

Italian Farms during the COVID-19 Pandemic: Main Problems and Future Perspectives

An analysis through the Italian FADN

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- The **method of analysis** (questionnaire to farmers) and the **use of FADN dataset**
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OVERVIEW 1

- The ongoing COVID-19 pandemic first intensified in Italy around February/March 2020, much earlier than in other European Countries
- The crisis triggered a **significant slowdown in production activity**, a **sharp contraction in internal demand** for certain goods and services, and a **reduction in commercial and trade activities**
- In the first quarter of 2020, the National **GDP decreased by 5.3%** compared to the previous quarter (ISTAT, 2020a) and data shows a **global reduction of -9,2% for the year 2020**

OVERVIEW 2

- In the agricultural production sector, ISTAT (2021) estimates the **reductions of the sectoral value added were more than -6% and of the work unit equal to -2,3%.**
- Results due to **decreased vegetable productions** (notably olive oil), **reduction in agricultural services (-3,8%)** and the **dramatic fall of secondary activities (-19%)**, mainly driven by the restrictions on agritourism services.
- In addition, the lockdown measures and Italian border closure disrupted the usual organization of work and flow of labour, causing **shortages in seasonal workers for the spring harvest.**
- **Rural tourism was impacted** due to the cancellation of all farm stay accommodations and agritourism activities.

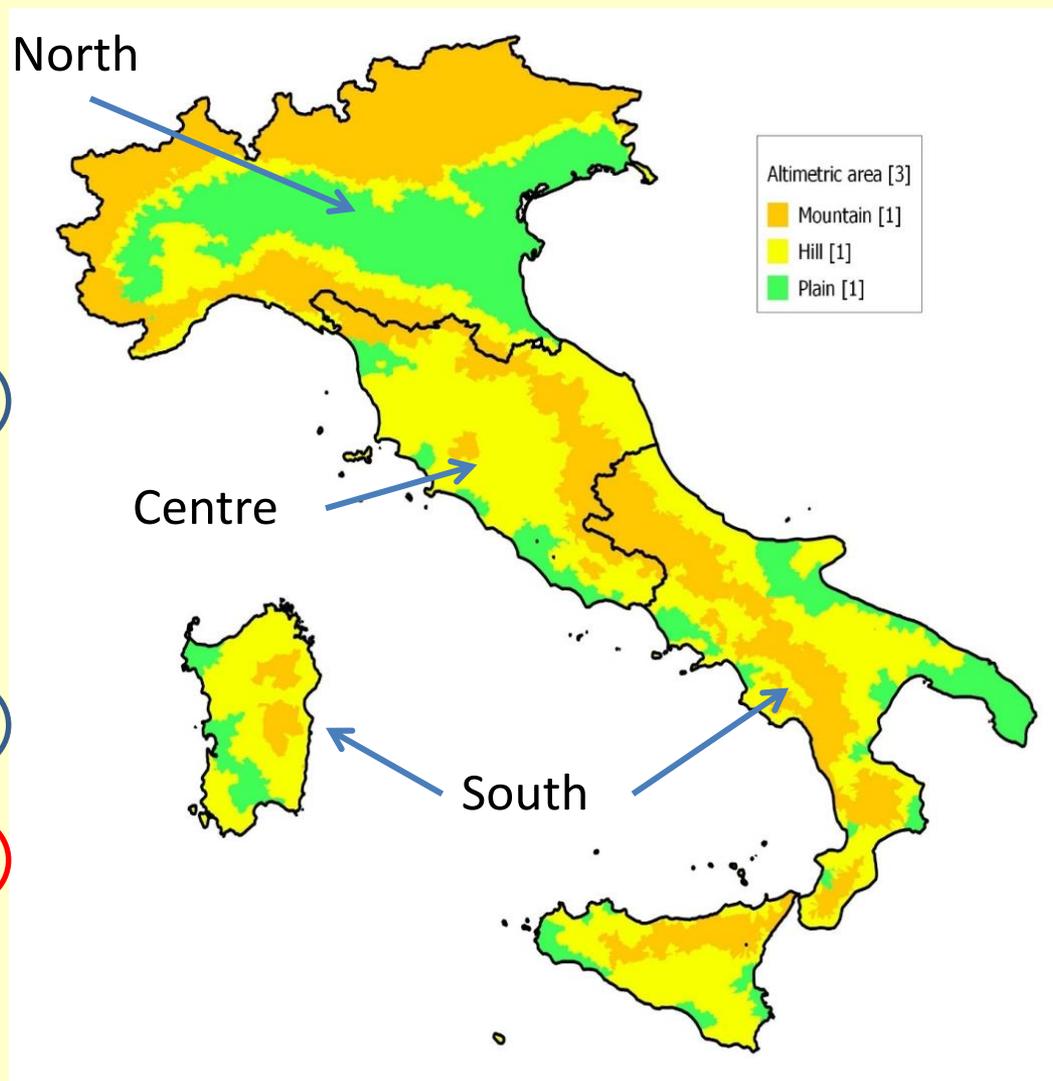
OVERVIEW 3

- Needs and problems of farms have different relevance, depending on the **type of farm, specialization, organizational and managerial schemes adopted, commercial channels, and final markets of the products.**
- The crisis affected the organization of production activities: i.e. **lack of infrastructure and technological equipment in agriculture.**
- Some sectors have more severe negative impacts of the economic slowdown, suffering **a complete stop of important market channels** (e.g. the floriculture or wine sector)

The relevance of agricultural production in Italy

% of Utilised Agricultural Area (UAA)

North	36
Centre	17
South	47
Plain	22
Hill	45
Mountain	33
Italy	100



% of Standard Output (SO)

North	52
Centre	14
South	34
Plain	46
Hill	37
Mountain	17
Italy	100

The questionnaire and the use of FADN data

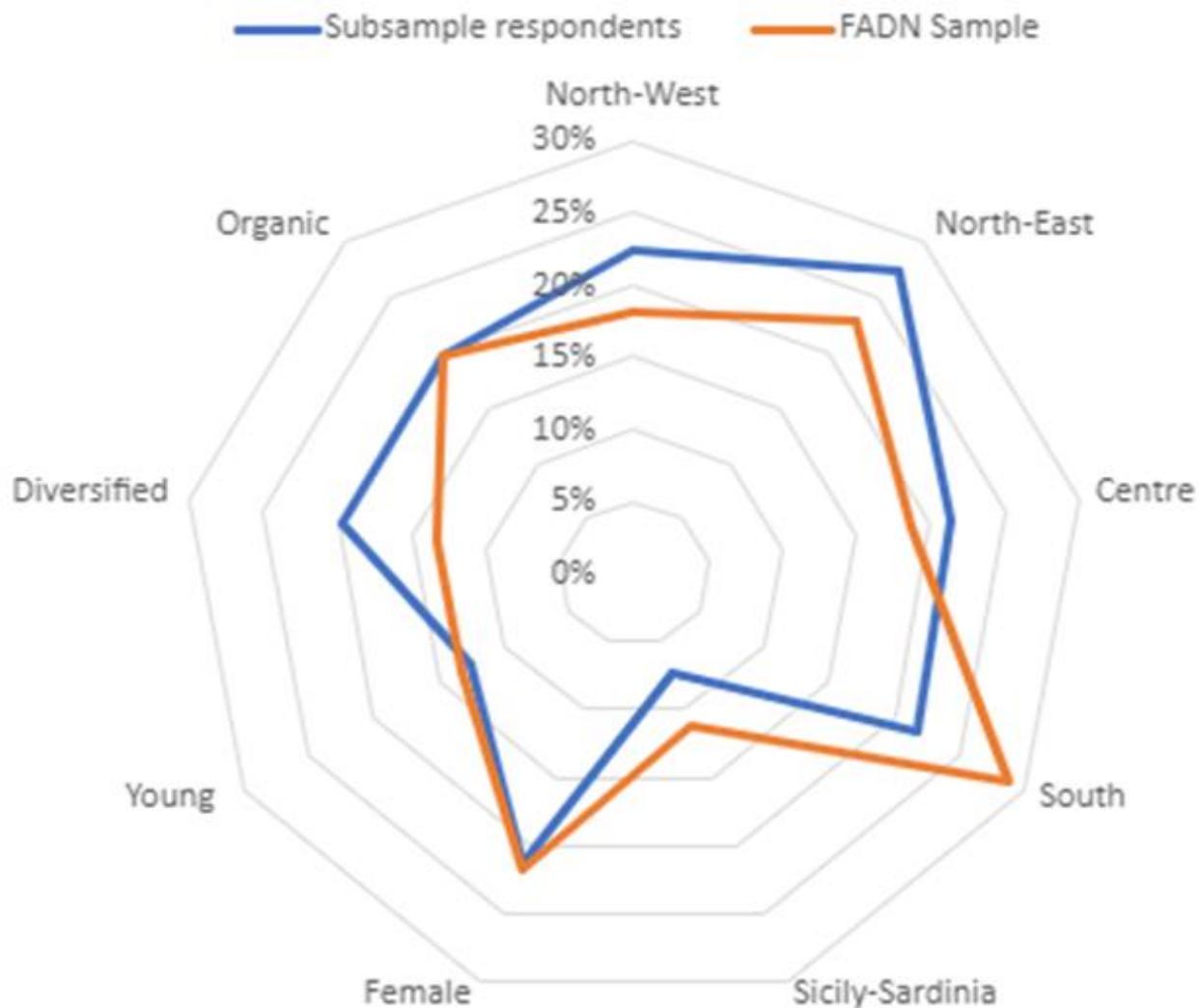


- The CAWI (**Computer Assisted Web Interviewing**) methodology was used to carry out the survey quickly and reach enough farmers.
- We used the list of farmers included in the Italian FADN sample (**11.000 farmers**) and we sent the link to CAWI by **e-mail**.
- CAWI is restricted to those with **access to Internet**. It also **does not allow statistically representative sampling**.
- Advantage of CAWI: the **questionnaire was very short and easy to fill** but **all the data derived from the questionnaire can be matched with FADN data** recorded in the FADN dataset for each individual farm.

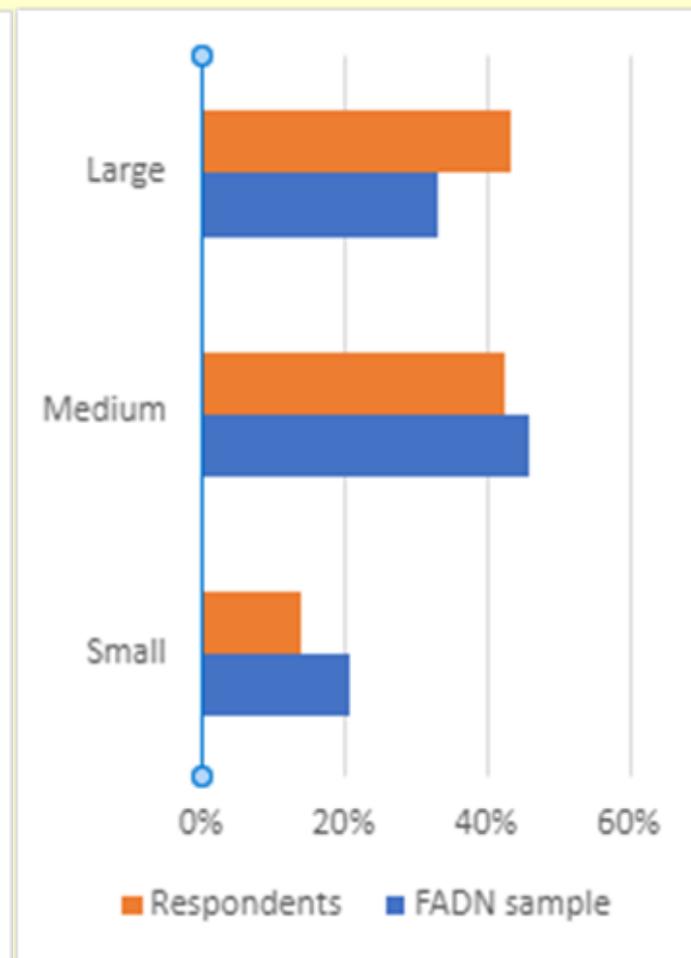
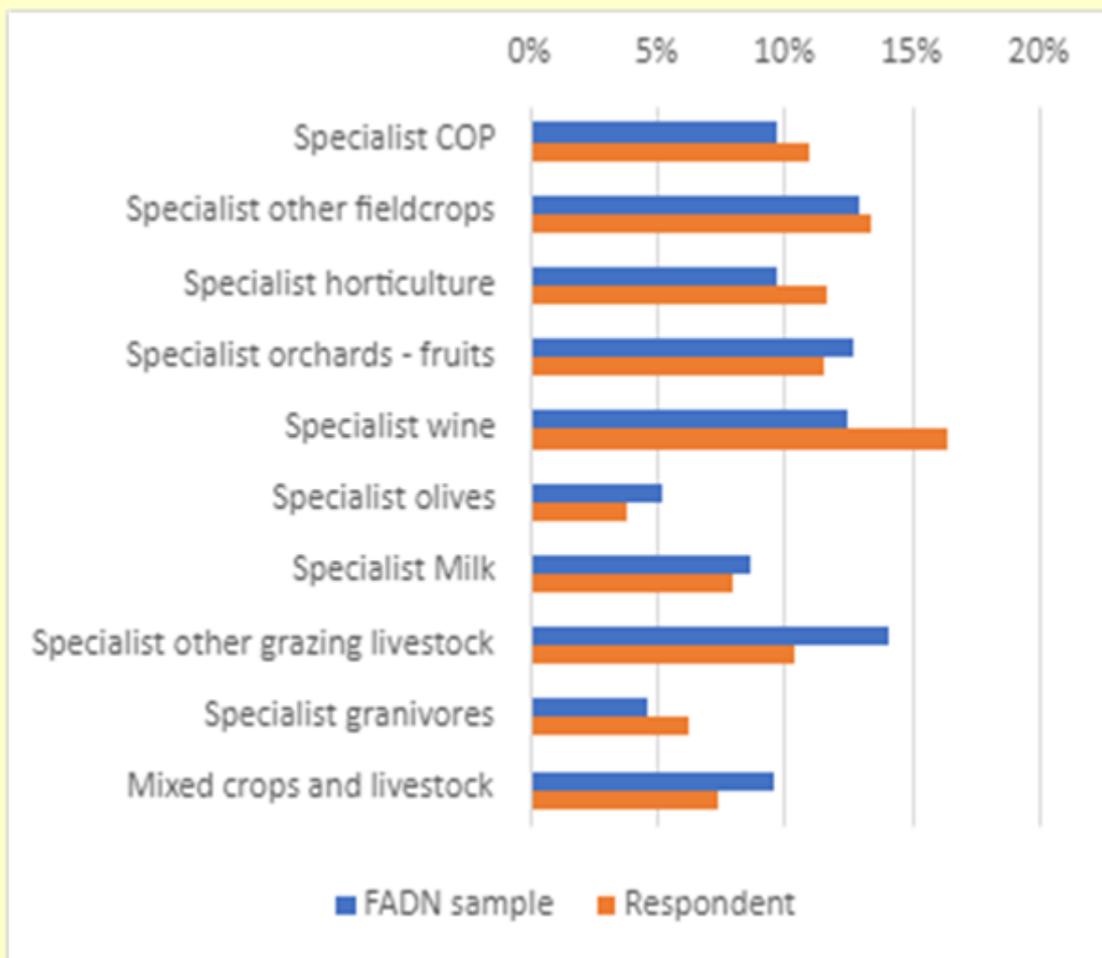
Structure of questionnaire and number of respondents.

Questions	Responses
A. Following the COVID-19 emergency, what kind of difficulties did you face?	733
B. What actions have you put in place to face?	535
C. What support actions by State and Regions do you consider to be priority?	528
D. In the coming months, do you think your farm will have difficulties? in relation to what?	600
E. Which change in Total Output do you expect following the COVID-19 emergency?	639

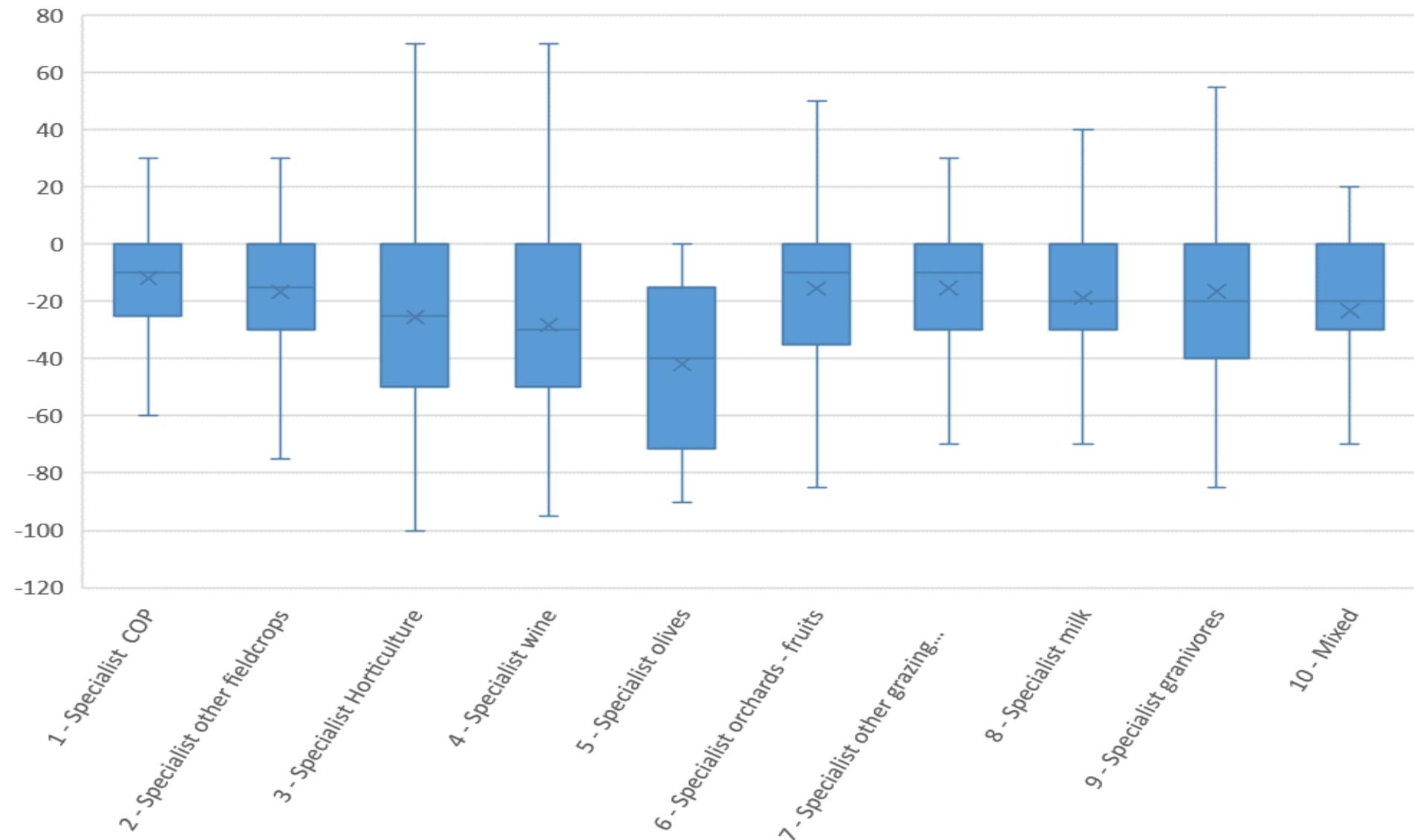
Respondents vs FADN sample (1)



Respondents vs FADN sample (2)

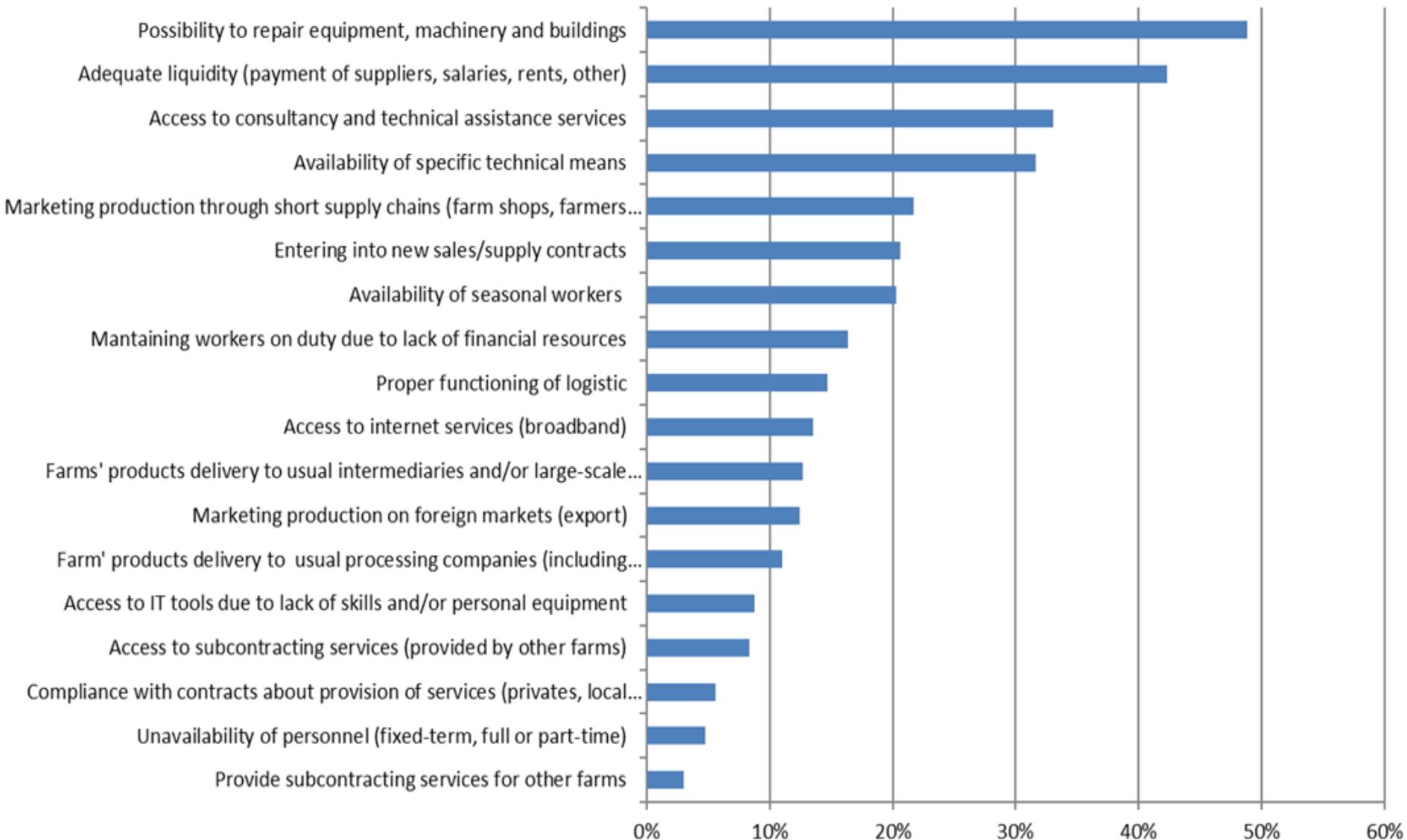


Results of the questionnaire (expected variation of total farm output)

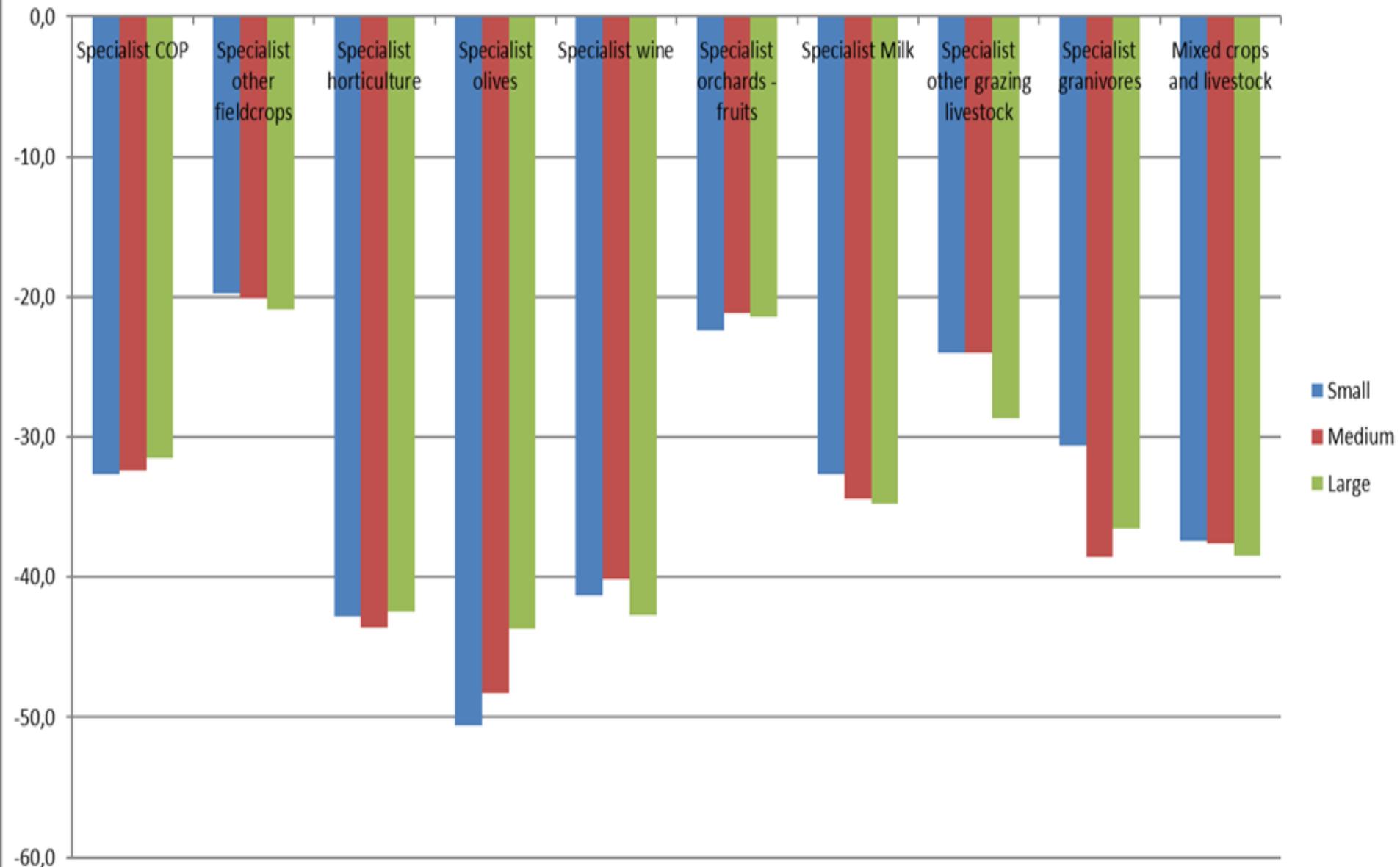


Results of the questionnaire

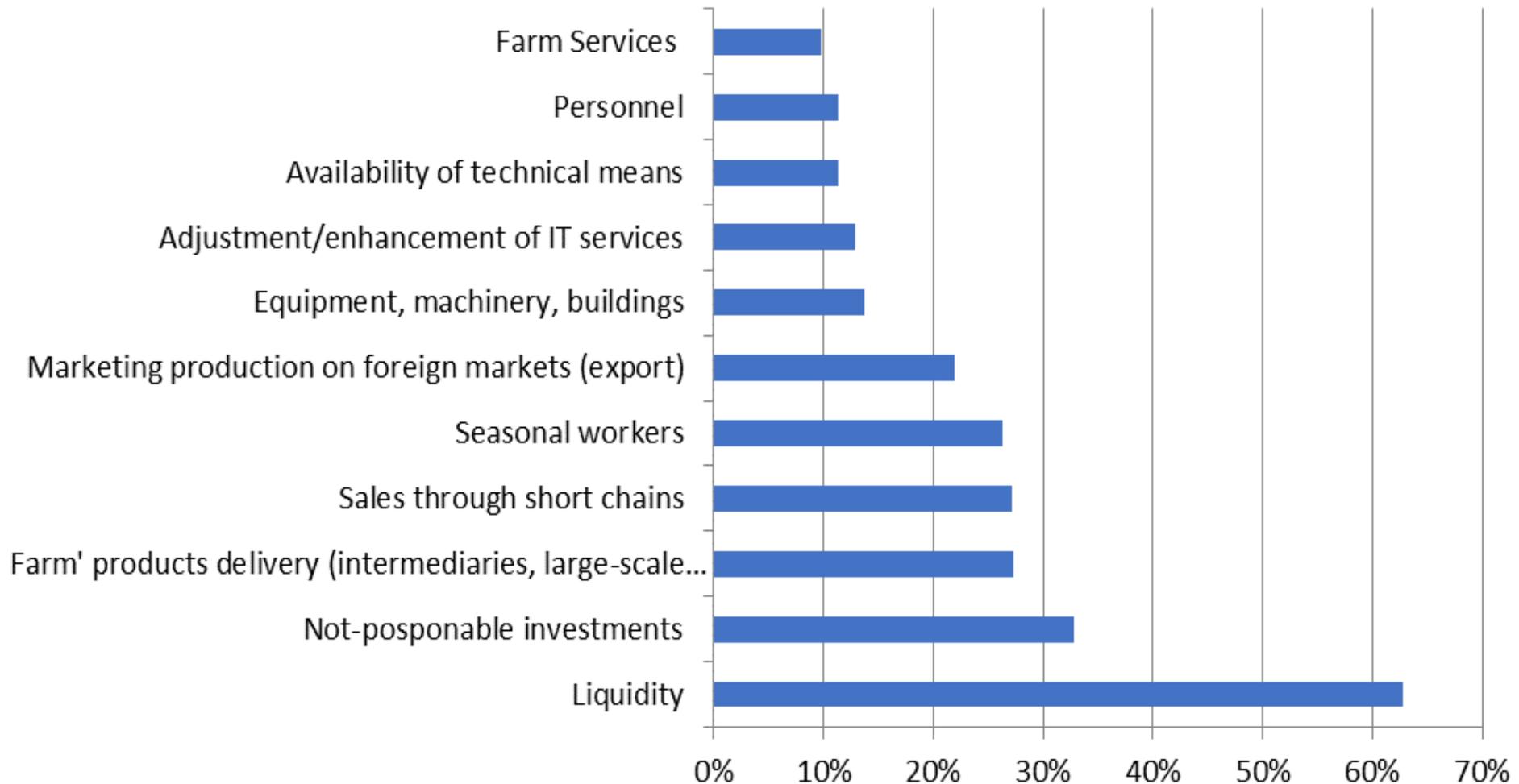
Difficulties faced during the lockdown (%)



Expected changes in the ratio AV/AWU



Difficulties expected by surveyed farms in the months following the lockdown.



Policy implications

- After the start of the lockdown in March 2020, some buffer measures at EU and national level, through State aid, were activated to mitigate the liquidity crisis faced by the Italian farms
- This is mainly the **introduction of Measure 21 by the European Commission**, activated by almost all the Italian Regions (17 out of 21), allocating a **maximum of 2% of the financial resources of the RDPs** in favour of agritourism, educational farms, social farming and the **sectors considered most exposed to the pandemic effects** by each Region.

Policy implications

- The FADN farm survey highlighted **two problems regarding agricultural labour** :
 1. **keeping labour on the farm, avoiding dismissal;**
 2. **ensuring the availability of seasonal workers, especially foreign ones (about 300,000 units)**
- To facilitate agricultural enterprises, the **exemption or suspension of social security payment and welfare contributions** of workers by employers have been introduced.
- For seasonal workers, the **duration of residence permits was extended** until the end of 2020 and agricultural professional organizations were authorized to set up **databases to recruit people to be hired temporarily on farms.**

Conclusions

- The method used, based on a survey combined with FADN data, allows to **obtain very detailed information and results**, that is difficult to achieve using a single questionnaire submitted to a random sample of farms.
- The **number of farms reached** also ensures having a **significant sample of the situation**
- **The survey could be replicated**, using the same FADN sample to obtain more precise estimates on the effects of the pandemic and on the "mitigation" measures implemented by the EU, national Government and Regions

Conclusions

- Regarding the policy measures adopted, **some of the interviewed farms reported a cautious attitude**; this was probably due to the timing of the questionnaire, that was submitted when all the actions had not yet been implemented or adequately known.
- Nevertheless it is possible to highlight **how differentiated policy measures**, able to respond to specific problems of individual sectors or activities, **could also have effects on the whole system**.