THE TOMATO SUPPLY CHAIN OF NORTHERN ITALY

How did a favourable convergence of attitudes, policies and market conditions enable fruitful interactions between private stakeholders and public authorities to improve soil functionality, water availability and water quality in tomato production and processing?

ITALY

The case study examines how stakeholder interactions, market and environmental pressures, and EU/national regulations led to an alignment of interests and enabled the introduction of farming methods and technological innovations to improve the management of water & soil resources.

ACTORS
2,000 tomato producers (cultivating 39,000 ha and associated in 15 Producers’ Organisations), 24 processing firms grouped in an Inter-Branch Organisation, regional authority.

ENVIRONMENTAL AND SOCIAL BENEFITS
- Achieving good ecological status of surface water and good chemical status of groundwater
- Achieving a regular supply of water
- Achieving good biological and geochemical condition of soils
- Minimising soil degradation
WHAT ARE THE MAIN DRIVERS?

**EUROPEAN UNION DRIVERS**
- Common Market Organisation (coupled payments and Operational Programmes, Pillar 1 of the CAP)
- Water Framework and Nitrates Directives
- Emilia-Romagna's Rural Development Programme

**NATIONAL & REGIONAL DRIVERS**
- Emilia-Romagna agricultural policy, including Integrated Production guidelines

**PRIVATE DRIVERS**
- Quality products
- Market position
- Cost efficiency gains
- Inter-branch organisation rules
- Image of the supply chain
- Certification

BARRIERS TO OVERCOME

Further improvement in the provision of environmental and social benefits could come from a more widespread adoption of innovative techniques such as conservation agriculture, precision farming and irrigation decision support systems.

WHAT SUPPORT IS RECEIVED?

**POLICY & MEASURES FOR THE PROVINCES OF PIACENZA AND PARMA**

<table>
<thead>
<tr>
<th>Support Category</th>
<th>2002 - 2015 Payments</th>
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<tbody>
<tr>
<td>Support from Common Market Organisation (CMO) to local Producers' Organisations</td>
<td>€268,549,491</td>
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<tr>
<td>Processed fruit and vegetables coupled subsidies</td>
<td>€206,342,432</td>
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<tr>
<td>Fruit and Vegetables Operational Programmes</td>
<td>€80,207,559</td>
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<tr>
<td>Examples of support from Rural Development Programmes to some local Producers Organisation and processing firm</td>
<td>€12,964,643</td>
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**RDP 2000 - 2006**
- Improvement of processing and commercialisation of agricultural products: €5,677,040

**RDP 2007 - 2013**
- Increase in value added of agricultural production: €6,674,012
- Support to producers organisations for information and promotion activities concerning products belonging to quality systems: €30,800
- Promotion of cooperation for the development of new products, processes, technologies: €613,590
- Main Research Projects in the tomato sector financed by Regional Law: €1,957,311

Source: data from the regional Payment Agency AGREA referred to some representative CMO and RDP beneficiaries.

http://pegasus.ieep.eu/case-studies/list-of-case-studies

TRANSFERABILITY / KEY SUCCESS FACTORS

1. The territorial (or supply chain) approach chosen is a key success factor for the sustainability of the initiative as emphasis is not put on crop production alone but on the resilience of the whole supply chain.

2. The creation of the Inter-branch Organisation bringing together Producers' Organisations and processing firms helped to overcome the problem of a lack of harmonized requirements for regional Integrated Production and for product traceability.

3. The reputation and recognisable quality of the product underpins the relationship with consumers.

4. Mutual trust between the parties involved facilitated the formation of collective action to develop strategies jointly to face the threats posed by global competition.

5. The adoption of new rules and contractual arrangements between producers and processors, enforced through private schemes, provides some guarantee about market stability, farmers' income, and on the quality of products from the northern Italian supply chain.