

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Italy

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### **Agricultural News for Italy and the EU May 2010**

**Report Categories:**

Agriculture in the News

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**Report Highlights:**

Report contains Italian and EU agricultural news items of interest for the month of May 2010.

## **General Information:**

### **ITALIAN AGRICULTURAL NEWS**

#### **Brunello Wine No Longer Needs Export Certification**

Minister of Agriculture Galan announced that Brunello di Montalcino wines no longer require certification for export. Two years ago, in the midst of the Brunello wine fraud scandal, the Italian Government was forced to vouch that Brunello wines met DOCG consortium production standards. U.S. authorities (TTB – Alcohol, Tobacco, Tax and Trade Bureau) in order to maintain exports to the U.S. required special documentation indicating that Brunello wines were being produced with 100 percent Sangiovese grapes and had been inspected to ensure quality. However, as of 1 May the special export certification is no longer required. More than one-quarter of all Brunello wine produced in Montalcino each year is exported to the U.S.

#### **Italy Part of the Bluefin Tuna Plan**

Minister of Agriculture Galan announced Italy's participation in the Joint Deployment Plan organized by the EU for safeguarding bluefin tuna. Together with Spain, France, Greece, Cyprus, Malta and Portugal, Italy will participate in monitoring, inspecting and controlling tuna fishing activities at sea and ashore both in Mediterranean and in eastern Atlantic waters.

#### **EU Commission Slams Italy's Dairy Levy Backlog**

Brussels is urging Italy to do more in order to ensure full and timely collection of outstanding dairy levy payments from milk producers who overproduced from 1995-2002. The EU Commission has openly criticized the Italian government's failure to enforce the re-payment process. Historically, Italy has exceeded its assigned milk quotas due to the fact that the quotas were assigned in 1983 based on official production figures, which Italian farmers significantly under reported. Industry sources indicate that the milk quotas did very little to stop this "black milk" economy until the issue was finally re-examined by the EU and Italy and a quasi-amnesty was agreed upon. However, Italy still overproduces five to six percent more than its assigned quota, which has led to the EU dairy levies.

#### **Italian Farmer Secretly Plants GM Seeds**

An Italian farmer who has been waging a three-year battle to plant genetically modified maize in Italy has gone ahead and sowed six GM seeds in direct challenge to government and regional authorities. It



is reported that he has planted six GM maize seeds in an undisclosed area near the northern city of Pordenone. The farmer asserts that planting GM seeds is not illegal and has accused the Italian government of not abiding to the law by banning GMOs. Last month the Italian committee tasked with approving seed applications refused to authorize a request filed by the pro-biotech group Futuragra for the addition of a GM maize strain to its register. The northern Italian farmer is said to be ready to face trial should he have to.

## **THE EUROPEAN UNION**

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### **U.S. Beef Suppliers Reap EU Quota Rewards**

U.S. beef suppliers are taking full advantage of improved access to EU markets following last year's opening of a new zero-duty quota for high quality beef imports into the EU. The quota, which came into force in August 2009, allows for 20,000 tons of high-quality beef at a zero tariff rate. This quota is in addition to the existing 11,500 ton quota that carries a tariff of 20 percent. Beef exported under the new quota must be hormone-free, less than 30 months of age, have fed for at least 100 days with minimum energy and intake requirements, and the carcasses must be quality graded. The duty-free quota is helping offset some of the U.S. rancher's additional production costs associated with exporting to the EU. In addition to the U.S. beef being offered in high-end restaurants, it is also beginning to gain some retail traction in Europe. U.S. beef is now available in Italy at hypermarket and supermarket locations operated by Carrefour Italia, GS and Pelicano supermarkets.

### **U.S.-EU Trade Row Looming Over Milk Quality Standards**

A new U.S.-EU trade row may be brewing over the production and quality of imported U.S. milk and dairy products. U.S. dairy exporters are upset with a recent EU decision to change the rules relating to the somatic cell count in U.S. milk products exported to the EU. As of 1 October any U.S. dairy processor exporting to the EU will have to certify that each individual farm that supplies milk for those exports complies with the EU's maximum somatic cell count regulation. This new requirement risks disrupting U.S.-EU trade, potentially jeopardizing up to \$60 million in annual exports of U.S. milk and dairy products to the EU.

### **EU Commission Suggests New Gene Technology Policy**

The European Union Commission presented in an internal strategy paper the first suggestions for a new gene technology policy. The new policy will allow the continuous conduct of the general approval to GM plants in an EU-wide, binding procedure based on a scientific safety assessment and at the same time allow member states to prohibit or cultivate genetically modified (GM) plants on their territory.

The European Commission will try to make policy changes within the existing legislative framework and revive the discussion on gene technology to be able to make decisions that are clear and comprehensible to the public. The paper also presented some suggestions in dealing with requests for cultivation ban on a GM plant. Cases cited include: when the primary motivation of such a ban is political; if the plant in question already has been assessed to be safe and approved in the EU; and the use of 'socio-economic criteria' to be the basis of the cultivation ban.

### **Economic Crisis Threatens Agriculture in Europe and Asia**

According to Jacques Diouf, Director-General of the Food and Agriculture Organization, the financial and economic crisis has weakened agriculture particularly in Central and Eastern Europe. Both Europe and Central Asia have been hit hardest by the crisis thus affecting progress made so far in fighting poverty and food insecurity. Earlier this year Diouf had launched a major international anti-hunger campaign called "The 1 billion hungry project" in hopes of urging world leaders to join efforts to eliminate hunger from the planet. Diouf is noted suggesting that there is the need to invest in Europe and Central Asia, noting that with sufficient investment, nearly 10 million hectares of arable land could be developed to grow grains and oilseeds in Kazakhstan, the Russian Federation and Ukraine.

### **EFSA Signs Off on Two More GMOs**

Two new genetically modified organisms (GMOs) used for food and feed have been judged safe by the EU's European Food Safety Authority (EFSA). Biotech giant Syngenta, which manufactures the maize products (a herbicide tolerant and insect resistant maize) had asked EFSA to undertake the assessment earlier this year. The Panel concluded that neither maize variety is likely to have any adverse effects on human and animal health or the environment, in the context of its intended use. Last month EFSA also gave the green light to two Monsanto maize products.

### **EFSA Says Health Risk from Volcanic Dust 'Negligible'**

EFSA has deemed that the potential risk posed by fluoride contamination in drinking water, fruits, vegetables, fish, milk, meat and feed deriving from the volcanic ash following the eruption of the Eyjafjallajökull volcano in Iceland is negligible.

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## **FEATURE STORY**

## **What Are The WTO Doha Negotiations?**

The Doha Development Agenda (also known as the Doha Round) is the ninth round of multilateral trade negotiations conducted since the end of World War II. The Round was launched in Doha, Qatar, in November 2001. The goal of the Doha Round is to reduce trade barriers in order to expand global economic growth, development, and opportunity. The negotiations focus on a number of areas, including agricultural trade.

The Doha agricultural trade negotiations call for substantial improvements in market access, reduction and elimination of all forms of export subsidies, and substantial reductions in trade-distorting domestic support. The United States, as the world's agricultural export, seeks balanced, ambitious results for each of these areas.

Prior to the Uruguay Round (which began 1986), global agricultural trade was generally unregulated. The Uruguay Round agreement established a framework of rules for agricultural negotiations and started reductions in protection and trade-distorting support, while striking a balance between agricultural trade liberalization and governments' desire to pursue legitimate agricultural policy goals. Since then, agriculture trade negotiations, although often contentious, have become firmly established within the multilateral trading system and have brought all agricultural products under more effective multilateral rules and commitments.

World Trade Organization members now are committed to reducing agricultural export subsidies and trade-distorting domestic support. They have agreed to prohibit subsidies that exceed negotiated limits for specific products. Their commitments to reduce domestic support are a major innovation and are unique to the agricultural sector.

Negotiations, however, are often difficult because of the wide range of views and interests among member governments, especially for many developing countries and especially for a commodity as basic as food. Despite tariff reductions, market access remains problematic, as members increasingly enact non-tariff barriers (red tape, non-science based regulations) to restrict imports.

## **A GLOBAL PERSPECTIVE**

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### **Bio-fortified Maize: a Cure for Malnutrition**

Maize is one of the most important crops in the world. In Africa, it is the staple food of more than 300 million people. In other developing countries, maize or corn may not be the main food source, but it is one of the crops that they can rely on to provide nourishment to the starving malnourished population,

specially the children. To further help the poor nations by providing nutritious food, bio-fortified maize called quality protein maize (QPM) is being produced. Consumers are unable to detect the difference in the flavor of regular maize from QPM, however, QPM has a naturally-occurring mutant maize gene that enhances the production of amino acids necessary for protein synthesis in humans.

### **CODEX Chief Wants Collaboration on Private Standards**

The increasing proliferation of private standards being imposed on consumers by the trade and retail can partly be addressed through a common approach, according to Karen Hulebak, chair of the CODEX Alimentarius Commission. CODEX was set up in 1963 by the United Nations Food and Agriculture Organisation (FAO) and the World Health Organisation (WHO) to develop food standards and guidelines. Its main remit is the protection of consumers' health, ensuring fair trade practices in the food trade. CODEX also promotes co-ordination of all food standards work undertaken by international governmental and non-governmental organizations. Hulebak reports that critical food safety issues affect the health of consumers worldwide. "We believe we have the fairest standards and we are prepared to take on the development of principles and guidelines for national food control systems. Whenever possible, private standard entities should base their standards on CODEX standards."

### **40th Anniversary of Earth Day**

April 22 is annually celebrated as Earth Day. This year an estimated 1 billion people marked its' 40th year anniversary, founded on the premise that all people, regardless of race, gender, income, or geography, have a moral right to a healthy, sustainable environment. Earth Day aims to broaden and diversify the environmental movement worldwide and create a sustainable environment. Earth Day is also a time to recognize farmers who have adapted to new technologies and agricultural practices that are more environmentally friendly and sustainable. Conservation tillage for example, is an environment friendly practice where farmers plant the new crop in the previous year's plant residue. Benefits of the practice include reduced soil erosion, more nutrient-enriched soil, and reduced consumption of fuel to operate equipment. The use of herbicide-tolerant crops has been suggested by studies for the increase use of conservation tillage. Global pesticide reduction in crops has also been noted from the application of biotechnology. The use of insect-resistant plants may require little to no application of pesticides.

## **FAS ROME REPORTING**

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Report contains Italian and EU agricultural news items of interest for the month of April 2010.

**EU Consolidated Reports** - FAS Rome contributed to the Biotechnology, Dairy, and Citrus reports.

### **FAS ROME ACTIVITIES**

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**FAS Rome travelled to Malta** to meet with government officials and private sector representatives.

**FAS Rome attended the annual ASSOBIOTEC** (Italian biotechnology industry association) Conference.

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**Other Regulations and Requirements:**