



The Italian agri-food sector facing Covid-19 crisis – Market trends

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Economic background in 2020



- The Agri-food sector has not been immune to the Covid-19 crisis, but the impact has been **different between** sectors and **within sectors**
- In Italy, food domestic consumption hit a record: **+7.4% compared to 2019**
- Italian foodservice industry turnover collapsed: **-37.4% Jan-Sep 2020/2019**
- Agri-food exports slowing down: **+1.3% Jan-Nov 2020/2019**
- The losses in sales to foodservice industry **were not completely offset** by increases on retail channels
- Food and drink industry was mainly affected: **-1.9% the index of production Jan-Nov 2020/2019**
- Agriculture affected by weather conditions, in addition to Covid-19 crisis: **-3.3% production value and -6.1% value added compared to 2019**
- Wine, floriculture, agro-tourism, pig meat, beef cattle, fishery are the most affected sectors



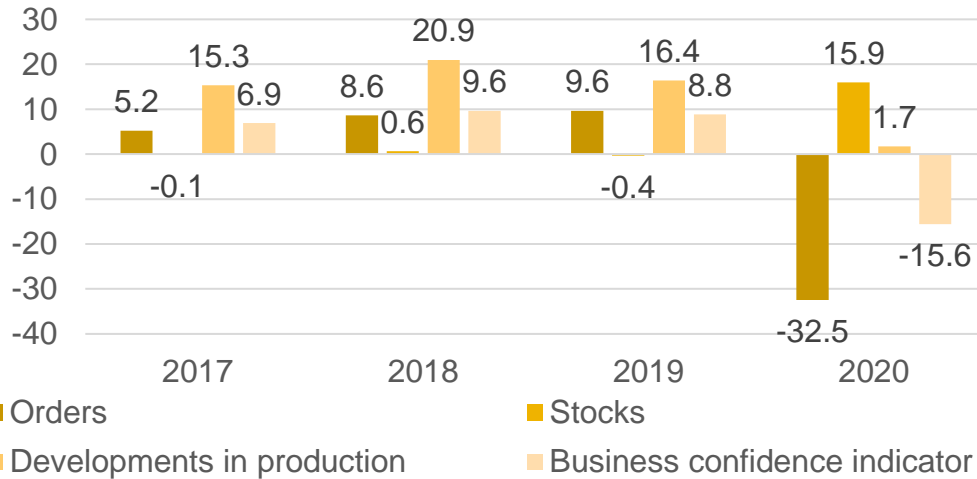
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Business confidence in 2020



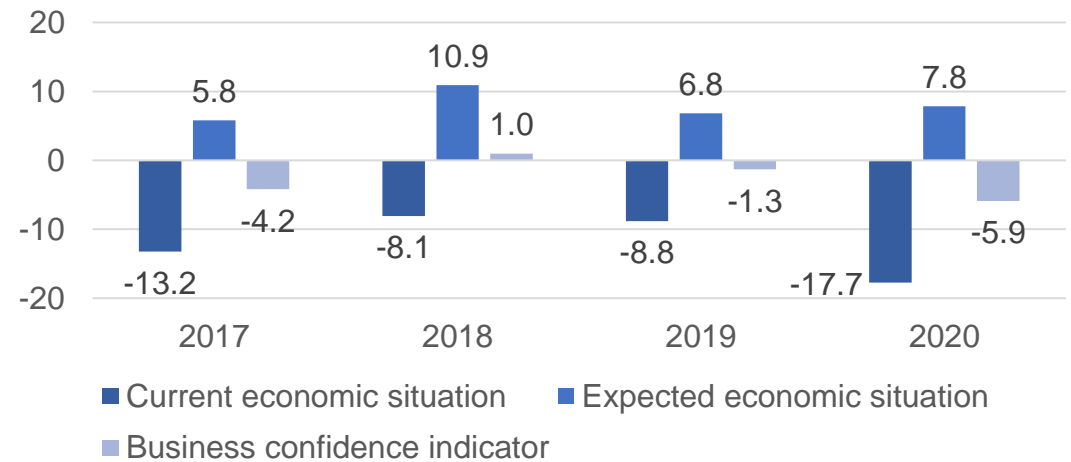
Food and drink industry



- Farmers are **more confident on the future**, also driven by the new CAP programming period
- For **41% of farmers** the Covid-19 crisis had no impact on business

- The collapse of orders and the **weight of stocks** are the new challenges for the food and drink industry
- For **28% of entrepreneurs** the Covid-19 crisis had no impact on business

Agriculture



ISMEA Panel of farmers and Food and drink Industry

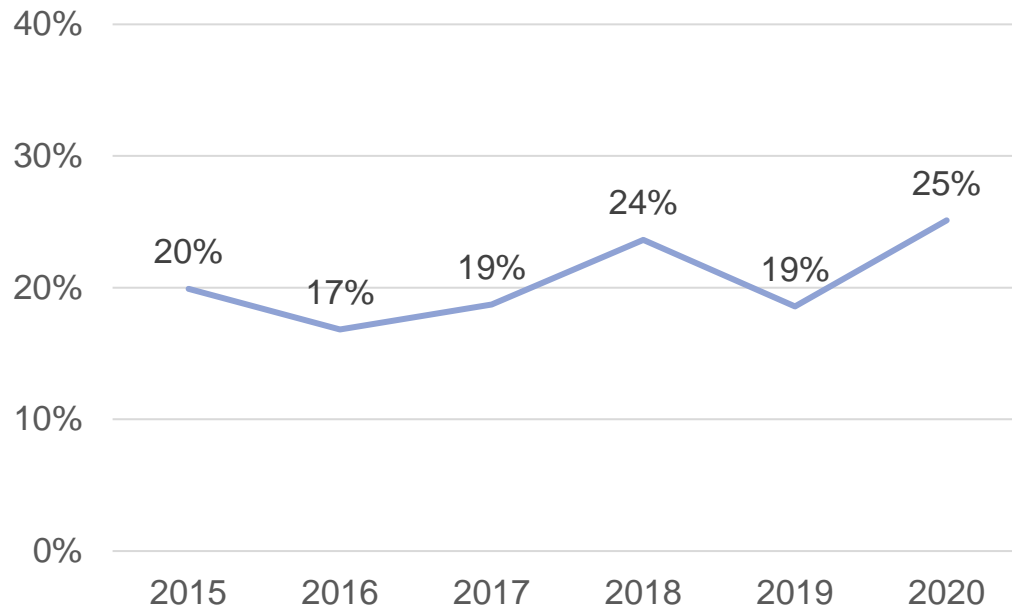
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Farmers' propensity to invest in 2021



Percentage of farmers intending to invest in the following 12 months



- Covid-19 crisis forced many farmers to **shift** investments planned for 2020 to 2021
- Farmers who intend to invest belong to **wine, fruit and vegetable, livestock** sectors, **organic** farming, farms of 30-100 hectare, with a turnover over EUR 100 000
- Main nature of investments: **machinery and equipment (43%)**, buildings (15%) and land (14%), new plantations (10%)
- Still few farmers want to invest in **precision farming (2%)**

survey carried out in September
ISMEA Panel of farmers



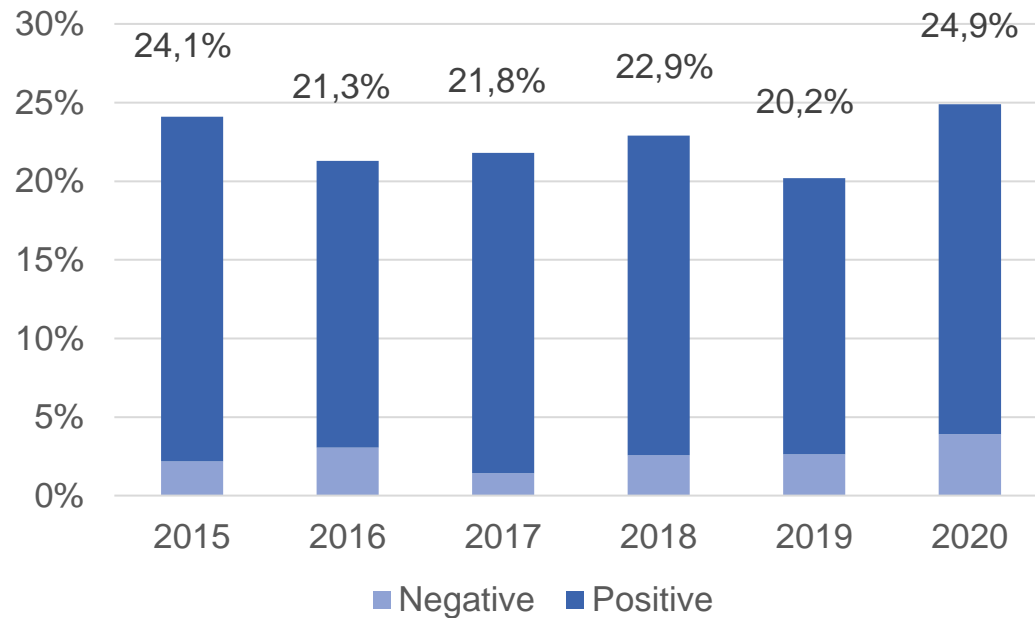
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Access to credit in 2020



Percentage of farmers applying for finance



survey carried out in December
ISMEA Panel of farmers

- The percentage of **farmers who applied for finance during 2020 increased** compared to the previous period
- Food and drink sector has a greater propensity to ask for a credit (**39.4% vs 24.9% of farmers**)
- More medium-long term than short term (**61% for agriculture, 70% for food and drink industry**)
- Debt restructuring is the main destination of loans, followed by machinery and equipment
- Both sectors ask for **instruments against liquidity crisis**, subsidised loans for medium-long term investments and deferral of tax deadlines

Useful recent reports



- “AgriMercati” and “Special Covid-19” periodic Reports with economic analysis for the agri-food sector
<http://www.ismeamercati.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/3552>
- Quarterly Reports on food domestic consumption
<http://www.ismeamercati.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/3562#MenuV>
- Periodic Reports on the Italian agri-food trade
<http://www.ismeamercati.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/9393>
- “Tendenze” periodic Reports with short term analysis and forecasts for the agri-food supply chains by sector
<http://www.ismeamercati.it/report-analisi-agroalimentare/tendenze>
- Report with a regional analysis of credit to agri-food sector by June 2020
<https://www.reterurale.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/22117>
- Report on the wine market before and after Covid-19
<https://www.reterurale.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/22350>
- Report on the impact of the Covid-19 on agri-food sector international trade
<https://www.reterurale.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/22258>
- Report on the future of the Italian swine sector
<https://www.reterurale.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/22294>



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