INTRODUCTION

Italy is a leading country in the European Union’s (EU) organic farming sector. In 2011, it accounted for 12% of the total area under organic cultivation in the EU (Eurostat, 2013), second only to Spain. In 2012, the full amount was 1,167,362 hectares, a 6.4% increase on the previous year (SiNAB, 2013). The main crops are forage, cereals, and olive trees. Permanent pasture and grazing areas are also important land use categories. For further information on organic farming and markets in Italy see chapter 5 and 6 in this volume.

Policy support for organic farming in Italy is based on EU, national and regional instruments designed to encourage the spread of organic farming throughout the country, and secure the provision of public goods in terms of environmental protection, animal welfare and rural development. The aim is also to satisfy the increasing demand for organic products among national and international consumers.
In recent decades, rural development programmes (RDPs), under the Common Agricultural Policy (CAP), have been the most important instrument for fostering organic farming in Italy’s regions. Indeed, the expansion of organically farmed land and growth in organic operator numbers eased off when there was a temporary halt payments in agri-environment measures, between the last two programming periods.

After the publication of Regulation (EC) No 1698/2005 concerning support for rural development between 2007-2013, Italy developed its own National Strategic Plan. In line with this plan, every region has elaborated its own rural development programme (National Rural Network, 2013) with which to establish local policies that respect the heterogeneity of the various regional and local territorial contexts.

Linked to Italy’s national strategy, the regional RDPs for 2007-2013 view organic production methods as instrumental for environmental protection and the preservation of natural areas, and as beneficial for the health of consumers and farmers. Actions in support of organic agriculture also support efforts to achieve the objectives for improving the environment and the countryside (RDP - Axis 2). These include the reduction of greenhouse gas emissions and water and soil pollution due to agricultural inputs, the mitigation of climate change and the improvement of air quality, with special attention being paid to areas at high environmental risk.

Substantiating the above claim, all regions have now implemented the action supporting organic agriculture as part of RDP measure 214 - agri-environment - for the 2007-2013 period. More resources were allocated to organic agriculture than to the other practices addressed under measure 214. In line with the EU strategic guidelines for rural development 2007-2013 and the National Development Plan, and based on experience gained from the previous programming periods, it was necessary to consolidate and extend support for organic production methods. Such methods promote a global and systemic approach to the sustainable management and use of resources, while enabling long-term processes of farm innovation and development, with respect to individual and specific agri-environmental actions.

Payments made to organic operators differ, depending on the crops they grow on the surfaces eligible for payments (Cardone et al., 2010). They are calculated using a cost-benefit analysis to evaluate gross margin losses resulting from the conversion of conventional areas to organic.
Most regions distinguish between an organic payments for areas undergoing conversion, and payments for areas that have completed their conversion period, with conversion payments being higher than maintenance payments.

This is intended to stimulate the conversion to organic farming. By contrast, a few regions opted instead to make the same basic payment for all areas, the aim of which is to discourage farmers from quitting the certification system at the end of a programming period and rejoining it later to secure the higher conversion payments.

Payments for the same crops may vary between the different regions due to the heterogeneity of the soil and climatic conditions, as well as the differences in cultural techniques and prices of inputs, labour and outputs. In their classification of rural areas (e.g. zoning), some regions exclude places that are affected by detrimental environmental factors (e.g. urban centres and rural areas with a preponderance of intensive agriculture) from payments for organic agriculture. Some policymakers, however, believe that organic agriculture should be specially developed in these areas to counteract their excessive impact on the environment and on the management of natural resources. In all the regions, the principle applies that farms must undergo conversion in their entirety, although exemptions are possible in some localised situations.

The supply of organic products grown in Italy, such as cereals, potatoes, rice, extra-virgin olive oil, pulses, lemons, etc, does not meet the domestic demand. Processors and traders therefore buy on the international market (Callieris et al., 2010). Many conventional farmers in Italy are still reluctant to proceed with organic conversion due to economic uncertainty and the bureaucracy that the change entails. Many organic farmers produce to access payments, but do not sell their products with organic certification. Organic payments do not take into account the cost of certification, which is covered under a different measure. This results in an additional bureaucratic burden for beneficiaries.

Most regions prioritise the expansion of organic farming in order to increase the positive environmental impact of the action, in compliance with the RDP objectives. However, only a few regions provide incentives to their producers to sell on the organic market. Some regions apply penalties to producers who do not sell their products as organic, and others use a payment system that prioritises farmers who sell goods with the organic logo, or who have on-farm points of sale. On the other hand other regions prefer not to compel recipients of organic payments to market their products, in order to avoid problems for beneficiaries who are unable to provide such evidence. Measure 214 includes other schemes intended to achieve environmental objectives such as increased biodiversity and improved soil quality. In some regions, organic payments are not combined with other agri-environment schemes through so called on-top measures. Various regions grant additional payments to promote other activities that either benefit sensitive and/or protected areas (e.g. territorially integrated
Rural development programmes and organic farming in Italy

projects and/or production clusters), or link beneficiaries along the supply chain (e.g. integrated projects). Interactions between farmers (e.g. associations) are intended to promote synergies among operators, enhance the positive impacts on the environment, and concentrate the supply of products through common agreements with processors and/or traders.

RDPs also take into account other important territorial factors such as farm location, areas of environmental interest, including protected areas and the Natura 2000 network, water protection zones, nitrate vulnerable zones and pesticide vulnerable zones. The beneficiaries of payments are usually younger farmers, who are viewed as a priority in many regions. Some regions exclude producers who have already retired.

CAP REFORM 2014-2020: POLICY SUPPORT INSTRUMENTS FOR ORGANIC AGRICULTURE

The new CAP 2014-2020 will strengthen the central role of organic agriculture in the fight against climate change, the protection of the environment and the preservation of biodiversity. For further information about opportunities available under the CAP reform post-2013, see Chapter 1 in this volume.

In Pillar 1, direct payments, those who are already farming organically will automatically qualify for a greening payment as they are seen to be ipso facto greening compliant since they are already undertaking agricultural practices that address climate change and environmental objectives. Greening requirements such as the diversification of annual crops or maintaining permanent grassland, vineyard, olive groves and fruit orchards, are already undertaken by organic farmers which go beyond the scope of the new greening component (De Filippis and Sandali, 2013). Pillar 2, rural development, has a strong focus on organic agriculture, ranging from agri-environment payments to new measures especially for organic farming, as distinct from agri-climate-environment measures, which include other sustainability interventions. However in Italy supplementary payments are not scheduled for organic farmers who farm in ways that bring additional agri-environmental benefits.

The organic farming measure may also face competition from other agri-environment-climate schemes concerning integrated pest management and other related environment-friendly practice) under the minimum spending requirement for the environment in Pillar 2. This is because all farmers will not have to comply with the Sustainable Use of Pesticides Directive 2009/128/EC from 2014 in order to receive CAP payments and can continue to be supported under Pillar 2.
The new CAP reform has been widely discussed within the Italian organic and environmental movement. In forthcoming RDPs, these stakeholders are calling for an increase in the budget share allocated to Pillar 2 environment measures from 30% to 50%, the transfer of 15% of Pillar 1 funds to Pillar 2 and the creation of a specific thematic sub-programme for organic supply chains and market development (Greenreport, 2013a, Greenreport, 2013b). They also want Italian authorities to set a target for organic farming in Italy to reach 20% of the total agricultural land by 2020.

**NATIONAL POLICIES BEYOND THE CAP**

Italy has contributed to the development of organic agriculture through its National Strategic Plan, regional RDPs, the National Action Plan on organic agriculture and organic products, and through specific research programmes in the field of organic farming. The Italian Ministry for Agriculture, Food and Forestry Policies (MiPAAF) has established an *ad hoc* office to coordinate activities, as well as an advisory committee and a working group for organic agriculture. The advisory committee brings together institutions and operators to exchange experiences, in order to promote and enhance organic production. The working group provides technical and scientific advice to the Ministry for its regulations, support policies and guidelines (INEA, 2012).


- Strengthen the role of Italy in international markets and in global policies for the development of organic agriculture
- Strengthen, enhance and develop production and supply chains
- Develop organic animal husbandry
- Increase domestic consumptions
- Implement environmental and public health policies through organic agriculture
- Improve the environmental sustainability of organic holdings
- Introduce organic principles and techniques in non-productive sectors in order to reduce their impact on the environment, quality of life and public health
The National Action Plan includes 22 actions, grouped into the following 4 axes.

- Global market penetration
- Supply chain and market organisation
- Increased demand in the domestic market
- Strengthening and improving the institutional system and services

To implement this plan, MiPAAF has introduced a range of programmes, such as Programma di azione nazionale per l’agricoltura biologica e i prodotti biologici (MiPAAF, 2008), which operates along the following axes applying different actions for example:

- Axis 1 - Global market penetration - Creating and strengthening international networks (Action 1.2)
- Axis 2 - Supply chain and market organisation - Supporting intersectoral organisation (Action 2.3) and Initiatives supporting producer organisations (Action 2.4)
- Axis 3 - Increasing domestic demand and institutional communication - Promotion of organic agriculture in catering (Action 3.1) and Promotion of organic agriculture for the citizen-consumer (action 3.2)
CONCLUSION

The CAP reaffirms the central and instrumental role of organic agriculture in environment protection, climate change resilience, and the conservation of biodiversity. Unfortunately, organic agriculture continues to face competition from other allegedly sustainable practices under the new CAP post-2013. To ensure the better use of the limited financial resources, attention must be paid to the coherent integration of all funds at community and national level.

REFERENCES AND FURTHER READING


**ENDNOTE**

1 International Centre for Advanced Mediterranean Agronomic Studies (CIHEAM), Mediterranean Agronomic Institute of Bari (IAMB), cardone@iamb.it, www.iamb.it