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Italy

Fishery Products

Annual

2006

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Report Highlights:
Italian fish catch is decreasing with stricter regulations on fishing and a shrinking fleet. Aquaculture and freshwater fishing partly compensate for this reduction. Italy's fishery sector will benefit from approximately 10% of the European Fishery Fund during 2006-2013 as well as GOI funding. Increasing consumption and limited domestic supply are boosting imports. Lobsters remain a major opportunity for US exporters.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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Table of Contents

Overview of Italian fisheries

In 2004 the Italian fishery industry represented about 0.1% of Italy's Gross Domestic Product. The importance of the industry has declined constantly over the last three decades, largely due to a reduction in fish stocks and the subsequent limitations placed on fishing. In 2004 Italian fish catches represented almost 5% of the total EU25 production, but over 50% of the EU25 take in the Mediterranean. The breakdown of the country's 2004 production, by source is detailed in the following table:

Tab 1. 2004 Italian Fish Production (by source)

Source	Volume (000 tons)	% of total
Mediterranean Catch	242	63%
Ocean Catch	19	5%
Freshwater catch	5	1%
Aquaculture	118	31%
TOTAL	**384**	**100%**

Source: Italian Statistical Office, ISTAT – January 2006

The Mediterranean Sea catch and aquaculture account for most of Italian production, while freshwater catch and the ocean catch are much less significant.

Marine catch

Italy has about 8,000 kilometers of Mediterranean coast, off of which almost 15,000 vessels operate for a total Gross Registered Tonnage (GRT) of over 172,000 tons and a total engine power of 1,212,532 kw (2004 data).

Tab 2. Italian Fishing Fleet

		2002	2003	2004	Change 04/03
Number of vessels	Units	16,636	15,915	14,873	-7%
Gross Registered Tonnage (GRT)	MT	187,347	178,334	172,302	-3.3%
Total Engine Power	KW	1,300,256	1,253,177	1,212,532	-3.2%

Source: Italian Statistical Office, ISTAT – January 2006

About 60% of the fleet is composed of boats for small fisheries, 21% trawlers, 9% multi-purpose boats and 5% hydraulic dredges. Total 2004 marine production was down by 2% from 2003, mainly because of sharp decreases in landings of mollusks and shellfish.

Tab 3. Italian Marine Production

	2003	2004	Change 04/03
	,000 tons		*%*
Anchovies and similar	61,897	70,386	14%
Tuna	14,184	16,385	16%
Other fishes	65,593	64,499	-2%
Total fishes	141,674	151,270	7%
Squid, octopus, cuttlefish	15,446	14,469	-6%
Other mollusks	89,532	78,392	-12%
Total mollusks	104,979	92,862	-12%
Shellfish	18,395	16,360	-11%
TOTAL	**265,049**	**260,492**	**-2%**

Source: Italian Statistical Office, ISTAT – January 2006

Southern regions, especially Sicily, were the most affected by the decrease in production. Average producer prices increased for sardines, shrimp, mussels and clams, while prices for both tuna and lobster experienced sharp decreases.

Tab 4. Average Annual Producer Prices for Selected Species

	% of total catch *(in volume 2004)*	2003 *(euros/kilo)*	2004	04/03 change *(%)*
Anchovies	21.50%	1.43	1.32	-7.70
Sardine	4.40%	1.26	1.48	17.50
Tuna	6.30%	5.10	4.36	-14.50
Cod	3.40%	6.33	6.07	-4.10
Cuttlefish	0.70%	12.25	11.53	-5.90
Squid	2.40%	6.27	5.85	-6.70
Mussels	12.90%	1.59	1.77	11.30
Clams	13.80%	4.39	5.76	31.20
Lobsters	0.10%	24.40	20.92	-14.30
Shrimps	1.90%	6.67	7.93	18.90

Source: Italian Statistical Office, ISTAT – January 2006

Freshwater fisheries

Freshwater production in 2005, albeit small, increased more than 17%, to over 5,000 tons, from less than 4,500 tons in 2004. Caspian-sand smelt and other small fish accounted for about 50% of the total caught, trout and other similar fish accounted for about 20%, with the remainder consisting of eels, carp, tench, and others. Central and northern regions (especially Lombardia, Piemonte and Umbria) accounted for a large share of the production and for most of the production growth of 2004.

Aquaculture

Fish farming in Italy has gained importance over the last decade, but its development is constrained by environmental concerns, lack of area with adequate characteristics, and an uncertain corporate tax regime. Aquaculture production in 2004 was down 14% from 2003, mainly due to a reduction in mussels and clams.

Tab 5. Aquaculture Production by Category

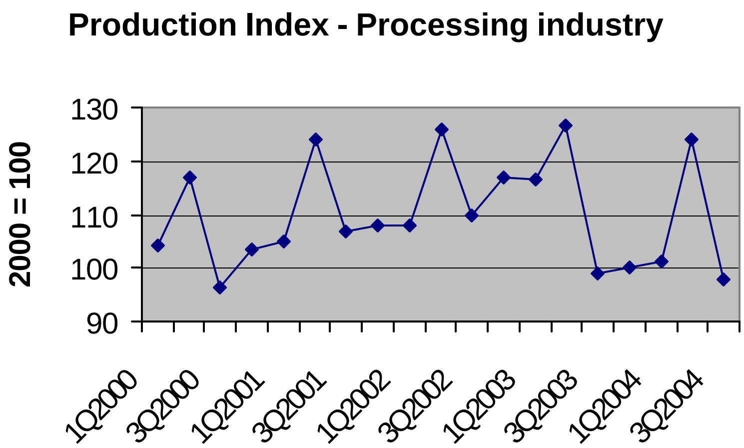
	Freshwater		Brackish		Marine		Total		
	2003	2004	2003	2004	2003	2004	2003	2004	*04/03 ch.*
Fishes	36,792	33,605	106	2,615	14,262	11,189	**51,160**	**47,409**	*-7%*
Mollusks	0	0	18,275	31,052	69,075	39,305	**87,350**	**70,357**	*-19%*
Shellfish	0	0	0	0	12	8	**12**	**8**	*-33%*
TOTAL	**38,795**	**35,609**	**20,384**	**35,671**	**85,352**	**52,506**	**144,531**	**123,786**	*-14%*

Source: Italian Statistical Office, ISTAT – January 2006

The main species produced by aquaculture are mussels (35%), trout (26%), clams (24%), bream (5%), and bass (6%).

Processing

The number of companies involved in processing in Italy has constantly declined over the last two decades. According to official data from the last industry census of 2001, there are 415 fish processing entities left in the country. These account for less than 1% of the value added and less than 2% of the Italian labor force employed in the food industry. According to the production index provided by the Italian Food Industry Association, Federalimentare, production of processed fish products slowed during the second half of 2003 and in the third quarter of 2004.



Tuna canning, with about 91,000 tons processed in 2005, accounts for about 70% of the value of the processing sector. Canning sardines in oil (about 2,000 tons), anchovies in salt (12,000 tons), fillets of anchovies in oil (9,000 tons), processed clams (2,400 tons), and others (16,000 tons) are the rest of the sector. The tuna canning industry has gone through a sharp operational downsizing in the last decade as large companies invested in countries with a larger availability of raw material for processing. Italian processors believe that the tuna quota allocated by ICCAT to Italy for blue fin tuna is too low to supply the national industry. The 2005 wholesale value of canned tuna production was about € 415 million (about 500 million dollars). Tuna processing is expected to rise in the future as companies are trying to develop new markets for products, such as mixes for salads and ready meals.

Consumption

Total Italian 2005 household consumption of fish products was about 424,000 tons, up almost 2% over 2004, with an increase in value of a little more than 1%. While the average prices for most unprocessed or slightly processed categories were down, they were up for ready-to-cook products.

Consumption trends for raw, fresh, or defrosted, freshwater fish are on the rise, especially for white trout (+11%) and salmon trout (+20%), while consumption of eel is declining (-10.6%). Consumption of mussels is up by over 5%, octopus over 7%, and squid over 13%, while consumption of both salmon and clams is down by more than 4%. Sea fish consumption remained stable between 2004 and 2005, considering adjustments for species availability. Consumption of shellfish declined about 5%, mainly because of reduced consumption of prawns (-3.4%) and scampi (-26.8%).

Consumption of ready-to-cook frozen products grew by more than 7%, thanks to fillets and fish fingers. Consumption of other processed categories remained stable. Canned tuna consumption grew by more than 6%, while consumption of canned tuna in oil decreased by 1%. Smoked salmon consumption grew by more than 11%.

Tab 6. Italian Household Fishery Consumption in 2005

Product	Volume			Value			Average price	
	weight MT		Var. % %05/04	Euro ,000		Var. % %05/04	euro/kg	Var. % 05/04
Fresh and unfrozen	**223,812**	**53%**	**2.4**	**1,907,551**	**51%**	**2.6**	**8.52**	**0.1**
- raw	*217,893*	51%	*2.4*	*1,804,188*	49%	*2.2*	*8.28*	*-0.2*
Saltwater	116,116	27%	0.2	1,044,779	28%	0.7	9	0.4
Freshwater	32,613	8%	9.3	255,361	7%	8.2	7.83	-1.0
Mollusks	57,327	14%	5.0	358,555	10%	5.5	6.25	0.4
Shellfish	11,843	3%	-5.1	145,496	4%	-3.9	12.29	1.3
- prepared	*5,919*	1%	*3.5*	*10,336*	0%	*9.6*	*17.46*	*5.9*
Breaded	2,406	1%	-0.1	4,139	0%	10.2	17.2	10.3
Prepared	3,513	1%	6.1	61,977	2%	9.2	17.64	2.9
Frozen bulk	**35,285**	**8%**	**-2.6**	**237,417**	**6%**	**-3.6**	**6.73**	**-1.0**
- raw	30,410	7%	-2.6	209,539	6%	-3.8	6.89	-1.2
- prepared	4,877	1%	-2.5	27,875	1%	-2.1	5.72	0.5
Frozen portioned	**61,775**	**15%**	**4.7**	**578,712**	**16%**	**1.5**	**9.37**	**-3.0**
- raw	35,839	8%	2.6	349,678	9%	-0.7	9.76	-3.3
- prepared	25,936	6%	7.7	229,034	6%	5.1	8.83	-2.4
Canned	**84,958**	**20%**	**0.9**	**72,763**	**2%**	**-0.5**	**8.56**	**-1.3**
Dried, salted, smoked	**18,146**	**4%**	**-0.7**	**259,437**	**7%**	**1.6**	**14.3**	**2.3**
Total fish and seafood	**423,977**	**100%**	**1.9**	**3,710,742**	**100%**	**1.3**	**8.75**	**-0.5**

Source: Ismea-ACNielsen.

Trade

Total 2005 Italian imports of fishery products, both fresh and processed, increased by 2% in volume and 6% in dollar value. Most of the increase went to EU25 countries. U.S. exports were up 10% in dollar value, despite a 10% reduction in volume, which means a higher average value of exported products.

By Volume (tons)

COUNTRY	2004		2005	
	import	export	import	export
United States	7,531	783	6,757	1,078
EU25	475,432	105,778	460,239	111,084
World	843,058	124,219	860,166	131,062

By value (000 dollars)

COUNTRY	2004		2005	
	import	export	import	export
United States	55,974	5,677	60,854	6,799
EU25	2,521,688	468,665	2,573,262	483,598
World	3,983,218	567,258	4,220,715	604,115
Euro/Dollar exchange rate	1.2439		1.2441	

On the export side, the trend remained stable, with some growth in the EU25 area.

Policy

According to the Ministry of Agricultural and Forestry Policies, a recent deal between European member states secured EU funding for Italian fisheries in the amount of €376 million (at 2004 value), or approximately $470 million, for the period 2007-2013. This represents 10% of the European Fisheries Fund. According to official estimates, this holds the level of EU funding constant from the previous 2000-2006 programming period, and is considered a success for the industry since they feared that enlargement of the EU would reduce the Italian share of the European fund. In addition to the EU resources, Italian national resources provided €32 million ($40 million) through the National Program for Fisheries and Aquaculture. Measures financed through the plan include support to associations (€7.7 million), support to companies (€2.7 million), support to market research (€1.6 million), and support for R&D (€1.2 million). Beginning in 2006, the Government of Italy will also apply a reduced VAT rate to fish products (7% vs the 20% standard rate) at an estimated annual public budget cost of €12 million per year.

Controls on illegal fishing practices

In 2005 the Italian Coastguard conducted 30,000 boat inspections and 166,000 market and landing point inspections, seizing 800 kilometers of drift nets, 250 tons of products obtained through illegal fishing practices, and 3,000 pieces of various illegal equipment. The Coastguard reported 925 criminal offences and 4.166 non-criminal procedures, finding the most common practices to be the mislabeling of previously frozen product as fresh and the mislabeling of species.

Lobster Data – PS&D and Import Matrix

Country	Italy						
Commodity	Lobster			(MT)			
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official	Estimate[NA	Official	Estimate[NA	Official	Estimate[New]	
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
Beginning Stocks	50	50	50	50	30	30	(MT)
Total Production	210	170	200	170	0	170	(MT)
Intra-EC Imports	737	1173	720	1253	0	1300	(MT)
Other Imports	3900	4265	3900	4276	0	4285	(MT)
TOTAL Imports	4637	5438	4620	5529	0	5585	(MT)
TOTAL SUPPLY	4897	5658	4870	5749	30	5785	(MT)
Intra-EC Exports	45	109	40	167	0	170	(MT)
Other Exports	10	36	10	37	0	38	(MT)
TOTAL Exports	55	145	50	204	0	208	(MT)
Domestic Consumption	4700	5371	4700	5425	0	5437	(MT)
Other Use/Loss	92	92	90	90	0	90	(MT)
TOTAL Utilization	4792	5463	4790	5515	0	5527	(MT)
Ending Stocks	50	50	30	30	30	50	(MT)
TOTAL DISTRIBUTION	4897	5658	4870	5749	30	5785	(MT)

Commodit	Lobster		
Time Period	Year	Units:	MT
Imports for:	2004		2005
U.S.	2866	U.S.	2890
Others		Others	
Canada	884	Canada	821
Spain	725	Spain	667
France	207	France	245
Netherlands	53	Netherlands	82
Total for Others	1869		1815
Others not Listed	703		824
Grand Total	5438		5529

Squid/Cuttlefish Data – PS&D and Import Matrix

PSD Table

Country	Italy						
Commodity	Squid/Cuttlefish			(MT)			
	2004	Revised	2005	Estimate	2006	Forecast	UOM
	USDA Official [	Estimate[N	USDA Official [	Estimate[N	USDA Official [	Estimate[New]	
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
Beginning Stocks	7500	7500	7500	7500	7500	7500	(MT)
Total Production	19000	13000	19000	13500	0	13000	(MT)
Intra-EC Imports	42500	43213	42500	41008	0	41000	(MT)
Other Imports	80000	83899	80000	89968	0	90000	(MT)
TOTAL Imports	122500	127112	122500	130976	0	131000	(MT)
TOTAL SUPPLY	149000	147612	149000	151976	7500	151500	(MT)
Intra-EC Exports	2500	2330	2500	2645	0	2700	(MT)
Other Exports	1000	1393	1000	1113	0	1100	(MT)
TOTAL Exports	3500	3723	3500	3758	0	3800	(MT)
Domestic Consumption	137000	135389	137000	139718	0	139200	(MT)
Other Use/Loss	1000	1000	1000	1000	0	1000	(MT)
TOTAL Utilization	138000	136389	138000	140718	0	140200	(MT)
Ending Stocks	7500	7500	7500	7500	0	7500	(MT)
TOTAL DISTRIBUTION	149000	147612	149000	151976	0	151500	(MT)

Import Trade Matrix

Country Italy

Commodit Squid/Cuttlefish

Time Period	Year	Units:	MT
Imports for:	2004		**2005**
U.S.	1685	U.S.	1895
Others		Others	
Spain	27215	Spain	27924
Thailand	25445	Thailand	25447
Malysia	8682	Malaysia	10333
India	7826	India	9145
S. Africa	6321	Vietnam	7955
Vietnam	6144	Peru	6088
Peru	5633	S. Africa	5396
China	3920	Senegal	3100
Senegal	3682	China	3000
Tunisia	1961	Tunisia	2681
Total for Others	96829		101069
Others not Listed	28598		28012
Grand Total	127112		130976