, which took place at Villa Taverna on February 18, was organized and promoted by the Foreign Agricultural Service Office. Mrs. Thorne in thanking the San Marino guests for the beautiful roses, highlighted the strong diplomatic and historical ties between the United States and San Marino.

A GLOBAL PERSPECTIVE

Rising Food Prices

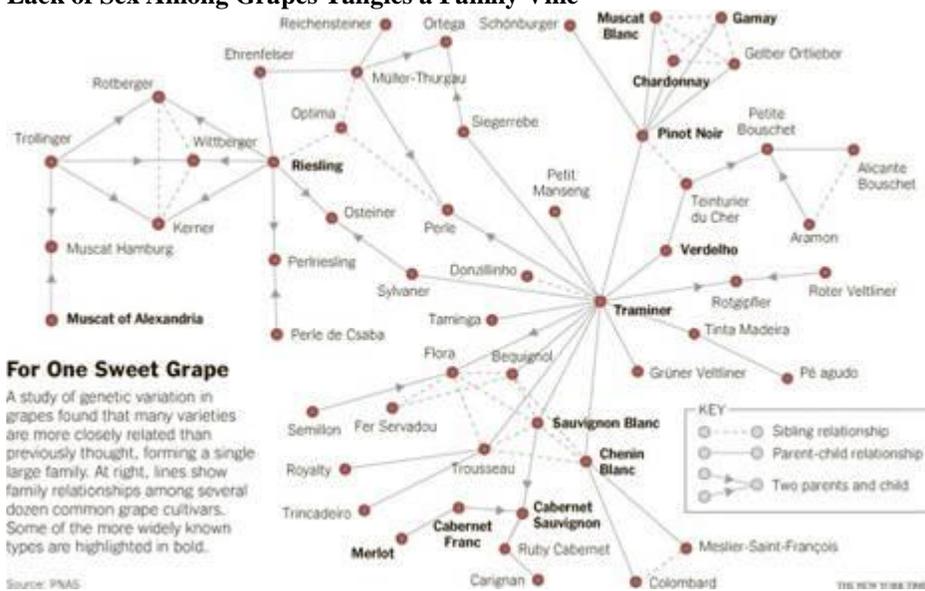
Global food prices increased substantially in 2010, with the Food and Agriculture Organization (FAO) recently reporting that its global food price index reached a record high and surpassed nominal food price levels seen in 2007-08. While there have been recent increases in food prices, several factors distinguish the current situation from 2007-08. At this time, the U.S. Government does not believe there is a food price crisis, and by implementing sound policies, countries can reduce the likelihood of food price crises. World food prices have increased considerably in the last six months, especially the prices of sugar and edible oils. Increased food prices are due largely to decreased production projections from unexpected, weather-related loss and an aggregate increase in global demand. Increased investment levels in commodities and higher global fuel prices are also likely playing a role.

It is important to learn from past mistakes. All countries, and especially less developed countries, need to implement policies that encourage market transparency and responsible investment in technology--not only to increase production yields, but also to improve the efficiency of marketing channels and the flow of information.

The United States recognizes the potential harmful impact of price volatility on the poor and vulnerable, especially in developing countries. Our response to these risks focuses both on reducing food insecurity and the risks that derive from price volatility. In the medium term, reducing poverty and increasing access to food are the most important paths to reducing food insecurity.

The U.S. Feed the Future Initiative aims to reduce food insecurity by investing in targeted agriculture value chains, infrastructure, and nutrition interventions in developing countries to generate economic growth and nutritional security. In the short term, the USG is working with our diplomatic partners, both bilaterally and through multilateral institutions, such as the G-20, APEC, and UN food agencies, to pursue policies that promote agricultural growth and reliable trade flows, which could work to reduce price volatility. We urge commodity producing countries to eschew export bans, and to use export quotas and export taxes sparingly. We encourage the sharing of information on stocks and production. We urge importing countries to refrain from panic buying and hoarding. We also urge all countries to have adequate and well-targeted food assistance safety nets in place for their most food insecure people. *United States Department of Agriculture*

Lack of Sex Among Grapes Tangles a Family Vine



For the last 8,000 years, the wine

grape has had very little sex threatening to sap the grape's genetic health. According to a geneticist at Cornell University 75 percent of grape genetic variation were as closely related as parent and child or brother and sister. "Previously people thought there were several different families of grape but now we've found that all those families are interconnected and in essence there's just one large family." Thus merlot is intimately related to cabernet franc, which is a parent of cabernet sauvignon, whose other parent is sauvignon blanc, the daughter of traminer, which is also a progenitor of pinot noir, a parent of chardonnay. Wine drinkers are attached to particular varieties, and if you cross a chardonnay grape with some other variety, it cannot be called chardonnay. In many wine-growing regions there are regulations that let only a specific variety be grown, lest the quality of the region's wine be degraded. More than 90 percent of French vineyards are now planted with clones — genetically identical plants — certified to possess the standard qualities of the variety. The consequence of this genetic conservatism is that a host of pests have caught up with the grape, obliging growers to protect their vines with a deluge of insecticides, fungicides and other powerful chemicals. At that point growers will have three options. One is to add genes for pest resistance, risking consumer resistance to genetically modified crops. A second is to go organic, which may be difficult for a plant as vulnerable as the grape. A third is to breed sturdier varieties. Breeding new grapes takes time and money. Genomically selected grape varieties may be ready for market in about a decade, with ample pest and disease resistance genes in the grapevine genus. *New York Times 01/24/2011*

Brazilian GM Soy Could Benefit From EU Feed Changes

Brazil's genetically modified crop area grew by 19% (4 million hectares) in 2010, the largest global expansion ever. Brazil, with 25.4 million hectares, is now the second largest biotech crop producer after the United States, with 66.8 million hectares, according to the International Service for the Acquisition of Agri-Biotech Applications. For the second-year running Brazil has the fastest growing area, beating its rival Argentina. It has approved 27 GM crop varieties so far, including four varieties of maize. Researchers are also working on GM sugarcane, which is the major feedstock for fuel ethanol and electricity co-generation. Brazil has increased its grain exports as a result of this trend, and now plants 17% of the world's biotech crops. Brazil's GM soy expansion is also likely to be boosted by legislative developments in the European Union. The EU recently passed LLP legislation (see previous article) which should favor Brazil's exports. Just last year the EU imported more than 51 million tons of animal feed, worth more than €15 billion Euros. More than half of that was soy from Brazil and Argentina. *AGRA PRESS*

FAS/Rome Regional REPORTING

- EU Wine Consolidated Report (Italy)
- Fruits and Vegetables Market Brief (Croatia)
- Pork Market Brief (Croatia)

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