



FEDERALIMENTARE

Federazione Italiana dell'Industria Alimentare

**FROM FARMS TO MARKET:
PROVIDING KNOW-HOW AND FINANCE.
CAIRO, 26th /27th November 2008**

**LINKS BETWEEN THE AGRO-INDUSTRIAL VALUE-
CHAIN AND INNOVATION IN EUROPE AND THE
MEDITERRANEAN**

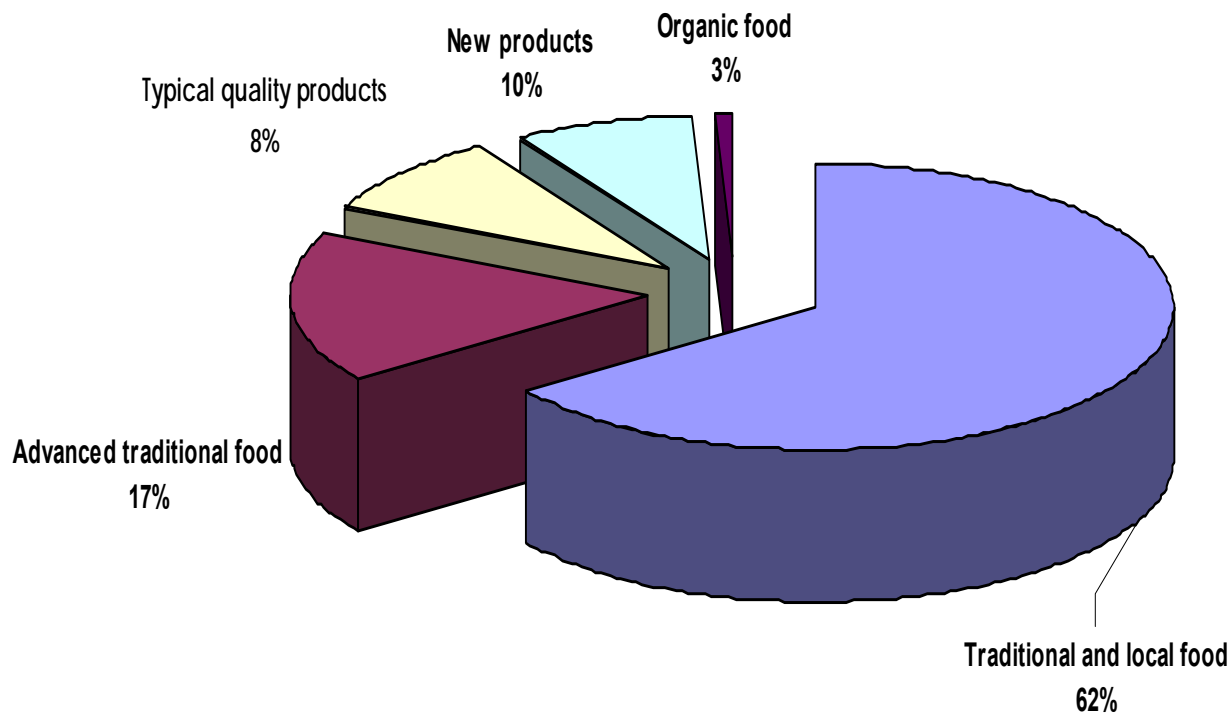
**Daniele Rossi
Director General
Federalimentare**

THE EUROPEAN FOOD AND DRINK INDUSTRY

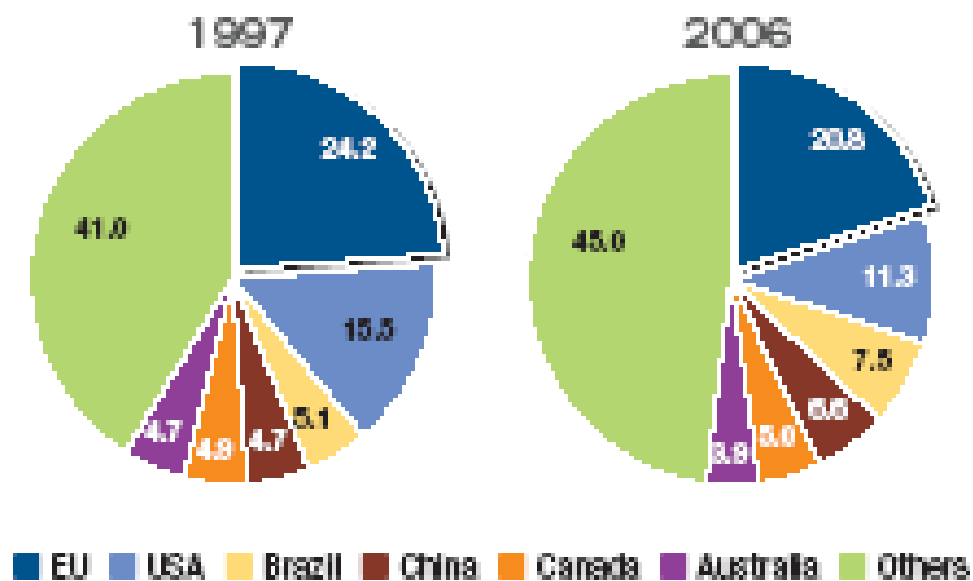
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- **Turnover:** €900 billion - Largest manufacturing sector in the EU (14%), ahead of the automobile and chemical industries.
 - **Employment:** 4.3 million people - Leading employer in the EU manufacturing industry (13%).
 - **270.000 companies** - fragmented industry with only 35.000 companies with more than 9 employees.
 - **Formal R&D** as a % of food and drink output: 0.24%, still insufficient formal R&D expenditure, but informal 1,6% in 2006 (14 billions euro).
 - **Exports: €52 billion**
 - **Imports: € 48 billion.**
 - **Trade balance: € 4 billion:** net exporter of food and drink products.
 - **EU market share of global export market 20,8 %.**

THE EUROPEAN FOOD & DRINK INDUSTRY – TOTAL TURNOVER BY PRODUCT AND R&D

Traditional and local food	560	62%	
Advanced traditional food	150	17%	
Typical quality products (PDO, PGI, wine, etc)	70	8%	(of which 9 billion € of export)
New products (novel, functional, healthy, ready to eat, etc.)	90	10%	
Organic food	30	3%	
Total billion euro	900	100%	(of which 52 billion € of export)



Exporters' market share of global exports in food and drink products, 1997-2006 (%)

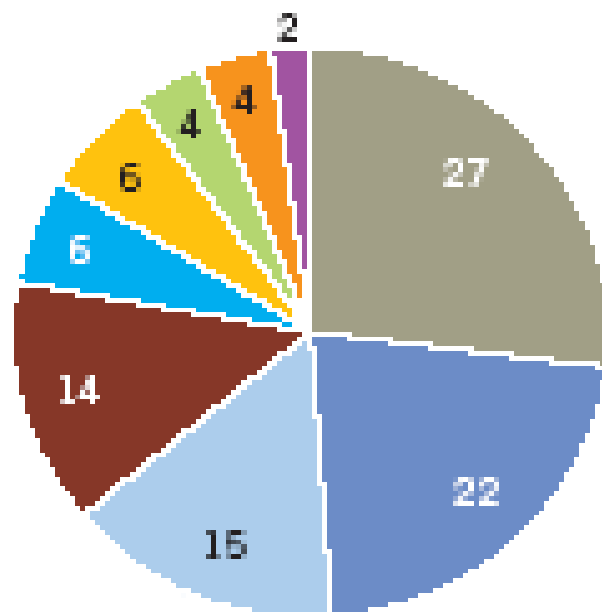


Intra-EU trade is excluded from total world trade.

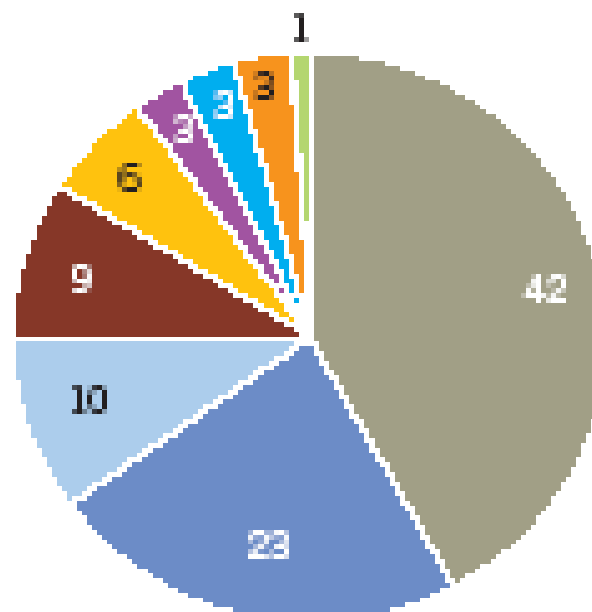
Source: Worldbank WITS database

Distribution of turnover and employment in sub-sectors

Turnover (%)



Employment (%)



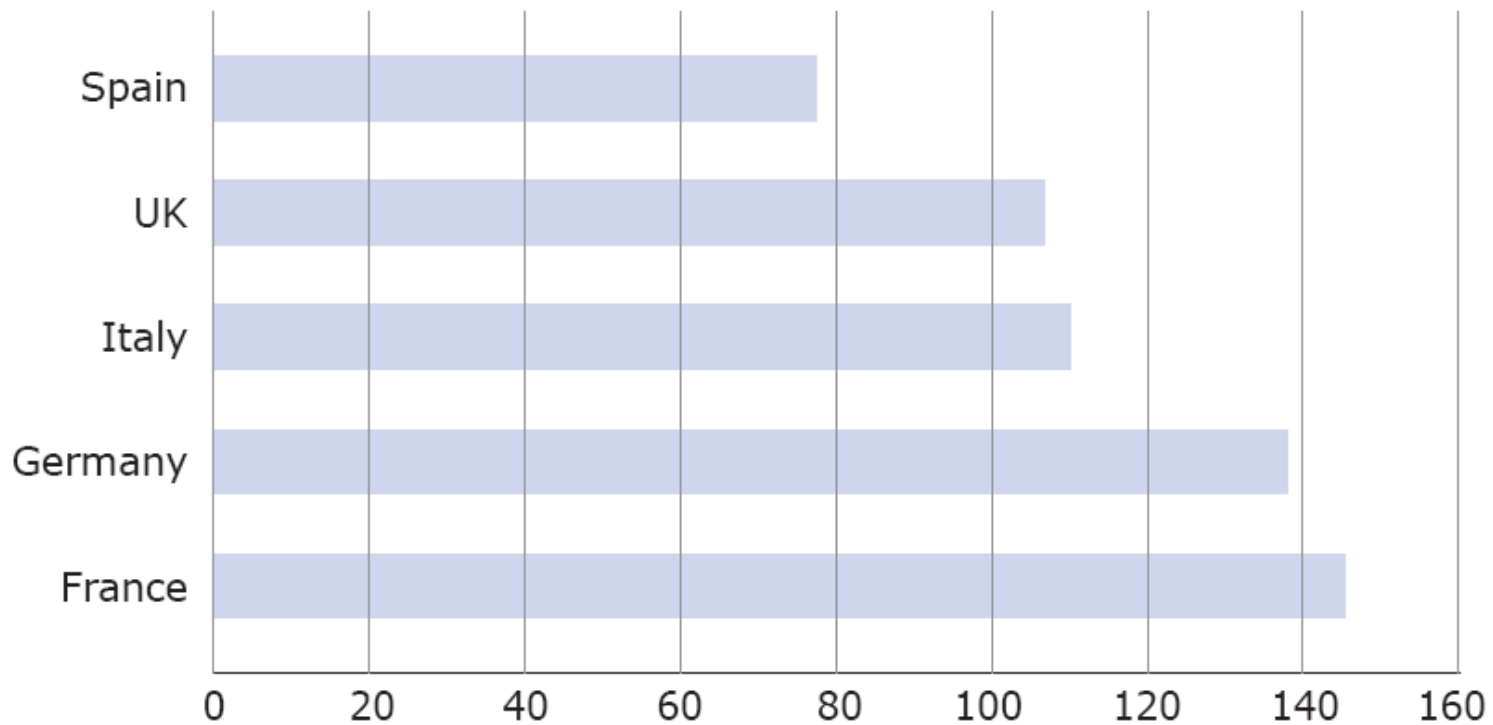
- Meat products
- Fish products
- Processed fruit and vegetables
- Oils and fats
- Dairy products

- Grain mill products and starch products
- Animal feed
- Beverages
- Various food products

Source: Eurostat, SBS, 2004 data

TOP 5 EU FOOD & DRINK INDUSTRY

Top 5 Member States in terms of food and drink industry turnover, 2006 (€billion)



Source: National Federations

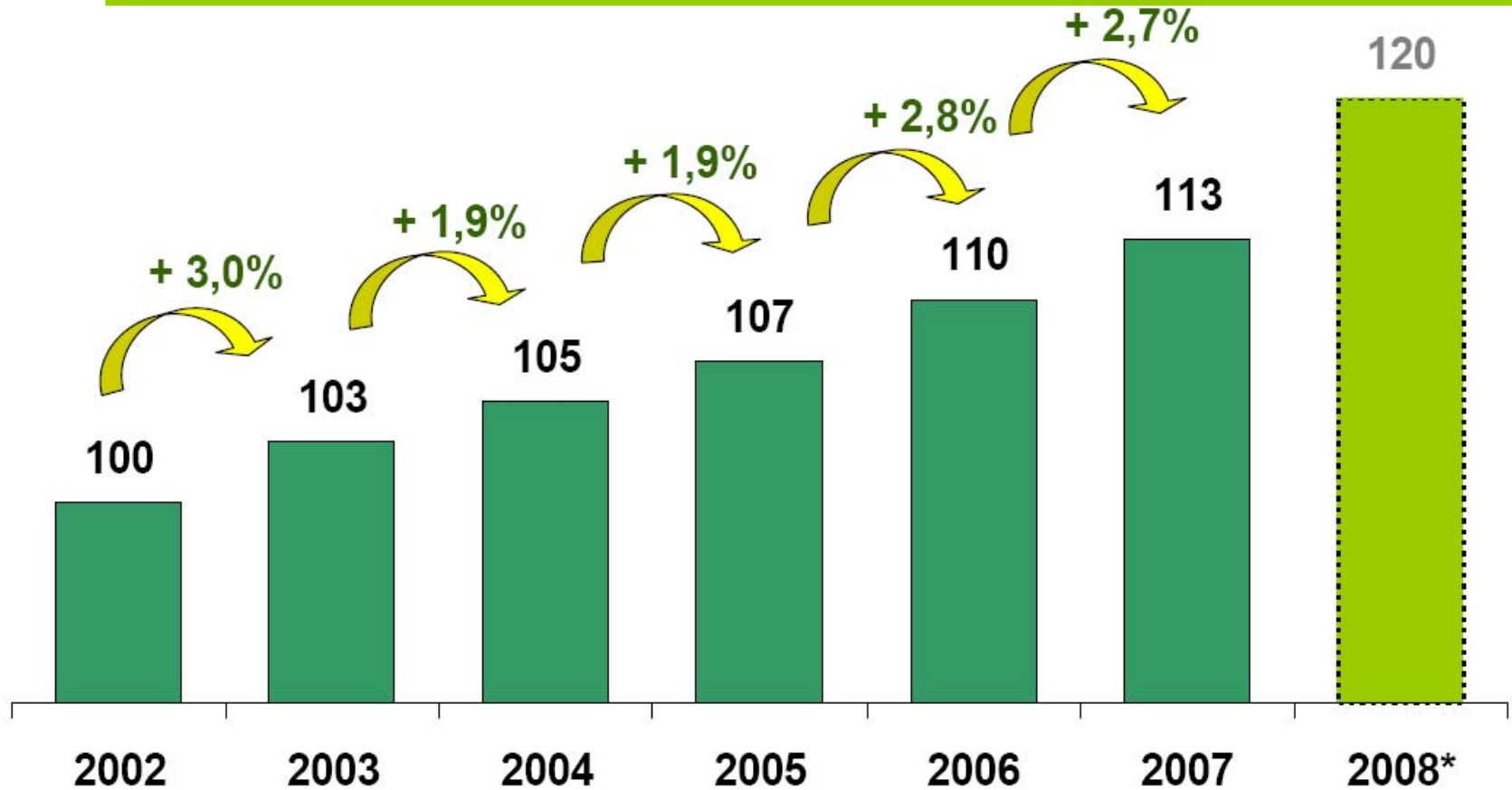
THE ITALIAN FOOD & DRINK INDUSTRY FEDERATION

- Federalimentare represents and safeguards the interests of the whole Italian food and drink industry, the second most important manufacturing industry in Italy and the first ranked food and drink industry in Europe.
- Federalimentare groups 20 Branch Associations of the Food & Drink Industry and is member of Confindustria.
- Federalimentare is member of CIAA (Confederation of the food and drink industries of the EU) - Bruxelles.
- Participates in Federalimentare Servizi S.r.l. (100%), Alimentaria/Siter (10%), SPES - research (20%), Alifond - sindacale (50%), Cibus Parma - (50%), Alma – Parma Scuola di Cucina (5%).

THE ITALIAN FOOD & DRINK INDUSTRY (DATA 2008)

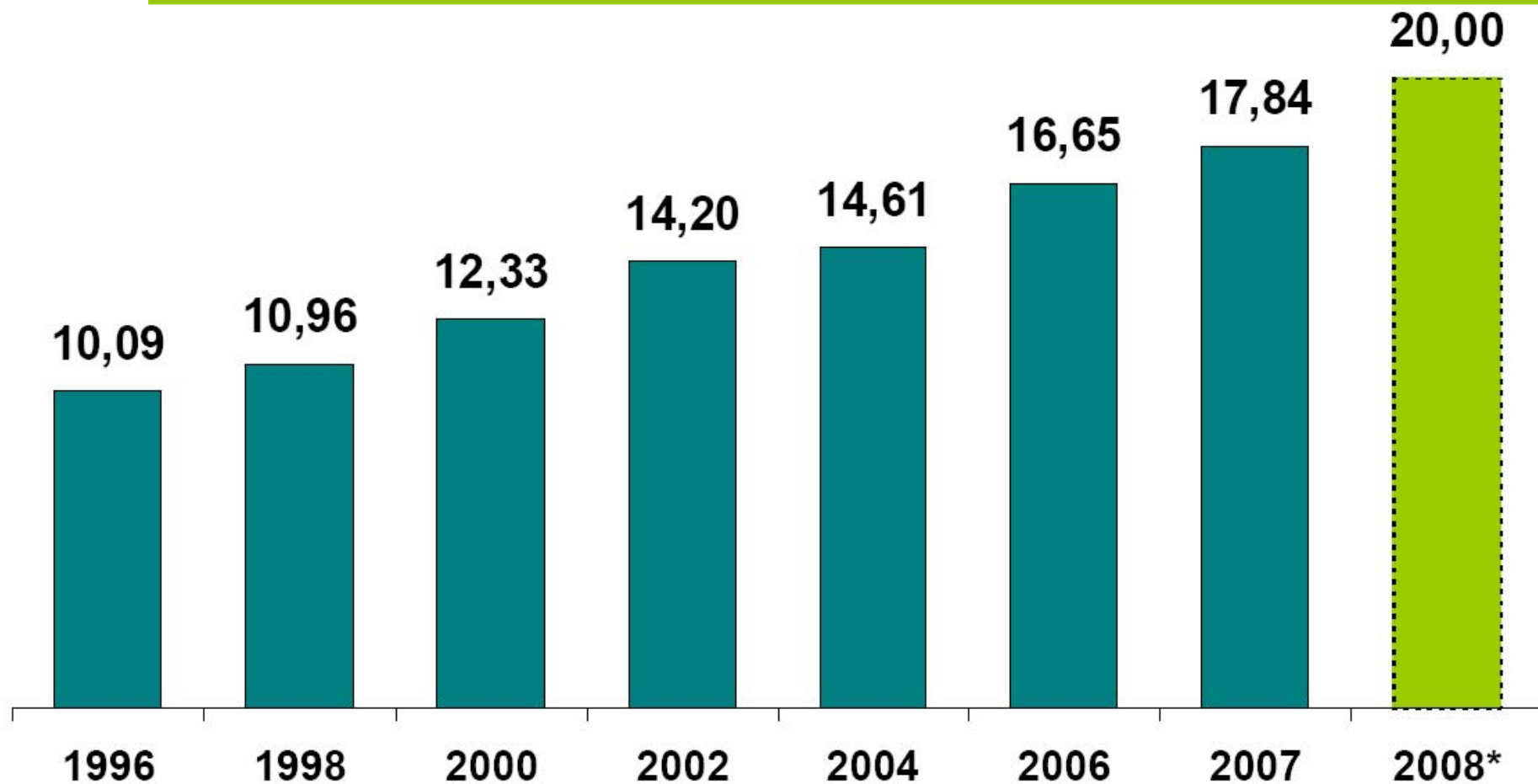
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- A leading manufacturing sector in Italy (Turnover € 120 billion): along with agriculture, induced activity and distribution, the Food & Drink Industry is the central element of the first economic sector of the Country.
 - Exports almost € 20 billion (+10% compared to 2007). Industry is generally recognized as the ambassador of Made in Italy in the world considering that almost 80% of the Italian agro-food export is represented by high quality industry brands.
 - 32.300 companies with 400.000 employees.
 - 6.500 companies > 9 employees.
 - 2.600 companies > 19 employees.
 - Industry buys and processes 70% of the national agricultural raw materials.

THE DYNAMICS OF THE TOTAL TURNOVER OF THE ITALIAN FOOD & DRINK INDUSTRY - Billion €



** Closing estimate*

EXPORT OF THE ITALIAN FOOD & DRINK - Billion €



Source: Federalimentare 2008

* *Closing estimate*

Cairo, 27th November 2008

TOTAL INTERCHANGE ITALY - MEDITERRANEAN COUNTRIES JAN. – AUG. 2007- 08

(000 €)

Countries	EXPORT			IMPORT			BALANCE			
	Jan-Aug 07	Jan-Aug 08	Var% 08/07	Jan-Aug 07	Jan-Aug 08	Var% 08/07	Jan-Aug 07	Jan-Aug 08	balance	Var%
Algeria	1.074.933	1.876.287	74,5	4.371.936	5.323.866	22	-3.297.003	-3.447.579	4,6	
Egypt	1.402.084	1.903.572	35,8	1.353.067	1.545.228	14	49.016	358.345	631,1	
Israel	1.143.629	1.254.000	9,6	654.284	846.096	29,3	489.345	407.904	-16,6	
Lebanon	492.072	528.944	7,5	19.515	23.815	22,0	472.557	505.129	6,9	
Libya	1.079.380	1.704.639	57,9	8.890.995	12.466.252	40,2	-7.811.615	-10.761.613	37,8	
Morocco	949.030	1.165.990	22,9	415.583	444.236	6,9	533.447	721.754	35,3	
Syria	650.913	753.380	15,7	574.393	522.549	-9,0	76.520	230.832	201,7	
Tunisia	2.022.362	2.028.448	0,3	1.712.485	1.618.751	-5,5	309.877	409.696	32,2	
Turkey	4.794.177	5.345.023	11,5	3.515.539	4.034.092	14,7	1.278.638	1.310.931	2,5	
Tot. General Med.	13.608.580	16.560.283	21,7	21.507.797	26.824.885	24,7	-7.899.218	-10.264.601	29,9	
Tot. Gen. World	235.648.100	246.475.400	4,6	241.883.900	253.778.600	4,9	-6.235,8	-7.303,2	17,1	

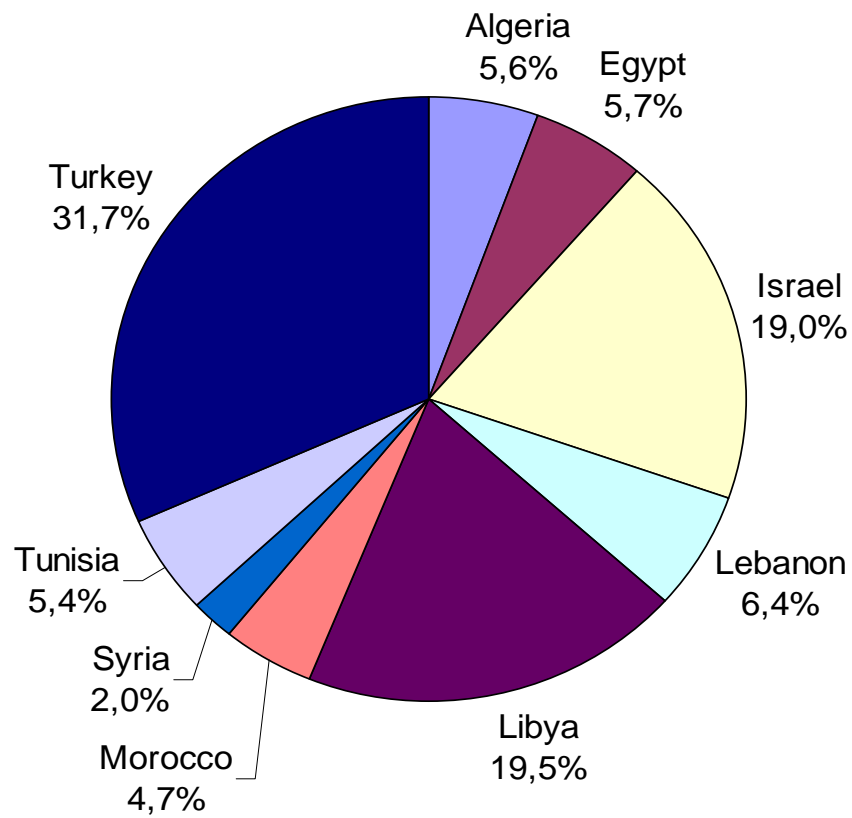
INTERCHANGE FOOD & DRINK INDUSTRY ITALY - MEDITERRANEAN COUNTRIES JAN. – AUG. 2007-08 (*) (000 €)

Countries	EXPORT			IMPORT			BALANCE		
	Jan-Aug 07	Jan-Aug 08	Var% 08/07	Jan-Aug 07	Gen-Ago 08	Var% 08/07	Jan-Aug 07	Jan-Aug 08	Var% 08/07
Algeria	15.846	16.230	2,4	635	709	11,7	15.211	15.521	2,0
Egypt	14.502	16.659	14,9	38.060	40.866	7,4	-23.558	-24.207	2,8
Israel	41.117	55.174	34,2	18.790	16.963	-9,7	22.327	38.211	71,1
Lebanon	16.885	18.458	9,3	369	363	-1,7	16.516	18.095	9,6
Libya	34.081	56.452	65,6	3.845	847	-78,0	30.236	55.605	83,9
Morocco	10.994	13.688	24,5	90.881	106.642	17,6	-79.887	-93.154	16,6
Syria	3.093	5.871	89,4	28.470	20.391	-28,4	-25.378	-14.520	-42,8
Tunisia	16.871	15.661	-7,2	237.673	257.178	8,2	-220.802	-241.517	9,4
Turkey	67.255	91.799	36,5	90.334	73.335	-18,8	-23.079	18.464	.
Tot. Ind. Food Mediterranean	220.644	289.992	31,4	509.057	517.294	1,6	-288.414	-227.502	-21,1
Tot. Ind. Food World	11.274.800	12.561.100	11,4	9.554.200	10.456.600	9,4	1.720.600	2.104.500	22,3

(*) DATA INCLUDE FOOD PRODUCTS, DRINKS AND TOBACCO

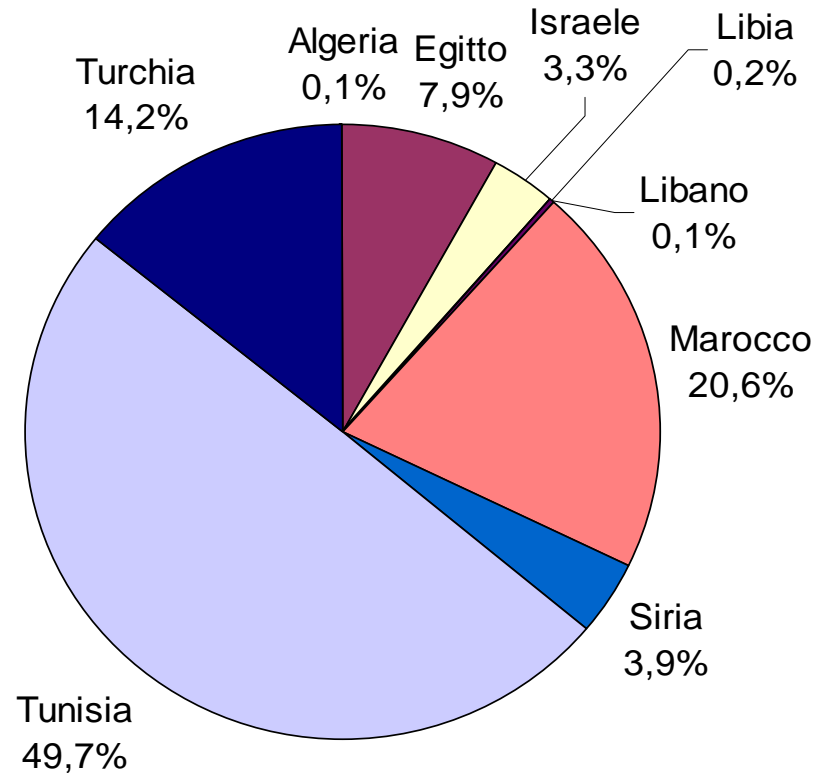
EXPORT FOOD INDUSTRY - AUGUST 2008

EXPORT INDUSTRIA ALIMENTARE
GENNAIO-AGOSTO 2008



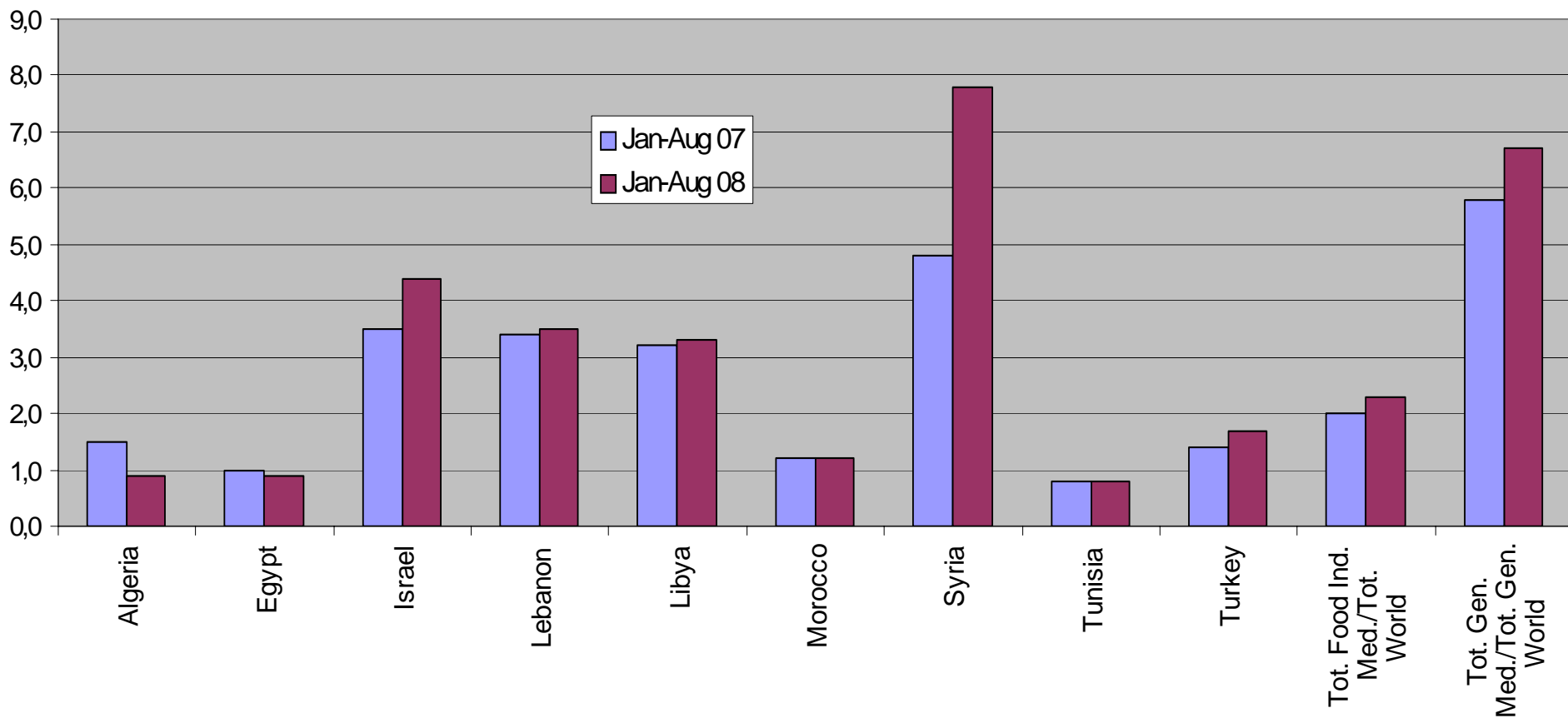
IMPORT FOOD INDUSTRY AUGUST 2008

IMPORT INDUSTRIA ALIMENTARE
GENNAIO-AGOSTO 2008

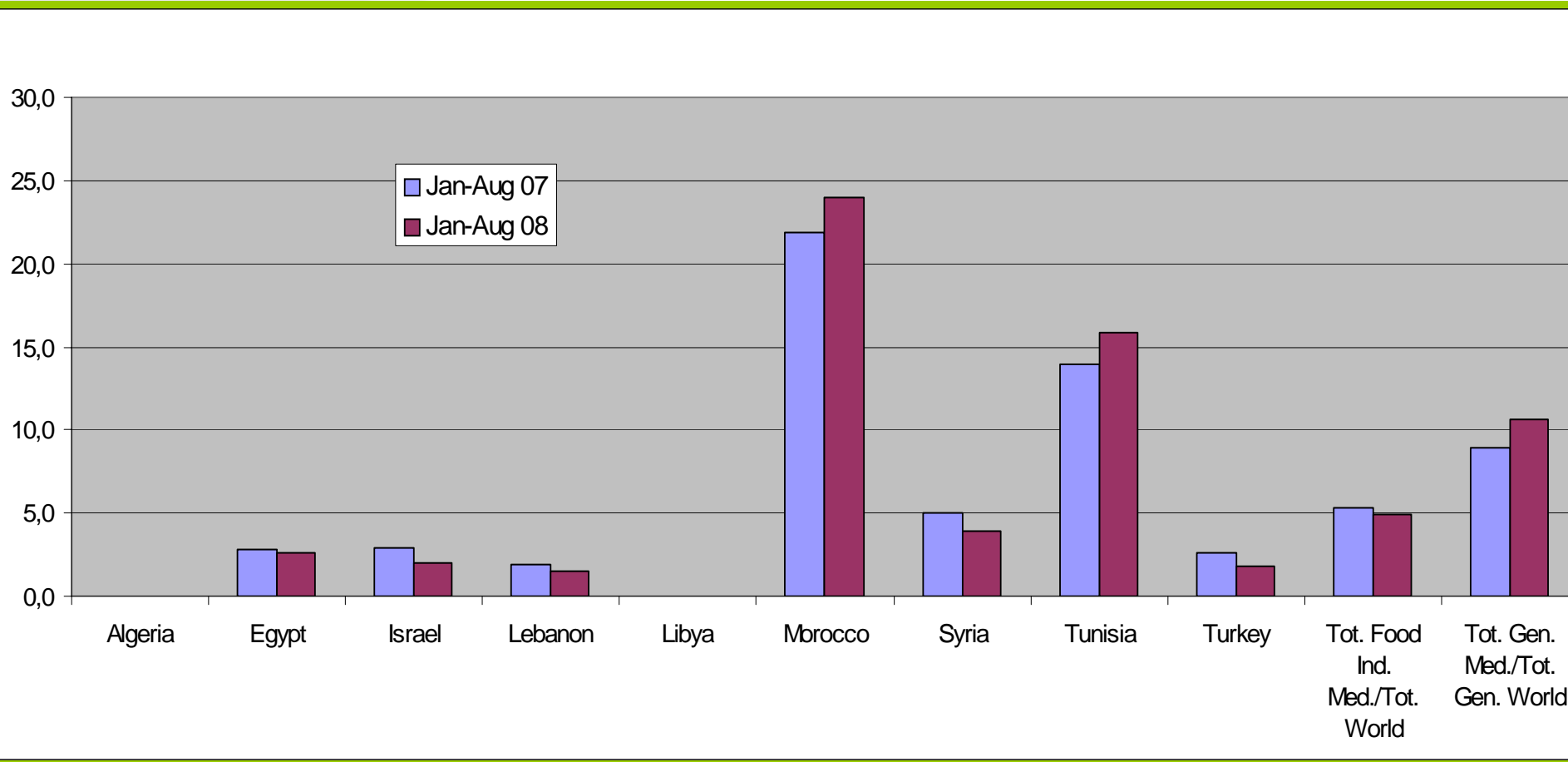


INCID. % EXPORT FOOD IND. ON FOOD TRADE

Incid% Export Ind. Alimentare su Export Totale



INCID% TOTAL IMPORT MEDITERRANEAN ON TOTAL IMPORT WORLD

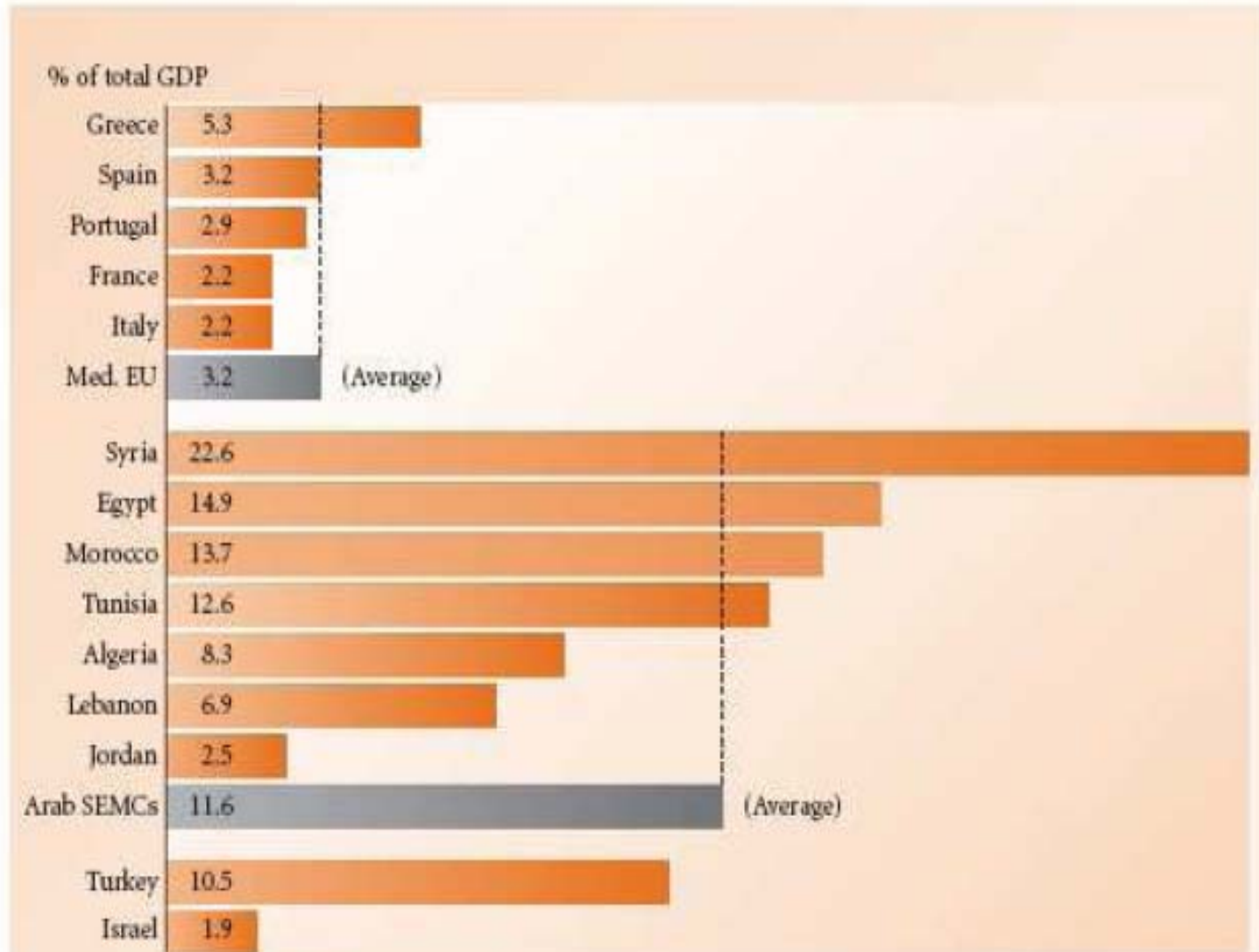


INTERCHANGE AGRO-ZOOTECNIC-FISH ITALY- MEDITERRANEAN COUNTRIES JANUARY-AUGUST

2007-08

Countries	EXPORT			IMPORT			BALANCE		
	Jan-Aug 07	Jan-Aug 08	Var% 08/07	Jan-Aug 07	Jan-Aug 08	Var% 08/07	Jan-Aug 07	Jan-Aug 08	Var% 08/07
Algeria	5.932	6.395	7,8	3.414	4.803	40,7	2.518	1.592	-36,8
Egypt	8.870	8.913	0,5	76.842	76.677	-0,2	-67.972	-67.764	-0,3
Israel	2.269	4.419	94,7	14.061	13.676	-2,7	-11.792	9.257	-21,5
Lebanon	2.039	2.109	3,4	285	601	110,5	1.754	1.509	-14,0
Libya	7.847	9.432	20,2	31	307	890,3	7.816	9.126	16,8
Morocco	1.617	8.049	397,9	12.691	10.059	-20,7	-11.075	-2.010	-81,9
Syria	489	823	68,4	29.349	2.224	-92,4	-28.860	-1.401	-95,2
Tunisia	6.634	61.937	833,6	22.265	23.515	5,6	-15.630	38.423	.
Turkey	20.559	20.089	-2,3	142.380	125.302	-12,0	-121.821	-105.213	-13,6
Tot. Agro-Zoot-Fish Med.	56.256	122.166	117,2	301.318	257.164	-14,7	245.062	134.998	-44,9
Tot. Agro-Zoot-Fish World	3.597.900	4.139.800	15,1	10.330.600	11.131.300	7,7	-6.732.700	-6.991.400	3,9

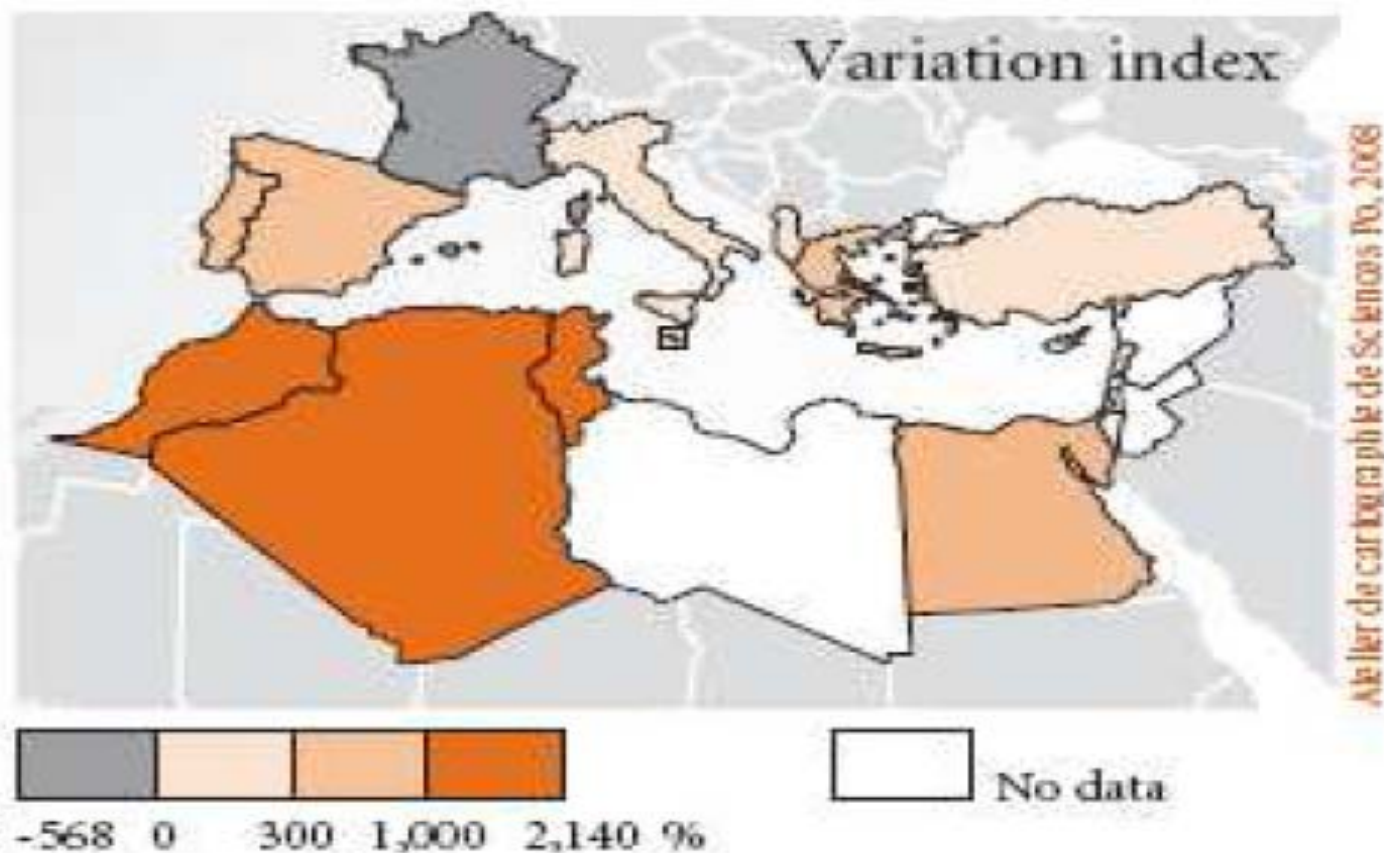
AGRICULTURE IN GDP FORMATION IN THE MEDITERRANEAN REGION, 1990-2005



Source: Faostat 2006.

Cairo, 27th November 2008

NET CEREALS IMPORTS IN THE MEDITERRANEAN REGION, 1963-2003



Source: Faostat 2006.

CLIMATE CHANGE

Trends in mean annual surface temperature of the Mediterranean sea (1985 - 2002)

Several impacts on agrofood systems:

Increase in the frequency of extreme weather conditions;

Expansion of the desertification process;

Intensification of water stress;

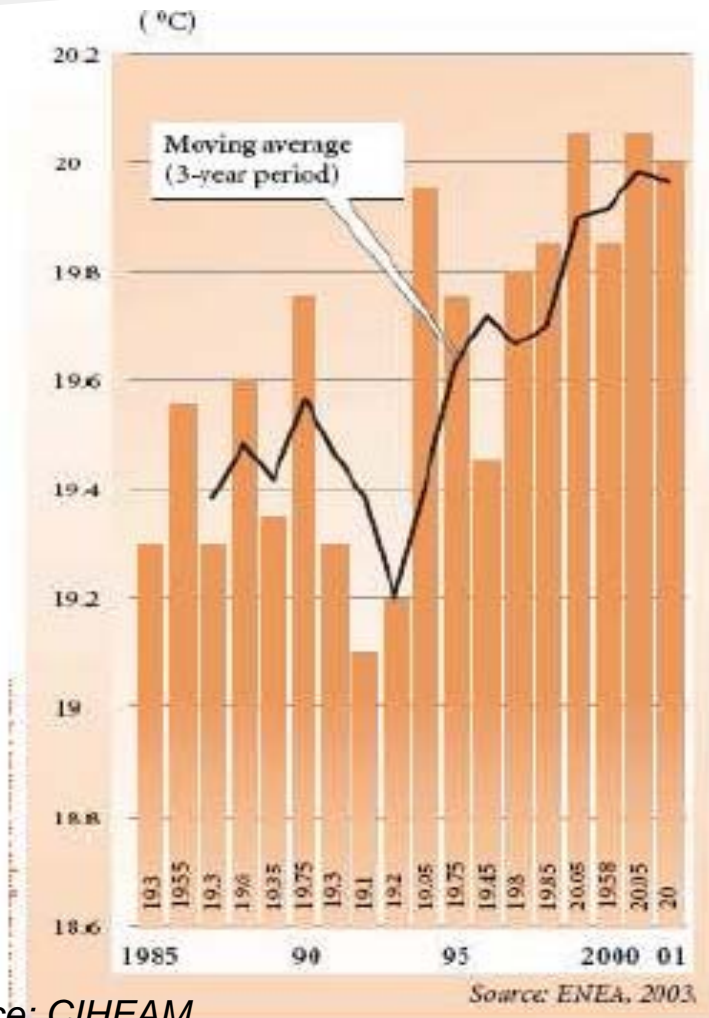
Development of zoonoses;

Biodiversity decline;

Economic effects;

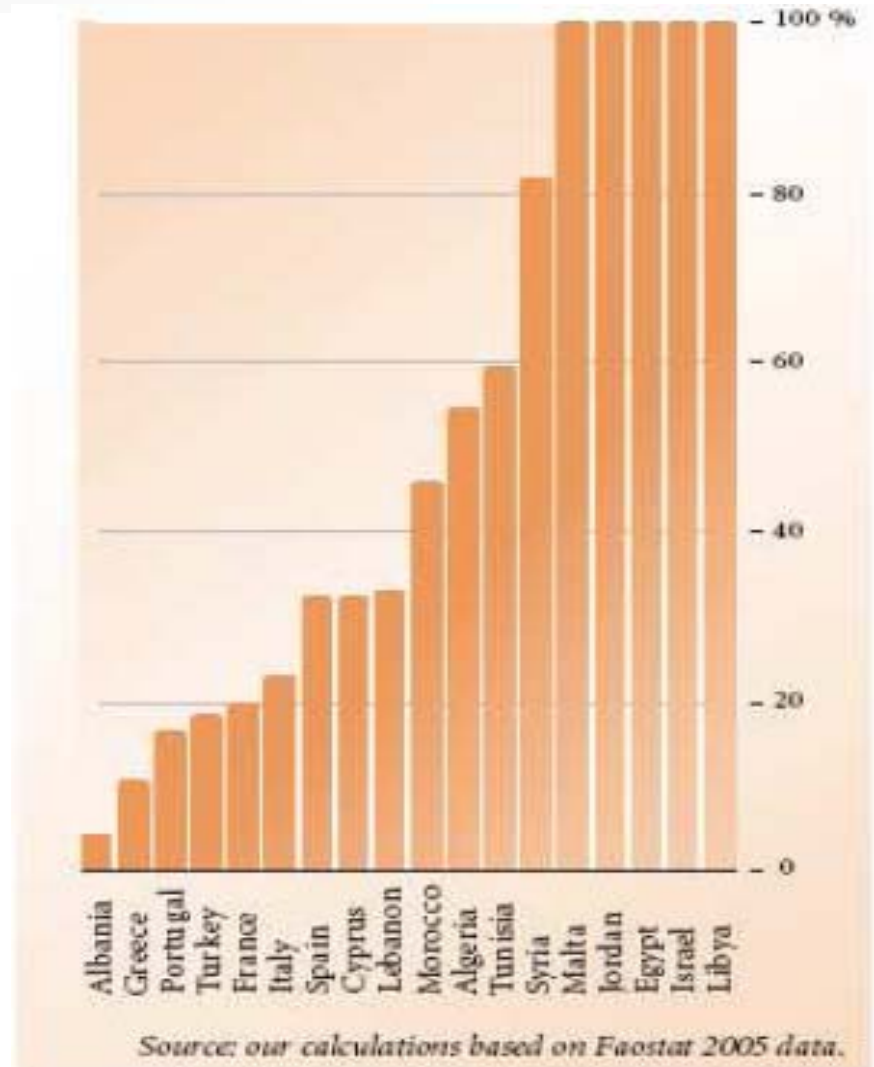
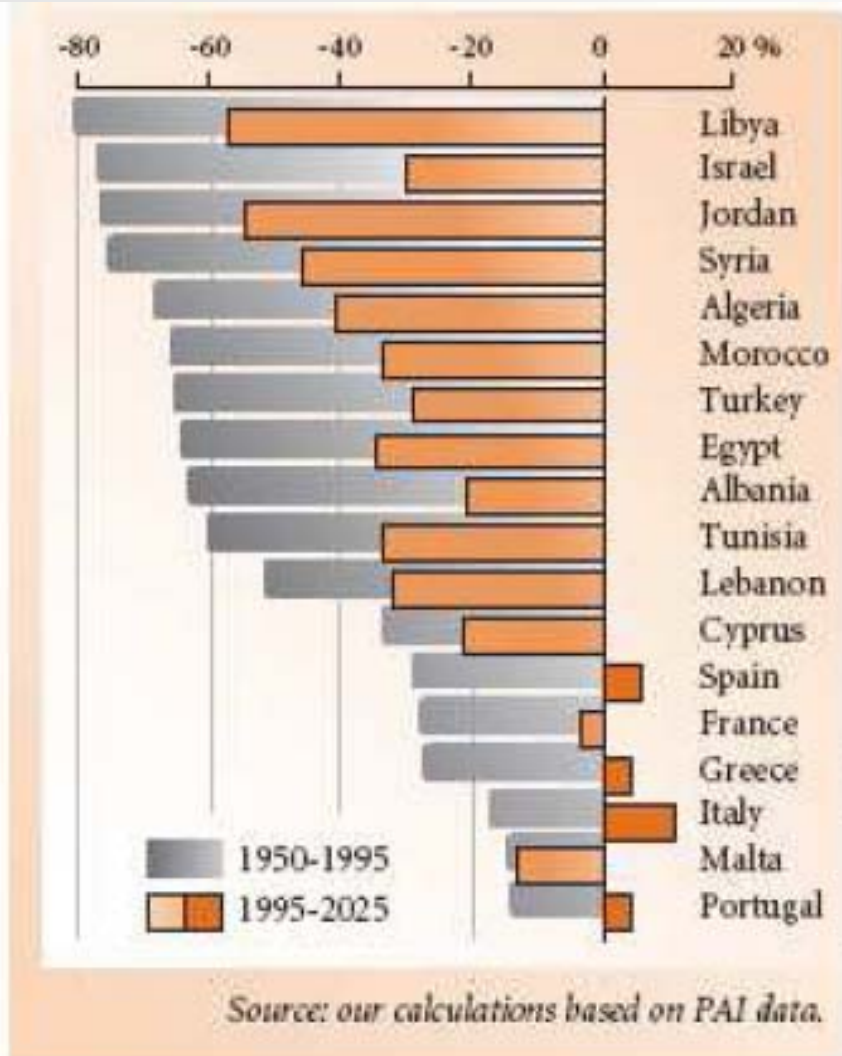
Roll Back Human Development ;

Political and strategic disturbance.



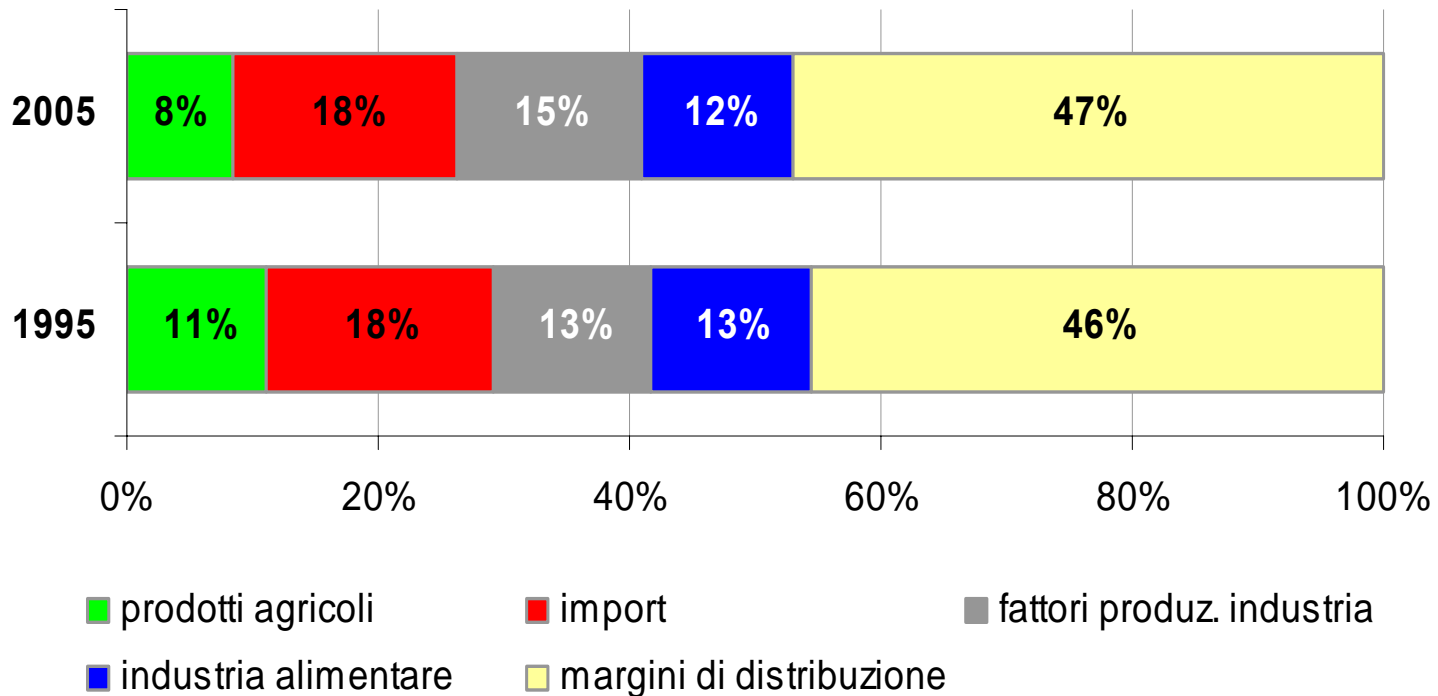
WATER:

- a) Variation in per capita water resources, 1950 – 2025;
- b) Water exploitation index, 2003.

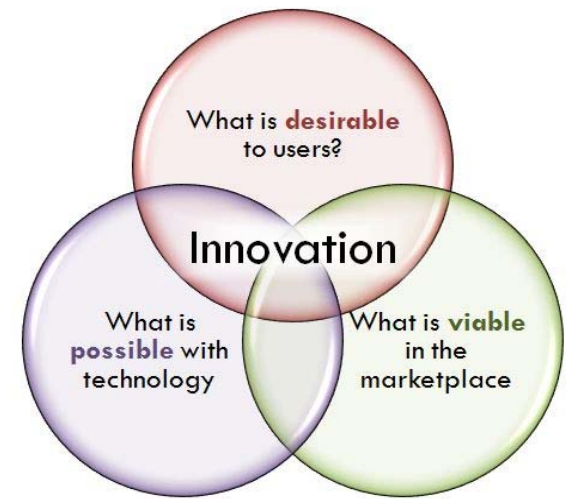


VALUE CHAIN OF THE ITALIAN FOOD & DRINK SECTOR

% on consumption values



INNOVATION



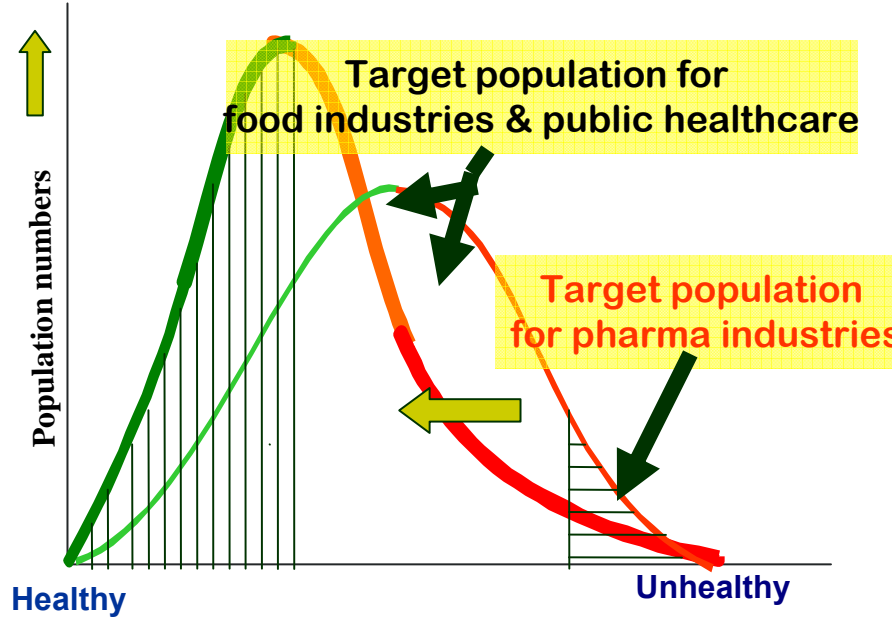
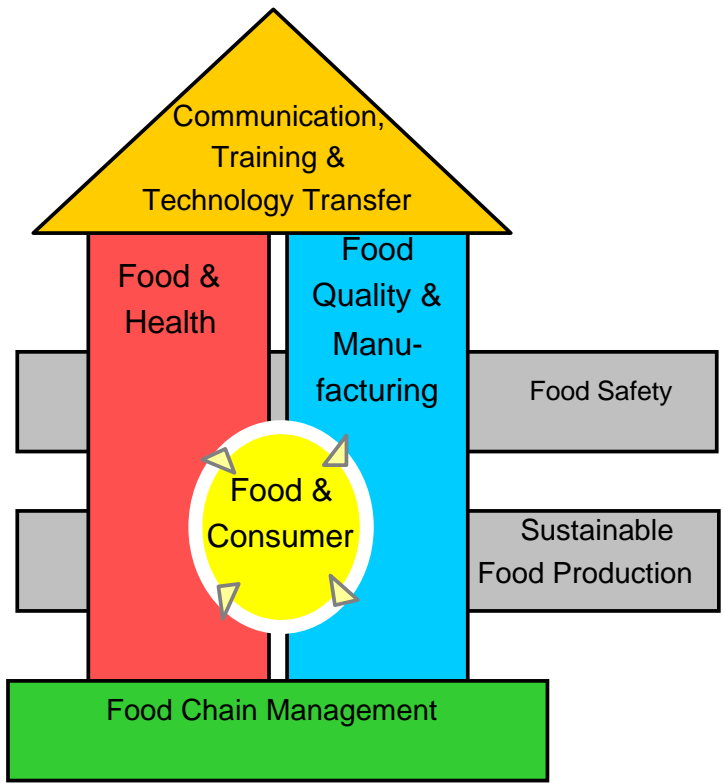
- Knowledge-based economies ?
- ICTs – a convergence aid or a new source of splits?
asymmetries in technology and knowledge
- Important changes for agro-food systems:
duality of the agricultural landscape, rapid development of the large-scale retail trade, disruption of food production chains, logistical shortcomings, etc.
- Rapid development of agricultural and food biotechnologies:
hazards and progress
- Rethinking agricultural training and research systems
no scientific culture without scientific production



AN EXAMPLE OF EU NETWORKING TO IDENTIFY RESEARCH CHALLENGES: THE ETP FOOD FOR LIFE



A vision for improving population health



Source: "Food for Life" SRA 2007-2020

FOOF FOR LIFE NATIONAL PLATFORMS



Islanda

Finlandia

Russia

Norvegia

Estonia

Svezia

Lettonia

Irlanda

Danimarca

Lituania

UK

Paesi Bassi

Belarus

Belgio

Polonia

Germania

Ucraina

Portogallo

Repubblica Ceca

Slovacchia

Moldova

Francia

Liechtenstein

Austria

Ungheria

Romania

Svizzera

Slovenia

Serbia

Bulgaria

Andorra

Monaco

San Marino

Montenegro

Macedonia (FYROM)

Portogallo

Spagna

Santa Sede (Vaticano)

Albania

Turchia

Gibilterra

Malta

Cipro

Tunisia

Israele

HOW TRANSFERRING INNOVATION: EXAMPLE: TRUEFOOD



- Federalimentare leads, together with other 10 European Food&Drink Federations (now they are 12), one of the largest EU research projects that have been financed under the VI EU FP: TRUEFOOD.
- In order to transfer the results of the research activities to the companies of the 15 EU countries involved in the project, Truefood has established a structure of Training and Dissemination Units (TDUs) within the European F&D National Federations: TDU Federalimentare (Italy), TDU ANIA (France), TDU FEVIA (Belgium), TDU FFDI (Czech Republic), TDU FHF1 (Hungary), TDU FIAA/LVA (Austria), TDU FIAB (Spain), TDU FIPA (Portugal), TDU SETBIR (Turkey), TDU SEVT (Greece) and TDU FI (Denmark).
- The Techno - Scientific Mediators (TSM), recruited by the National Federations and specifically trained to take the outputs of the project directly into the SMEs, represent an innovation which impacts not only on the transfer of knowledge and technology, but on the ambition and organisation of the Federations themselves.

5 CHALLENGES TO BE MET:

1. Reconciling production and management of scarce resources;
2. Ensuring food security and food safety;
3. To develop the supply and marketing of agricultural commodities;
4. To work out development strategies for rural areas;
5. Strengthening and consolidating education and research capacities.



UNION FOR THE MEDITERRANEAN TO STRENGTHEN REGIONAL COOPERATION



- Foreign Ministers from all 43 states of the Euro-Mediterranean partnership meet in Marseille on 3-4 November to endorse plans for the mandate, structure and institutional governance of the Barcelona Process: Union for the Mediterranean.
- The initiative, launched at the Paris Summit of 13th July, aims at injecting a renewed political momentum into the EU's relations with the Mediterranean through the reinforcement of shared ownership and the achievement of wider visibility through a far-reaching programme of projects.
- In efforts to advance the regional integration process, Ministers also agree on priorities for the 2009 working programme in line with the key areas identified in Paris: Transport; Higher Education; Environment; Trade; Justice, Liberty and Security; Economy and Finance; Sustainable development; and Strengthening the role of women in society.

THANKS FOR YOUR KIND ATTENTION!

