ITALIAN MARKET TRENDS

CLUSTER TOMATO
SWEET PEPPER
HERBS
DATES
OLIVE OIL

ENPARD Project – Ramallah 12 July 2017

Roberta Callieris IAMB
Which trends offer opportunities on the Italian market?

- Healthy food
- Vegetarianism
- Superfood
- Convenience
- Cooking at home
- Ethnic cuisine
- Immigration
- Sustainability (Organic, Fairtrade, CSR...)
The Italian Organic market 2016

Growth rate % - packaged organic foods in GDO I sem. 2016 vs I sem. 2015

<table>
<thead>
<tr>
<th>Product</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL (966 million euros)</td>
<td>20.6</td>
</tr>
<tr>
<td>wine</td>
<td>43.2</td>
</tr>
<tr>
<td>meat</td>
<td>30.2</td>
</tr>
<tr>
<td>cereals derivatives</td>
<td>23.3</td>
</tr>
<tr>
<td>non-alcoholic drinks</td>
<td>21.1</td>
</tr>
<tr>
<td>fruits</td>
<td>18.6</td>
</tr>
<tr>
<td>vegetables</td>
<td>15.1</td>
</tr>
<tr>
<td>milk &amp; derivatives</td>
<td>15.0</td>
</tr>
<tr>
<td>oils and vegetables fat</td>
<td>12.1</td>
</tr>
<tr>
<td>eggs</td>
<td>10.6</td>
</tr>
</tbody>
</table>

Source: Ismea on Nielsen data.

800 millions euros
1,200 specialized shops
• Global Fairtrade market: 7/8 billion euros
• Italian Fairtrade market: 150-200 million euros
• 90% of Fairtrade certified products are sold in supermarkets

Source: www.vita.it
TOMATO MARKET IN ITALY
Which trends offer opportunities on the Italian tomato market?

- Healthy food
- Sustainability
- Vegetarianism (snack: mini-cluster: Dulcemiel, Dunnè)
- Superfood (PGI Pachino)

Where better opportunities can be found?

✓ Innovation (new varieties)
Tomato in Italy (data 2016)

- ITALIAN PRODUCTION is approx. 1.009 million tons
- IMPORT is approx. 128 (000 tons)
- EXPORT is approx. 108 (000 tons)
- CONSUMPTION (FRESH T.) approx. (550 tons)
- About 320 varieties
- Great competitive pressure
- Cherry Tomato: 36% tomato market share
- Cluster Tomato: 28% tomato market share

Source: ISMEA
HS 070200 TOMATOES, FRESH OR CHILLED

Import trend (euro thousands)

Source: Trademap
HS 070200 TOMATOES, FRESH OR CHILLED
Main Suppliers (value) 2016

- Netherlands 46%
- Spain 23%
- France 12%
- Belgium 8%
- Germany 6%
- Austria 1%
- Tunisia 1%
- Egypt 0%
- Poland 3%
- Slovenia 0%
- Austria 1%

Source: Trademap
Production trend

Source: ISMEA
TOMATO FLOWS (average 2014-16)

000 tons
Tomato consumption trend up to 2013

638,000 tons (Average 2003 to 2005)

557,000 tons (Average 2011 to 2013)

Expences + 5%

Source: GfK-Eurisko, 2015
Tomato consumption trend (2015-2016)

TOTAL CONSUMPTION (volume)

<table>
<thead>
<tr>
<th></th>
<th>2016/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRUITS</td>
<td>+2.1</td>
</tr>
<tr>
<td>VEGETABLES</td>
<td>+0.6</td>
</tr>
</tbody>
</table>

Source: Macfrut Consumers’ trend, 2017
Share of tomato (volume) on overall F&V retail purchases

Tomato are still relevant but in progressive reduction in last decade
Monthly share of fresh tomato consumption
Tomato in Modern Grocery Retailers

• 57% of overall retail sales are in MGR
• 45% of overall retail sales are in traditional markets
• **Loose vs Packaged** (share of packaged tomatoes 37% value, 26 % volume – in basket and bowl - array 15% )
• Varietal innovation:
  – colour: e.g. pink tomato Apofruit
  – Size: small fruits: mini-cluster (e.g. Mini San Marzano: Torpedino)
Tomato in Modern Grocery Retailers

- Sustainability (Tomres)
- Seal of sustainability of the cultivation method: Sinergie
- Organic references (+ 5,5% volume/ +6.9 value; 2016/15)
National Production Market
Average weekly prices of tomato
13-19 June 2016 / 12-18 June 2017

Tomato
Tomato in greenhouse
Prices of tomato per type and wholesale market

### Pomodori serra - Prezzi per piazza all'origine

<table>
<thead>
<tr>
<th>PIAZZA</th>
<th>DATA</th>
<th>PRODOTTO</th>
<th>PREZZO MIN</th>
<th>PREZZO MAX</th>
<th>PREZZO PREV</th>
<th>CONDIZIONE DI VENDITA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vittoria</td>
<td>30-06-17</td>
<td>Pomodori serra - Ciliegli - I Qualità</td>
<td>0,26 €/Kg</td>
<td>0,50 €/Kg</td>
<td>0,00 €/Kg</td>
<td>Franco mercato produzione</td>
</tr>
<tr>
<td>Vittoria</td>
<td>30-06-17</td>
<td>Pomodori serra - Costolati - I Qualità</td>
<td>0,20 €/Kg</td>
<td>0,30 €/Kg</td>
<td>0,00 €/Kg</td>
<td>Franco mercato produzione</td>
</tr>
<tr>
<td>Vittoria</td>
<td>30-06-17</td>
<td>Pomodori serra - Tondi lisci - I Qualità</td>
<td>0,20 €/Kg</td>
<td>0,40 €/Kg</td>
<td>0,00 €/Kg</td>
<td>Franco mercato produzione</td>
</tr>
<tr>
<td>Vittoria</td>
<td>30-06-17</td>
<td>Pomodori serra - Tondi lisci rossi e grappolo - I Qualità</td>
<td>0,20 €/Kg</td>
<td>0,30 €/Kg</td>
<td>0,00 €/Kg</td>
<td>Franco mercato produzione</td>
</tr>
<tr>
<td>Latina</td>
<td>29-06-17</td>
<td>Pomodori serra - Tondi lisci - I Qualità</td>
<td>0,40 €/Kg</td>
<td>0,50 €/Kg</td>
<td>0,00 €/Kg</td>
<td>Franco mercato produzione</td>
</tr>
</tbody>
</table>

### Plazze di riferimento

Napoli - Patate com.  
Vittoria - Pom. serra  
Rovigo - Lattuga  
Lecce - Angurie  
Mantova - Meloni  
Bari - Zucchine  
Tutto
Production prices (average per month) of tomatoes types in open field

- Cerry
- Beef
- Coer de Boeuf
- Green plum
- Round
Production prices (average per month) of tomato types in greenhouse
INTERNATIONAL NETWORKING EVENT

EUROPEAN TOMATO FORUM
01 / 02 June 2017 - Düsseldorf, Germany
SWEET PEPPER MARKET IN ITALY
Which trends offer opportunities on the Italian sweet pepper market?

- Vegetarianism (snack: sweet pepper pitted)
- Italian production (e.g. Corneli)
- Convenience

Where better opportunities can be found?

- Innovation (new varieties)
Sweet pepper in Italy (data 2016)

- ITALIAN PRODUCTION is approx. 300 thousand tons
- IMPORT is approx. 71 thousands tons
- EXPORT is approx. 10 thousands tons
- CONSUMPTION (FRESH SP) is approx. 180 thousands
## SWEET PEPPER IMPORTS BY COUNTRY OF ORIGIN

<table>
<thead>
<tr>
<th>Area/Paesi</th>
<th>Import 2014</th>
<th>Import 2015</th>
<th>Import 2016</th>
<th>var. vs anno prec.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mondo</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UE</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Uom</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Francia</td>
<td>8.021,8</td>
<td>9.037,0</td>
<td>8.486,8</td>
<td>-6,1</td>
</tr>
<tr>
<td>Paesi Bassi</td>
<td>3.972,5</td>
<td>5.869,1</td>
<td>5.747,8</td>
<td>-2,1</td>
</tr>
<tr>
<td>Germania</td>
<td>2.531,9</td>
<td>3.269,6</td>
<td>1.855,6</td>
<td>-43,2</td>
</tr>
<tr>
<td>Irlanda</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grecia</td>
<td>11,5</td>
<td>60,4</td>
<td>62,4</td>
<td>3,4</td>
</tr>
<tr>
<td>Portogallo</td>
<td>-</td>
<td>1,7</td>
<td>-</td>
<td>100,0</td>
</tr>
<tr>
<td>Spagna</td>
<td>56.545,7</td>
<td>55.783,1</td>
<td>53.299,4</td>
<td>-4,5</td>
</tr>
<tr>
<td>Belgio</td>
<td>120,6</td>
<td>251,7</td>
<td>138,0</td>
<td>-45,2</td>
</tr>
<tr>
<td>Lussemburgo</td>
<td>-</td>
<td>-</td>
<td>1,5</td>
<td>-</td>
</tr>
<tr>
<td>Finlandia</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Austria</td>
<td>144,2</td>
<td>143,4</td>
<td>56,2</td>
<td>-60,8</td>
</tr>
<tr>
<td>Malta</td>
<td>-</td>
<td>-</td>
<td>5,4</td>
<td>-</td>
</tr>
<tr>
<td>Estonia</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lettonia</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Lituania</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Slovacchia</td>
<td>0,5</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Slovenia</td>
<td>72,3</td>
<td>316,9</td>
<td>247,5</td>
<td>-21,9</td>
</tr>
<tr>
<td>Cipro</td>
<td>299,7</td>
<td>692,1</td>
<td>1.073,1</td>
<td>55,1</td>
</tr>
<tr>
<td>Totale</td>
<td>71.837,7</td>
<td>75.565,6</td>
<td>71.357,6</td>
<td>5,6</td>
</tr>
</tbody>
</table>

*Area/Paesi*: Mondo, UE, Uom, Non Uom, Extra-UE, Altre destinazioni UE.

*Import*: Import of sweet peppers in metric tons for each country.

*Var. vs anno prec.*: Percentage variation compared to the previous year.
SWEET PEPPER PRODUCTION TREND (t)

Source: Agri.istat.it
Fresh sweet pepper consumption (2015-2016)

Sorce: Macfrut Consumers’trend, 2017
Italian consumers preferences

- Different shapes (new square pepper)
- Range of colours (bright different colours, tris as the traffic light)
- Size (small, horns 16-20 cm/3 pieces 500 g (fixed weight)
- Appearance, uniformity, thick flesh, sweet
- Niche products: Senise (DPI), 1 DPO
- Innovation/Quality: Sweet Palermo by Apofruit
- Innovation/Packaging: flow-packed on a tray
National Production Market
Average weekly prices of sweet pepper
13-19 June 2016 / 12-18 June 2017
Production prices (average per month) of sweet pepper

- Sweet pepper - Coloured
- Green sweet pepper
- Coloured sweet pepper in greenhouse
- Green sweet pepper in greenhouse
Fruits and Vegetables FAIRS

• MACFRUT May 10-12 2017
MARKETING POTENTIAL OF DATE PALM FRUITS ON THE ITALIAN MARKET
Which trends offer opportunities on the Italian dates market?

**Nutritional-Healthy food** *(Natural energy snack)*

**Superfood** *(phenolic content and the antioxidant activity)*

**Convenience** *(pitted dates in supermarkets, a pick-me-up on a work break)*

**Cooking at home** *(a moist cake ingredient for cakes or pastries, an unusual culinary twist for fish or meat dishes)*

**Ethnic cuisine**

Where opportunities can be found?

- Quality & Safety
- Varieties
- Sustainability
- Storytelling
DATES
Demand in Italy

• Traditionally in Europe, dates were predominantly consumed by communities originally from the Middle East and North African region.

• SGMARKETING estimates an average per capita Italian consumption of 1.5 kg of dried fruit per annum.

• Demand for dried fruit is growing, but not all dried fruits exerts the same attraction over the Italian consumers.
HS 040810 FRESH & DRIED DATES
Import trend (euro thousands)

Source: Trademap
DATES
Imports and main suppliers, 2016

Total value 26 million Euro
Total volume 9,377 metric tons

Source: Eurostat, 2017
DATES
Italian market

• Per capita consumption 180 g
• Seasonal consumption (Oct.-Feb.)
• Preference for Deglet Nour, Kenta (from Tunisia)
• New varieties Medjool, Hayani (from Israel)
Importers in Italy

Madi Ventura Spa

Noberasco Spa

1300 varieties of fruits and vegetables
12 varieties of dates (from Israel, Tunisia, Peru, Iran, Algeria, Palestine)
Dates on the Web
Dates on the Web
Retail prices

Price in NaturaSì (ORGANIC, 7/7/2017)

- Natural Medjool (Israel): 83.98 – 5 kg
- Natural Medjool (Israel): 17.98 – 1 kg
- Natural Medjool Premium (Israel): 22.96 – 1 kg
- Fresh jumbo Hayani (Israel): 4.59 – 500 g
- Natural Medjool (Palestine): 5.94 – 250g (discount 15%)
- Deglet Nour (Tunisia): 3.35 – 400g
- Deglet Nour pitted (Tunisia): 3.85 – 500g
- Kouan Alligh (Algeria) 1.29 – 200g
- Mazafati Rotab Onice (Iran) 5.99 – 550g
- Fresh Barhi (Perù) OUT OF SEASON
- GIFT PACKAGING BOXES
Trade Fairs

- Macfruit
- Rimini Wellness
HERB MARKET IN ITALY
WHICH TRENDS OFFER OPPORTUNITIES ON THE ITALIAN HERBS & SPICE MARKET?

- Immigration trends
- Ethnic food & cuisines
- Eating at home
- Convenience
- Healthy living
- Superfoods
- Organic food

Where better opportunities can be found

Counter seasonal herbs
Sustainability
special varieties
improved quality (e.g. better colour and taste)
food safety (compliance with strict requirements)
### Perfume, aromatic and medicinal plants in Italy (2015)

<table>
<thead>
<tr>
<th>LIST OF SPECIES «USED» IN ITALY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultivated/can be cultivated in Italy or imported</td>
</tr>
<tr>
<td>Estimation of used volumes</td>
</tr>
<tr>
<td>Estimation of wholesale economic value</td>
</tr>
<tr>
<td>Commercial herbs</td>
</tr>
</tbody>
</table>

160 species are cultivated (54%), 73 are wild species (25%) remaining 63 species are both cultivated and wild (21%)

Source: ISMEA
## Evolution of farms and surfaces in conventional & organic

<table>
<thead>
<tr>
<th>Census 2010</th>
<th>2013</th>
<th>Var %</th>
<th>Var %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farms</td>
<td>Farms</td>
<td>Surfaces</td>
<td>Surfaces</td>
</tr>
<tr>
<td>2,918</td>
<td>2,970</td>
<td>7,191.08</td>
<td>7,660</td>
</tr>
</tbody>
</table>

Source: ISMEA

<table>
<thead>
<tr>
<th>ORGANIC Surfaces (ha)</th>
<th>Var %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>2011</td>
</tr>
<tr>
<td>2,916</td>
<td>2,958</td>
</tr>
</tbody>
</table>

Source: SINAB
HS 09109999 SPICES/HERBS
Import trend (euro thousands)

Source: Trademap
HS 09109999 SPICES/HERBS
Main Suppliers (value) 2016

- Germany 46%
- Austria 16%
- UK 9%
- Netherlands 8%
- Hungary 6%
- France 4%
- Poland 3%
- Romania 3%
- India 2%
- Spain 3%
- Poland 3%
- Romania 3%
- India 2%
- Spain 3%
- Germany 46%
Other Industries:
textile, …

Production and (primary) processing
(selezione, lavaggio, essiccazione, distillazione, confezionamento, ecc.)

Wholsaler

Secondary processing

Wholsaler

Industry

Food Industry
Animal feed

Pharmaceutical
Phytotherapic
Anti-rabies

Cosmetics
Detergent

Other Industries:
textile, …

Wild Harvest

Export

Export

Export

Grandi acquirenti
(enti pubblici)

Altri acquirenti
(Allevamenti, altre industrie..)

Final Product

70% Import

Primary Processing

Secondary Processing

Supermarkets

Herb shop

Pharmacy

Traditional shop

Food Service

Consumatore finale

Fonte: ISMEA.
Fresh/I RANGE herbs

- Farm production
- Import
- Primary Processing
- Intermediary
- Herbs shops
- Industry
- Food Service
- Supermarkets
HERBS MARKET IN ITALY 2016

• Spice and herbs sales (value): 137 million euros (+5.7% ; 2016/15)

• **Aromatic herbs:** +10% (basil, parsley, rosemary, sage, oregano, marjoram, and mint)

• Retail market share of basil, parsley and mixture of herbs: 50%

• **Organic herbs** (+ 106%, March 2017/2016)

• Growing demand for chervil, coriander, tarragon, new references

• Consumption higher in March, June, Sept., Dec.

• Supermarkets are the main retail channel

Source: IRI
Sales per area and type of PoS, October 2016

<table>
<thead>
<tr>
<th>Format</th>
<th>Value %</th>
<th>Volume %</th>
</tr>
</thead>
<tbody>
<tr>
<td>North-west</td>
<td>32.4</td>
<td>37.8</td>
</tr>
<tr>
<td>North-east</td>
<td>23.6</td>
<td>22.9</td>
</tr>
<tr>
<td>Centre</td>
<td>24.6</td>
<td>23.5</td>
</tr>
<tr>
<td>South</td>
<td>19.4</td>
<td>15.7</td>
</tr>
<tr>
<td>Superette</td>
<td>15.8</td>
<td>15.2</td>
</tr>
<tr>
<td>Supermarket</td>
<td>68.4</td>
<td>67.7</td>
</tr>
<tr>
<td>Hypermarket</td>
<td>15.8</td>
<td>17.1</td>
</tr>
</tbody>
</table>

Source: IRI

Traditional shops -1.8% (Source: DM)
Herbs Market concentration

- Cannamela – Arbe (organic)
- Drogheria e Alimentari (direct sourcing & herb processing)
- Ubena Alimentari Srl
- Ariosto Spa (leader for Seasonings)

market share of first 3 producers: 39.7%
market share of Private Labels: 25.2%
• cut products
• Small sized packs (10gr)
• Pre-weighted package
• Flowpack bowls, open and close squeezable, oven bags
• Fresh unpackaged herbs will disappear!
Specific Trade Fairs for Ethnic food in the EU

Sustainable Foods Europe 1-2 June in Amsterdam
OLIVE OIL MARKET IN ITALY
WHICH TRENDS OFFER OPPORTUNITIES ON THE ITALIAN OLIVE OIL MARKET?

- Healthy (polyphenols; ..)
- Italian product *(100% Italian Oil Label; Qr Code)*
- Quality
- Organic EVO

Where better opportunities can be found

- Sustainability (organic),
- special olive varieties
- storytelling
- improved quality & safety
### Main Indicators - Olive oil sector in Italy

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Olive farms (No)</td>
<td>825,000</td>
<td>825,000</td>
<td>825,000</td>
<td>825,000</td>
</tr>
<tr>
<td>Olive oil mills (No)</td>
<td>4,662</td>
<td>4,500</td>
<td>4,921</td>
<td></td>
</tr>
</tbody>
</table>
| Production (t)                 | 463,701      | 222,000      | 471,652      | 200,000 (-60%)
| Value at Origin (mil €)        |              | 1,300        |              |              |
| Turnover Industry (mil €)      | 3,000        | 3,120        | 3,151        |              |
| Import (mil €)                 | 1,224        | 1,511        | 1,851        |              |
| Export (mil €)                 | 1,375        | 1,371        | 1,527        |              |
| Total apparent consumption (t)*| 647,747      | 604,727      | 580,800      |              |

500 cultivars**

About 40% of EU denomination of origin are Italian brands (42 PDO, 3 PGI = 2%-3% of tot. prod. (volume), 6% (value)

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* Source: Agea
Source ISMEA,
** Source: CIA
## Imports/Exports – Types of olive oils

<table>
<thead>
<tr>
<th>Imports</th>
<th>Tonnellate 2015</th>
<th>Tonnellate 2016</th>
<th>Var. %</th>
<th>Migliaia di euro 2015</th>
<th>Migliaia di euro 2016</th>
<th>Var. %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Olive oil</td>
<td>551.617</td>
<td>529.854</td>
<td>-3,9%</td>
<td>1.812.616</td>
<td>1.743.489</td>
<td>-3,8%</td>
</tr>
<tr>
<td>EVO, Virgin olive oil</td>
<td>449.709</td>
<td>449.995</td>
<td>0,1%</td>
<td>1.523.736</td>
<td>1.516.792</td>
<td>-0,5%</td>
</tr>
<tr>
<td>Lampante olive oil</td>
<td>58.979</td>
<td>31.689</td>
<td>-46,3%</td>
<td>167.582</td>
<td>91.431</td>
<td>-45,4%</td>
</tr>
<tr>
<td>Refined olive oil</td>
<td>42.929</td>
<td>48.170</td>
<td>12,2%</td>
<td>121.298</td>
<td>135.266</td>
<td>11,5%</td>
</tr>
<tr>
<td>Olive-pomace oil</td>
<td>31.858</td>
<td>41.926</td>
<td>31,6%</td>
<td>46.327</td>
<td>48.641</td>
<td>5,0%</td>
</tr>
<tr>
<td>Crude olive-pomace oil</td>
<td>15.159</td>
<td>23.730</td>
<td>56,5%</td>
<td>18.015</td>
<td>24.297</td>
<td>34,9%</td>
</tr>
<tr>
<td>Refined olive-pomace oil</td>
<td>16.699</td>
<td>18.197</td>
<td>9,0%</td>
<td>28.312</td>
<td>24.344</td>
<td>-14,0%</td>
</tr>
<tr>
<td><strong>Totale complessivo</strong></td>
<td><strong>583.475</strong></td>
<td><strong>571.781</strong></td>
<td><strong>-2,0%</strong></td>
<td><strong>1.858.944</strong></td>
<td><strong>1.792.131</strong></td>
<td><strong>-3,6%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Exports</th>
<th>Tonnellate 2015</th>
<th>Tonnellate 2016</th>
<th>Var. %</th>
<th>Migliaia di euro 2015</th>
<th>Migliaia di euro 2016</th>
<th>Var. %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Olive oil</td>
<td>322.165</td>
<td>354.295</td>
<td>10,0%</td>
<td>1.446.442</td>
<td>1.533.535</td>
<td>6,0%</td>
</tr>
<tr>
<td>EVO, Virgin olive oil</td>
<td>253.278</td>
<td>277.477</td>
<td>9,6%</td>
<td>1.179.100</td>
<td>1.241.797</td>
<td>5,3%</td>
</tr>
<tr>
<td>Lampante olive oil</td>
<td>7.449</td>
<td>10.527</td>
<td>41,3%</td>
<td>24.004</td>
<td>33.085</td>
<td>37,8%</td>
</tr>
<tr>
<td>Refined olive oil</td>
<td>61.438</td>
<td>66.291</td>
<td>7,9%</td>
<td>243.337</td>
<td>258.654</td>
<td>6,3%</td>
</tr>
<tr>
<td>Olive-pomace oil</td>
<td>40.161</td>
<td>43.354</td>
<td>7,9%</td>
<td>83.320</td>
<td>83.825</td>
<td>0,6%</td>
</tr>
<tr>
<td>Crude olive-pomace oil</td>
<td>9.848</td>
<td>8.161</td>
<td>-17,1%</td>
<td>11.071</td>
<td>9.033</td>
<td>-18,4%</td>
</tr>
<tr>
<td>Refined olive-pomace oil</td>
<td>30.313</td>
<td>35.193</td>
<td>16,1%</td>
<td>72.249</td>
<td>74.792</td>
<td>3,5%</td>
</tr>
<tr>
<td><strong>Totale complessivo</strong></td>
<td><strong>362.326</strong></td>
<td><strong>397.649</strong></td>
<td><strong>9,7%</strong></td>
<td><strong>1.529.762</strong></td>
<td><strong>1.617.360</strong></td>
<td><strong>5,7%</strong></td>
</tr>
</tbody>
</table>

*Fonte: Ismea su dati Istat*
HS 150910 VIRGIN OLIVE OIL
Main Suppliers (value) 2016

Spain: 60%
Greece: 26%
Tunisia: 10%
Portugal: 4%

Cyprus: 0%
Perù: 0%
USA: 0%
France: 0%
Germany: 0%
Morocco: 0%

Source: Trademap
Domestic Olive Oil Production Trend

Fonte: elaborazione ISMEA su dati ISTAT fino al 2013; dal 2014 ISMEA su dati AGEA; *2015 Stime ISMEA
Margins along the EVO supply chain

Production and retail prices trend

Value distribution along the supply chain

Per each 100 euros spent by consumers, 49 comes back to farmers who have to sustain costs of 47 euros

Source: ISMEA
Olive oil sales in Italy

Volumes (thousand t)

2010: 280.76
2011: 284.06
2012: 285.27
2013: 280.26
2014: 280.75
2015: 281.50

Values (million Euros)

2010: 1.317,20
2011: 1.314,30
2012: 1.301,16
2013: 1.259,52
2014: 1.231,06
2015: 1.211,36

(Source: Fondo Sviluppo Spa, 2016)

almost 80% EVO
Main actors in the supply chain

Olive farmers

Olive mills

Olive farmers

Refinery

Canning Industry

Bottling Industry

Import

Export

90%
Flows of EVO & Virgin Olive Oil 2015

Olive oil production

Import 593

Disponibilità totali 1,079 (100 %)

Usi industriali 4%

Consumo 637

Export 404

Domestico 70%

Extradomestico 30%

Dettaglio tradiz. 3%

Porta a porta 5%

Vendita diretta 25%

DM 65%

Altro 2%

*Unità di misura: migliaia di tonnellate
Shares of consumers’ purchases 2013-2015

- 2013: 77% Extravergine, 23% Olio di oliva*
- 2014: 77% Extravergine, 22% Olio di oliva*
- 2015: 79% Extravergine, 21% Olio di oliva*
## Trend of consumers’ purchases 2017 vs 2016

<table>
<thead>
<tr>
<th>Olive oil</th>
<th>Market size / trend</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Volume</td>
<td>28/2/2016</td>
<td>26/2/2017</td>
<td>Var %</td>
</tr>
<tr>
<td></td>
<td>000 L</td>
<td>32,429</td>
<td>28,260</td>
<td>-12.86</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Allocation in points of sale (% sales value)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Iper</td>
<td>Super</td>
<td>Discount</td>
<td>Traditional</td>
</tr>
<tr>
<td></td>
<td>24.27</td>
<td>38.48</td>
<td>17.27</td>
<td>6.64</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EVO</th>
<th>Market size / trend</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Volume</td>
<td>2016</td>
<td>2017</td>
<td>Var %</td>
</tr>
<tr>
<td></td>
<td>000 L</td>
<td>182,443</td>
<td>166,795</td>
<td>-8.58</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Allocation in points of sale (% sales value)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Iper</td>
<td>Super</td>
<td>Discount</td>
<td>Traditional</td>
</tr>
<tr>
<td></td>
<td>26.50</td>
<td>42.67</td>
<td>14.80</td>
<td>4.35</td>
</tr>
</tbody>
</table>
## Market share of leading Olive oil Brands

% total sales (value)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Monini</td>
<td>Monini SpA</td>
<td>9.0</td>
<td>8.8</td>
<td>9.7</td>
<td>9.8</td>
<td>10.0</td>
<td>10.2</td>
</tr>
<tr>
<td>Bertolli</td>
<td>Deoleo SA</td>
<td>-</td>
<td>8.9</td>
<td>9.1</td>
<td>8.3</td>
<td>8.4</td>
<td>8.4</td>
</tr>
<tr>
<td>Olio Carli</td>
<td>Flli Carli SpA</td>
<td>7.8</td>
<td>7.8</td>
<td>7.8</td>
<td>7.9</td>
<td>8.0</td>
<td>8.2</td>
</tr>
<tr>
<td>Carapelli</td>
<td>Deoleo SA</td>
<td>-</td>
<td>8.0</td>
<td>7.9</td>
<td>7.3</td>
<td>7.3</td>
<td>7.3</td>
</tr>
<tr>
<td>Dante</td>
<td>Mataluni SpA (Gruppo Mataluni)</td>
<td>2.2</td>
<td>3.2</td>
<td>3.6</td>
<td>3.9</td>
<td>4.1</td>
<td>4.2</td>
</tr>
<tr>
<td>De Cecco</td>
<td>Flli De Cecco di Filippo Fara San Martino SpA</td>
<td>2.9</td>
<td>3.6</td>
<td>3.7</td>
<td>3.9</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Farchioni</td>
<td>Farchioni Olii SpA</td>
<td>3.8</td>
<td>3.8</td>
<td>3.8</td>
<td>3.8</td>
<td>3.9</td>
<td>4.0</td>
</tr>
<tr>
<td>Sasso</td>
<td>Deoleo SA</td>
<td>-</td>
<td>3.8</td>
<td>3.8</td>
<td>3.5</td>
<td>3.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Sagra</td>
<td>Bright Food (Group) Co Ltd</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Desantis</td>
<td>Olearia Desantis SpA</td>
<td>2.1</td>
<td>2.2</td>
<td>2.3</td>
<td>2.4</td>
<td>2.4</td>
<td>2.5</td>
</tr>
<tr>
<td>Filippo Berio</td>
<td>SALOV - Società per Azioni Lucchese Olii e Vini SpA</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Sagra</td>
<td>SALOV - Società per Azioni Lucchese Olii e Vini SpA</td>
<td>2.4</td>
<td>2.7</td>
<td>2.8</td>
<td>2.9</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Bertolli</td>
<td>SOS Corp Alimentaria SA</td>
<td>8.1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Carapelli</td>
<td>SOS Corp Alimentaria SA</td>
<td>8.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sasso</td>
<td>SOS Corp Alimentaria SA</td>
<td>3.8</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Private Label</td>
<td>Private Label</td>
<td>18.4</td>
<td>18.7</td>
<td>19.0</td>
<td>19.8</td>
<td>20.4</td>
<td>20.8</td>
</tr>
<tr>
<td>Others</td>
<td>Others</td>
<td>31.4</td>
<td>28.4</td>
<td>26.3</td>
<td>26.2</td>
<td>25.0</td>
<td>23.8</td>
</tr>
<tr>
<td>Total</td>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>
## Trends of Private Labels

<table>
<thead>
<tr>
<th>Market share</th>
<th>Volume</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Virgin &amp; EVO</td>
<td>15.9</td>
<td>17.5</td>
</tr>
<tr>
<td>Olive oil</td>
<td>20.3</td>
<td>23.0</td>
</tr>
</tbody>
</table>
## Pricing policy EVOs

*(In Sept., 2015)*

<table>
<thead>
<tr>
<th>Brands</th>
<th>Group/Company</th>
<th>Point of sale</th>
<th>Pack size</th>
<th>Price (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alce Nero Olio EVO Bio</td>
<td>Alce Nero</td>
<td>Specialized shop</td>
<td>750 ml</td>
<td>11.50</td>
</tr>
<tr>
<td>Monini DOP Umbria</td>
<td>Monini SpA</td>
<td>Iper</td>
<td>750 ml</td>
<td>10.90</td>
</tr>
<tr>
<td>Naturasì Olio EVO</td>
<td>EcorNaturasì SpA</td>
<td>Specialized Super</td>
<td>750 ml</td>
<td>10.50</td>
</tr>
<tr>
<td>Il Podere Olio EVO Bio</td>
<td>EcorNaturasì SpA</td>
<td>Specialized Super</td>
<td>750 ml</td>
<td>9.98</td>
</tr>
<tr>
<td>Esselunga Bio EVO Italiano</td>
<td>Esselunga SpA</td>
<td>Web</td>
<td>750 ml</td>
<td>9.49</td>
</tr>
<tr>
<td>Monini Gran Fruttato Evo</td>
<td>Monini SpA</td>
<td>Iper/Web/Super</td>
<td>1 l</td>
<td>8.50-7.90</td>
</tr>
<tr>
<td>Coop EVO</td>
<td>Coop Italia Scarl</td>
<td>Super</td>
<td>1 l</td>
<td>4.35</td>
</tr>
<tr>
<td>Primadonna EVO</td>
<td>Lidl Italia Srl</td>
<td>Discount</td>
<td>1 l</td>
<td>4.19</td>
</tr>
<tr>
<td>Bertolli Olio d’Oliva</td>
<td>Unilever B.Italy SpA</td>
<td>Super</td>
<td>1 l</td>
<td>4.19</td>
</tr>
<tr>
<td>Primadonna Olio d’Oliva</td>
<td>Lidl Italia Srl</td>
<td>Discount</td>
<td>1 l</td>
<td>3.79</td>
</tr>
</tbody>
</table>
Market main critical points

• Decreasing consumption trends

• Adulteration, falsification, irregularities...

• Commercial pressure in MGD (up to 70% discounts)

• Low information/confusion
Organic Extra Virgin Olive oil 2016

<table>
<thead>
<tr>
<th>Penetration rate of organic foods</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh vegetables</td>
<td>74</td>
</tr>
<tr>
<td>EXTRA VIRGIN OLIVE OIL</td>
<td>62</td>
</tr>
<tr>
<td>Eggs</td>
<td>53</td>
</tr>
<tr>
<td>Honey</td>
<td>45</td>
</tr>
<tr>
<td>Marmelade</td>
<td>45</td>
</tr>
<tr>
<td>Fresh cheese</td>
<td>44</td>
</tr>
<tr>
<td>Yogurt/Butter</td>
<td>41</td>
</tr>
<tr>
<td>Rice/Pasta</td>
<td>41</td>
</tr>
</tbody>
</table>

Source: Consumer Survey NOMISMA – ICE, Largo Consumo 2017
World Olive Oil Exhibition

29 – 30 March 2017 Madrid
Buyer requirements

- Product safety and control
- Food safety management
- Food contamination
- Additives & adulteration
- Falsification, irregular labels
- CSR
- Fairtrade
- GlobalGap
- Organic
- Niche

Musts

Common
Legal requirements

FOOD QUALITY

• General – International requirements - CODEX ALIMENTARIUS Standards for Dates CODEX STAN 143-1985

• General – European requirements
General Marketing Standards for F&V
Regulation (EU) No 543/2011
a wide range of fresh and processed F&V (incl. tomato)

• Product – specific requirements
UNECE Standards
dry and dried dates: UNECE Standard DDP-08

General - International requirements for packaging - UNECE
Dates in bulk and consumer packaging

• General – European Labelling requirements - Regulation (EU) No 1169/2011
Dates pre-packed at origin, sold as final/consumer product
All foods/processed spices and herbs
Regulation (EU) No 178/2002 General Food Law (HACCP)
Other Regulations addressing:
• Contaminants (mycotoxins, aflatoxin,..)
• Food additives and adulteration
• Flavourings
• Pesticides
  Residues of anthraquinone (sweet pepper) Amendment of Reg.(EC) No. 396/2005
The EU has set a Maximum Residue Levels (MRLs) for pesticides
• Hygiene - Regulation (EU) No 852/2004
Legal Requirements

FOOD SAFETY

TRACEABILITY-HYGIENE AND CONTROL

- polycyclic aromatic hydrocarbons (PAHs) (dried herbs and spices) *(smoked paprika)*

Spices & herbs
- Additives (e.g. artificial colourants, thickeners, flavourings)
- Adulteration
- Intentional adulteration (e.g. conventional products, cheaper varieties, synthetic substitutes, salt powder and talc) *(crushed and ground)*
- Unintentional adulteration (e.g. fertiliser spillover or insects)
Voluntary Sustainability certification schemes:

- SOCIAL (SA 8000; GRASP...)
- ENVIRONMENT (ISO 14000)
- LABOUR (OHSAS 18001)
- SAFETY (ISO 22000; ISO 22005)
Fairtrade International is a member-based initiative operating within the food and agriculture sector across 74 producing countries. The initiative coordinates Fairtrade labelling at the international level. Fairtrade sets minimum pricing and premium levels as part of its commitment to poverty reduction for developing country producers. The standards apply to both producers and traders.
Figure 29: Fairtrade International: Development of Fairtrade retail sales, 2004–2014


Note: Since 2012, the retail sales of the United States of America have not been included.
Figure 30: Fairtrade International: Top 10 countries with the largest markets for Fairtrade food 2014

<table>
<thead>
<tr>
<th>Country</th>
<th>Retail sales in million USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>2,761</td>
</tr>
<tr>
<td>Germany</td>
<td>1,103</td>
</tr>
<tr>
<td>France</td>
<td>519</td>
</tr>
<tr>
<td>Switzerland</td>
<td>511</td>
</tr>
<tr>
<td>Sweden</td>
<td>401</td>
</tr>
<tr>
<td>Ireland</td>
<td>304</td>
</tr>
<tr>
<td>Canada</td>
<td>301</td>
</tr>
<tr>
<td>Netherlands</td>
<td>286</td>
</tr>
<tr>
<td>Australia</td>
<td>281</td>
</tr>
<tr>
<td>Finland</td>
<td>216</td>
</tr>
</tbody>
</table>

Source: Fairtrade International, 2015 (data missing for 2010). Original data in euros, conversion using 2013 annual average exchange rate from OANDA.com

Note: Since 2012, the retail sales of the United States of America have not been included.
Founded in 1997, the Global Partnership for Good Agricultural Practice (GLOBALG.A.P.) is a private initiative operating in the food and agriculture sector across 110 countries. GLOBALG.A.P. acts as a benchmark for local producers to become integrated into the GLOBALG.A.P. system through localg.a.p., a stepwise improvement plan that provides a subset of less-stringent GLOBALG.A.P. checkpoints.

This enables emerging growers to meet minimum requirements for food safety and hygiene at the “Foundation” level before advancing to stronger food-safety criteria. GLOBALG.A.P. certifies a wide variety of fruits and vegetables worldwide.
Figure 44: GLOBALG.A.P.: Area of the top 10 GLOBALG.A.P. covered crops\textsuperscript{21}, 2014

<table>
<thead>
<tr>
<th>Crop</th>
<th>Area (Hectares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tomatoes</td>
<td>24,102</td>
</tr>
<tr>
<td>Capsicums</td>
<td>15,405</td>
</tr>
<tr>
<td>Strawberries</td>
<td>11,949</td>
</tr>
<tr>
<td>Lettuce</td>
<td>8,047</td>
</tr>
<tr>
<td>Cucumbers</td>
<td>7,144</td>
</tr>
<tr>
<td>Watermelons</td>
<td>4,603</td>
</tr>
<tr>
<td>Indoor grown flowers</td>
<td>3,994</td>
</tr>
<tr>
<td>Melons</td>
<td>3,993</td>
</tr>
<tr>
<td>Courgettes</td>
<td>3,830</td>
</tr>
<tr>
<td>Raspberries</td>
<td>2,990</td>
</tr>
</tbody>
</table>

Source: GLOBALG.A.P., 2015
Figure 41: GLOBALG.A.P.: Top 10 countries with the most GLOBALG.A.P.-certified producers, 2014

<table>
<thead>
<tr>
<th>Country</th>
<th>Producers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spain</td>
<td>32,550</td>
</tr>
<tr>
<td>Italy</td>
<td>20,637</td>
</tr>
<tr>
<td>Greece</td>
<td>10,982</td>
</tr>
<tr>
<td>Germany</td>
<td>8,990</td>
</tr>
<tr>
<td>India</td>
<td>6,789</td>
</tr>
<tr>
<td>Peru</td>
<td>6,440</td>
</tr>
<tr>
<td>Netherlands</td>
<td>5,246</td>
</tr>
<tr>
<td>France</td>
<td>4,164</td>
</tr>
<tr>
<td>Belgium</td>
<td>3,174</td>
</tr>
<tr>
<td>Chile</td>
<td>3,165</td>
</tr>
</tbody>
</table>

Source: GLOBALG.A.P., 2015
Founded in 1987, the Rainforest Alliance/Sustainable Agriculture Network (RA/SAN) is a member-based initiative operating in the food and agriculture sector across 43 countries. SAN is the sole standard-setting body for Rainforest Alliance Certified agricultural products. The Rainforest Alliance manages labelling and marketing support of SAN-compliant products. The Rainforest Alliance owns the trademark and manages the traceability, labelling and marketing of SAN/Rainforest Alliance Certified products. Farms meeting the requirements of the SAN standard can sell their products as Rainforest Alliance Certified™ and use the Rainforest Alliance trademarks.
Rainforest Alliance/Sustainable Agriculture Network (RA/SAN): Distribution of Rainforest Alliance/SAN certified producers by region, 2014

Source: Rainforest Alliance/SAN, 2015
Founded in 1972, IFOAM – Organics International is a membership-based umbrella organization representing the organic movement across the entire value chain. It has affiliates in more than 120 countries, and its work areas is to set standards and quality assurance systems for organic standards. Organic certification is typically determined by standards set at the national or regional level.
Infographic 1: Organic agriculture worldwide: Key indicators 2015

Organic Land 2015
- North America: 3.0m ha
- Europe: 12.7m ha
- Asia: 4.0m ha
- Latin America: 6.7m ha
- Africa: 1.7m ha
- Oceania: 22.8m ha

Organic Producers 2015
- Number of organic producers is increasing
- 2.4 million Organic farmers
- +7.2% From 2014

Organic Market 2015
- The global market is growing and consumer demand is increasing
- Approx. 75 Global organic food market in billion euros

Top 3 countries (market in billion euros)
- USA: 35.8
- Germany: 8.6
- France: 5.5

Top 3 countries (land in millions of hectares)
- Australia: 22.7
- Argentina: 3.1
- USA: 2.0

Top 3 countries (number of producers)
- India: 585'000
- Ethiopia: 203'602
- Mexico: 200'039

Source: FIBI. Survey based on national sources © FIBI: 2017

Source: www.organic-world.net
The IFS (International Featured Standard) Food Standard is a GFSI (Global Food Safety Initiative) recognized standard for auditing food manufacturers. The focus is on food safety and the quality of processes and products. It concerns food processing companies and companies that pack loose food products. IFS Food applies when products are “processed” or when there is a hazard for product contamination during primary packing. The Standard is important for all food manufacturers, especially for those producing private labels, as it contains many requirements related to the compliance with customer specifications.
The company was founded in 1996 by retailers who wanted to harmonize food safety standards across the supply chain. In 2016 BRC Global Standards was acquired by the LGC Group, thus from being a standards owner became a brand and consumer protection organisation with a range of products and services to help its customers deal with the challenges of producing safe, high quality products for the end consumer on a global basis.

The standard focuses on HACCP based safety programmes.
CORPORATE SOCIAL RESPONSIBILITY

There are different definitions of CSR, and different priorities and ambition levels in this field. Hence, there is no single way to address CSR issues. Consequently there exist many standards and certifications. CSR standards provide voluntary principles for responsible business conduct in various fields such as employment and industrial relations, environmental protection, combating corruption and protection of consumer interests.

Buyers’ approach can range from signing a code of conduct in which the supplier declares to conduct the business in a responsible way - to ensure compliance with the most important requirements to mapping out and addressing all the CSR issues in the entire supply chain.

CSR issues are addressed in existing standards such as:

- ISO 26000
- SEDEX
- ETI
- BSCI
Private certifications depend on buyers’ requirements.

- **Common**
  - Food safety management
  - Food contamination
  - Additives & adulteration
  - Falsification, irregular labels
  - Product safety and control

- **Niche**
  - CSR
  - Organic
  - Fairtrade

- **Musts**