



CircE Joint Report 2022

Project extension

Regione Lombardia - Italy

Food sector



1. Key issues created by the pandemic

Regione Lombardia - Italy

The food sector in Italy

The extended agri-food chain (agricultural sector, food industry, distribution and Horeca) is the leading economic sector in our country, with a turnover of over 500 billion euros and almost 4 million employees (Tondo, 2021).

Some of the winning factors of the Italian agri-food industry:

- Wide range of high quality products;
- Certified products at the "Top" of international markets;
- Close links with the territory and with the Italian cultural heritage;
- High safety standards;
- Ability to combine tradition and constant process and product innovation.

(Italian Trade Agency, 2017)

Beverfood, 2018: <https://www.beverfood.com/documenti/settore-alimentare-italiano-2017-chiude-positivamente-produzione-132-miliardi-euro-wd111566/>

Italian Trade Agency, 2017: L'agroalimentare in Italia: produzione ed export
https://www.ice.it/sites/default/files/inline-files/NOTA_AGROALIMENTARE_E_VINI_2017.pdf

Tondo, 2021: <https://www.tondo.tech/blog/2021/06/29/circular-economy-for-food/>



(Beverfood, 2018)

The importance of this sector is such that the Covid-19 pandemic has affected the agri-food sector relatively little, with a 4% contraction in terms of value added on an annual basis (Tondo, 2021).

Some of the main economic impacts on the food sector:

- **The production index** for the food industry in the second quarter of 2020 **decreased by 5.3%** compared to the same period last year (however, in the face of a much more evident reduction in the manufacturing industry, equal to 27.5%);
- The **logistical and production complexities** and the **lack of seasonal workers** have affected the functioning of the supply chains and the **difficulties in procuring raw materials**.
- **Export difficulties** that have impacted above all on made in Italy companies engaged in the production of quality wine, beer, cured meats and cheeses;
- Economic impacts related to the **closures of the Ho.Re.Ca.** and the **elimination of tourist flows**. In the second quarter of 2020 compared to 2019, catering showed a 64.2% decrease in the turnover index.

According to an ISMEA survey carried out on a panel of agricultural companies and the **food industry**, the latter **suffered most from the COVID-19 emergency** due to logistical difficulties, personal shortages and the difficulty of complying with health protection requirements. (Crea, 2020)

Crea, 2020, *Valutazione dell'impatto sul settore agroalimentare delle misure di contenimento covid-19*.
<https://www.crea.gov.it/documents/20126/0/Valutazione+dell%27impatto+sul+settore+agroalimentare+delle+misure+di+contenimento+COVID+19.pdf/7b9d5345-caca-1fcf-a699-1aabffb83020?t=1589809230780>

The trends introduced by the pandemic on the consumer side

- Greater use of **online shopping and food delivery** (+ 43.6% the value of e-commerce sales);
- Particular attention is paid to **storable products** (pasta, rice, flour, preserves, etc.) to create home stocks and prepare for any situations of scarcity and to **healthy food**;
- Preference for **local foods**, avoiding products imported from countries where the number of infections was higher;
- Preference for **packaged or cooked products**, avoiding products to be consumed raw (growth in retail sales of packaged agri-food products: + 18% in the 2020 lockdown period compared to the same period in 2019);
- + 3.5% GDO sales and + **6.5% small retailer sales** (due to proximity to the home and safety in terms of reduced crowding).

While on the one hand non-domestic consumption showed a strong contraction, on the other, domestic consumption was favored by the restrictions put in place to tackle the pandemic: in the second quarter of 2020, according to Ismea data, the domestic spending of Italian families for food products it grew by 11%.

What happened from the point of view of sustainability and the Circular Economy?

Greater attention of consumers to **the sustainability of the packaging**, and, in particular (from companies side), to the **reduction of formats**.

Greater attention to **product safety** and the origin of raw materials (the issue of **traceability** and **clarity of labels** is important).

Consumer preference for the purchase of **healthy food**.

Increase in **the perception** by businesses and consumers of **food waste as an environmental problem** and cause of **an increase in costs**.

Indagine IdM SSSA, su 233 aziende che producono alimenti tipici e del made in Italy).

Italiacircolare.it: <https://www.italiacircolare.it/it-it/consumi-alimentari-e-pandemia-la-spesa-si-fa-pi-sostenibile-e-circolare.aspx>

Overall, sector surveys suggest to political subjects to focus on the following aspects:

1. **Facilitate business access to work** for both immigrants and the workforce available from other sectors, ensuring the safety of working conditions;
2. **Facilitate the transport and logistics of perishable products** (fresh milk, fruit and vegetables) which are those that run the greatest risks;
3. **Recognize as "essential" all the parts of the supply chain**, upstream and downstream including for example feed and packaging, in order not to damage the production chain;
4. Guarantee the integrity of the supply chain through measures that strengthen **traceability** in order to protect trust in food safety;
5. In commercial relations, **monitor any sanitary and phytosanitary barriers** (SPS);
6. **Guarantee liquidity to businesses**, avoiding credit restrictions, introducing measures that can alleviate financial tensions and help businesses;

7. **Ensure access to food for the most vulnerable sections of the population**

<https://www.crea.gov.it/documents/20126/0/Valutazione+del+27+impatto+del+settor+agro+alimentare+degli+effetti+del+contenimento+COVID+19.pdf/7b9d5345-caca-1fcf-a699-1aabffb83020?t=1589809230780>

2. News in the legislation

Regione Lombardia - Italy

European context

- December 11, 2019: Presentation of the **European Green Deal**
- March 11, 2020: **Action Plan for the Circular Economy**
- May 20, 2020: Presentation of the "**From Farm to Fork**" Strategy

The **Farm to Fork strategy** aims to accelerate our transition to a sustainable food system which should:

- have a neutral or positive environmental impact;
- help mitigate climate change and adapt to its impacts;
- reverse the loss of biodiversity ensure food security, nutrition and public health;
- ensuring that everyone has access to sufficient, safe, nutritious and sustainable food;
- preserve the affordability of food while generating more equitable economic returns, promoting the competitiveness of the EU supply sector and promoting fair trade.

Farm to Fork Strategy

The strategy sets out both regulatory and non-regulatory initiatives, with the common agricultural and fisheries policies as key tools to support a just transition.



“Legislative framework for sustainable food systems”

Its goal is to accelerate and make the transition to sustainable food systems easier. It will also have as its core objective the promotion of policy coherence at EU level and national level, mainstream sustainability in all food-related policies and strengthen the resilience of food systems.

It will be adopted by the Commission by the end of 2023.



COM (2021) 689 Final 12.11.2021

“Contingency plan for ensuring food supply and food security in times of crisis”. Emergency plan to ensure food supply and food security in times of crisis. The plan aims to ensure citizens have a sufficient and varied supply of safe, nutritious, affordable and sustainable food at all times.



Proposal for “Sustainability labelling framework”

It will cover the provision of consumer information relating to the nutritional, climate, environmental and social aspects of food products.

Italian context

- Food safety legislation (law no. 283/1962)
- In Italy, the issue of managing any unsold product was dealt with under the so-called **Gadda Law, Law 166/2016** containing specific provisions concerning the donation and **distribution of food for the purposes of social solidarity** and for the limitation of waste.
- New CAMs: decree n. 65 of 10/03/2020
"Minimum environmental criteria for collective catering and food supply"

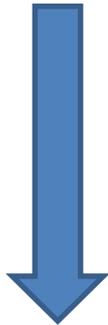


3. Good practices

Regione Lombardia - Italy

Stages of CE: a focus on the food sector

7 STAGES



20 MAIN CATEGORIES OF
BUSINESS BEST PRACTICES

53 EXAMPLES



19 PROPOSED POLICY
SOLUTIONS



Image: European Parliament

Some examples...

DESIGN

Ecodesign for sustainable packaging



Collaboration for the production of totally compostable food packaging, which can be disposed of in the collection of organic waste.



Design of packaging made with materials from food by-products.

PROPOSED POLICY SOLUTION: Measures aimed at supporting the inclusion of qualified figures in the R&D area (with adequate preparation on the issue of the circular supply chain) within companies can be implemented. At the same time, the building of stable relationships between the world of research and innovation can be supported.

VALUE IN TERMS OF POST COVID-19 RESILIENCE: Design for recycling aims to increase the availability of secondary raw materials, increasing the resilience of downstream sectors.

RAW MATERIALS

Responsible and short supply chain/responsible sourcing policy



Unilever has developed a responsible sourcing policy which includes a set of mandatory requirements that all its suppliers must meet in order to do business.

PROPOSED POLICY SOLUTION: Policymakers can stimulate demand of food products that comes from a responsible supply chain and encourage businesses to respect/adopt a green procurement.

VALUE IN TERMS OF POST COVID-19 RESILIENCE: The increase in the safety and sustainability of supplies makes the sector more resilient in the event of a health crisis; furthermore, with the pandemic, consumers pay greater attention to product safety and the origin of raw materials (the issue of traceability and clarity of labels is important).

PRODUCTION

Process decarbonisation



Illy supports major investments to minimize the environmental impacts of the coffee processing processes at the Trieste plants, in line with the Carbon Neutrality objectives.



Starting from 2020, all the activities of the production plants, offices, flagship stores and company vehicles have reached carbon neutrality. Lavazza also aims to offset indirect emissions along the entire supply chain of the Group, upstream and downstream of our operations: from green coffee to packaging, from logistics to disposal.

PROPOSED POLICY SOLUTION: Encourage collaboration between companies (for example, through associations), to devise new self-regulation and development protocols. Provide financial support to lead small and medium companies toward the transition.

VALUE IN TERMS OF POST COVID-19 RESILIENCE: The decarbonization of the business and the commitment to the 1.5 pledge roadmap can promote the resilience of the post-pandemic production system.

DISTRIBUTION

Sustainable Transport and Logistics



Use of forms of intermodal transport for the reduction of emissions in the Logistics sector. Coop has significantly reduced its emissions in the Logistics and Transport sector through rail transport.

PROPOSED POLICY SOLUTION: Provide incentives for companies that adopt greener logistics and transport systems. Encourage the creation of gas transport networks. Encourage the sale of bulk/draft products.

VALUE IN TERMS OF POST COVID-19 RESILIENCE: The gradual switch from a traditional transport to intermodal transport of to transport with alternative fuels with reduced CO2 emissions, can promote the resilience of the post-pandemic food-distribution system.

CONSUMPTION/USE/REPAIR/REUSE

Promote responsible consumption



The new returnable empty bottles, also called "UNI" because they are universal among all beer producers, now have the indication "returnable empty", in order to communicate the sustainability of this packaging in a clear and immediate way to the consumer. The empty returnable bottles are more resistant than normal bottles to allow their reuse, with a life cycle ranging between 15 and 18 reuses. *Peroni Vuoto a Rendere* is available in Italian bars and restaurants, in 20 cl, 33cl and 66cl formats.

PROPOSED POLICY SOLUTION: Development of digital channels and innovative customer relationship management tools (CRM) to support marketing from a circular perspective. Communication campaigns and awareness-raising initiatives aimed at encouraging the use of new forms of consumption by citizens.

VALUE IN TERMS OF POST COVID-19 RESILIENCE: Educational projects increases the awareness of consumers on food waste and circularity, thus avoiding food waste and favoring packaging correct division.

COLLECTION

Collection for solidarity purposes



The companies periodically donate products to Banco Alimentare that are no longer salable for various market reasons (seasonality, logistical variants, etc.), but are still perfectly edible.

PROPOSED POLICY SOLUTION: Invest in hardware, software and services that guarantee citizens access to food sharing services. Platform development.

VALUE IN TERMS OF POST COVID-19 RESILIENCE: The possibility to donate food, which alternatively would have been thrown away, has positive implications both for consumers and for the company. With regards to the company, it can donate food thus reducing the amount of expired food to throw away; with regards to the consumers, the possibility to easily donate food may encourage them to adopt a more sustainable consumption, increasing the amount of expiring food they buy (in case of expire, they know this is donated and not wasted).

RECOVERY / RECYCLING

Industrial symbiosis (Recovery of agri-food chain waste / resources sharing ecc)



Caviro Extra annually collects about 370,000 tons of musts, lees and marc and wastewater which - at two plants in Faenza and Treviso - translates into semi-finished products and raw materials for agronomic, industrial, pharmaceutical, food and beverage companies all over the world.



Funghi Espresso uses the coffee grounds as a growing medium, combining it with the "seed" of the mushroom. All in a completely natural way, without the use of chemicals.

PROPOSED POLICY SOLUTION:

- New policies could remove some trade bans between sectors or incentivize the transfer of raw materials and products.
- The region could offer (or guarantee) support for the establishment and strengthening of partnerships between companies (of non-connected sectors) linked by belonging to the same territorial area, aimed at favoring strategic projects.
- Support strategies could be launched for the elaboration of the End Of Waste Decrees, necessary for the reuse of secondary raw materials.
- Partnerships between research centers (eg. university) could be promoted to develop strategic research projects.

VALUE IN TERMS OF POST COVID-19 RESILIENCE: Industrial symbiosis, allowing exchanges of production inputs and outputs between companies operating in different production cycles and supply chains, allows to effectively resist "shortage" both in procurement and in supplying end markets.

4. Policy options and actions

Regione Lombardia - Italy

1. Call for proposal for EIT Food

Case of Sardegna

Sardegna Region have opened the call for proposal for the EIT Food. EIT Food's vision is a world where everybody can access and enjoy sustainable, safe, and healthy food – with trust and fairness from farm to fork.



The intention of this Call for Proposals is to maximise the societal, economic and environmental impact of innovative ideas and consortia within the scope of EIT Food's Impact Framework, as described in the Strategic Agenda 2021-27.

EIT Food's Impact Framework targets four primary Impact Goals for food system change: - Improvement in conditions for enhanced public trust in the food system - Reduction in relative risk of obesity & Non-Communicable Disease (NCD) prevalence in target populations due to known dietary factors - *Improved environmental impact of agri-food systems* - *Enabling transition to a circular & sustainable economy.*

https://www.eitfood.eu/media/documents/EIT_Food_Strategic_Agenda_2021-2027.pdf

2. Promote the dissemination of Food CAMs

Case of Regione Veneto

The Veneto Region, on its website, provides specific information on the legislation on Minimum Environmental Criteria applicable to the catering sector. In particular, the enhancement of zero kilometer products and the short supply chain, the implementation of solutions to reduce the environmental impacts of logistics and the verification of working conditions along the supply chains, using companies or specialized personnel who carry out unannounced checks at workplaces.



The screenshot shows the official website of the Regione del Veneto. The header includes the regional coat of arms and the text "Regione del Veneto - Il portale della Regione del Veneto". A search bar is located in the top right corner. The main navigation menu includes "Home page", "la Regione", and "Servizi". Below this, there are links for "ASSESSORATI", "CONTATTA GLI UFFICI", "BANDI", "AVVISI", "MODULISTICA", and "DALLA A ALLA Z". The main content area is titled "Agricoltura e Foreste" with the subtitle "Il settore primario del Veneto". A breadcrumb trail reads: "Agricoltura e Foreste / Prodotti agroalimentari di qualità / Produzione biologica / Mensa Scolastica Biologica / CAM - Criteri Ambientali Minimi /". There are two columns of content. The left column is titled "Prodotti agroalimentari di qualità" and lists "Vini DOCG, DOC e IGT" and "Prodotti DOP, IGP e STG". The right column is titled "CAM - Criteri Ambientali Minimi" and contains the text: "Lo scorso 10 marzo sono stati adottati, con decreto n. 65 del 10/03/2020 "Criteri ambientali minimi per il servizio di ristorazione collettiva e fornitura di derrate alimentari" del Ministero dell'Ambiente e della Tutela del Territorio e del Mare (pubblicato sulla Gazzetta Ufficiale del 4 aprile 2020, pagg. 17-31), i nuovi criteri ambientali minimi (CAM), la cui norma entra in vigore il 02/08/2020."

<https://www.regione.veneto.it/web/agricoltura-e-foreste/cam-criteri-ambientali-minimi>

3. Promote new technologies for sustainable production

Case of Lombardia

The Lombardy Region funded a project for the construction of the IDaiS app, which saw the involvement of the University of Milan and 13 livestock companies (for Dairy Sustainability). Through this smartphone application, a data collection system is created, useful for measuring the milk delivered, not only from a quantitative and qualitative point of view, but also the environmental impact.

The information collected through this App allows you to control the production of the various companies and also to make a comparison between them in order to reward the most virtuous and to stimulate the others to sustainable production. The Life Cycle Assessment (LCA) method is applied to the collected data, a globally recognized method which, through an algorithm, allows to evaluate the environmental impact of a product throughout its life cycle: from the extraction phases of the materials raw materials, to production, distribution, use and final disposal.

The App therefore promotes the virtuous behavior of companies that become more sensitive to the environmental impact of their productions. But it also serves to create benchmarks to help the Cooperative's livestock farm optimize production.

<https://www.latteriasoresina.it/digital-sostenibilita/>

4. Protection of riders and digital workers (connection to food delivery)

Case of Toscana

Tuscany is committed to increasing the protection and safety of riders, initiated by regional law 18 of June 4, 2021.

With the decision of the council of last January 31st, in fact, a report was presented to the Regional Council of Tuscany on the state of preparation of the "Regional Technical Reference Document", provided for by the same law and aimed at identifying occupational risks and the consequent safeguards for this type of worker, whose vulnerable conditions emerged above all in the epidemiological emergency period, when mobility restrictions intensified home delivery services.

The elaboration of the document is entrusted to a working group of the Region-Health Authorities, coordinated by the ASL center and aims to implement the political address expressed by the regional law, aiming at expanding the sphere of protection in favor of digital workers regardless from the contractual framework. The setting of the guideline was presented to the Regional Committee on Occupational Safety, the Labor Inspectorate, Inail and the trade unions.

<https://www.toscana-notizie.it/-/riders-e-lavoratori-delle-piattaforme-digitali-in-dirittura-di-arrivo-indirizzi-per-tutela-e-sicurezza>

5. Educational projects against food waste

Case of Emilia Romagna

The Emilia Romagna Region has launched an educational project that involved 700 high school students who joined throughout the region, entitled “Stop waste: the taste of conscious consumption”.

It is an experiential educational project, dedicated to food at 360 °: tasty food, food attentive to the conservation of biodiversity, food produced with low environmental impact methods, shared food and above all food that must not be wasted. The food education project was financed by the Region, Department of Agriculture, Agri-food, Hunting and Fishing.



Two educational courses were at the center of the educational campaign, conceived by Alimos and managed by dieticians with experience in dissemination and teaching for children with the involvement of farmers, representatives of the educational farm accredited by the Emilia-Romagna Region with the LR 4/2009.

<https://agricoltura.regione.emilia-romagna.it/notizie/2021/luglio/stop-allo-spreco-grazie-al-progetto-regionale-gli-gli-studenti-diventati-201crisparmiosi201d>

6 . Encourage food collection and donations thanks to IoT technologies

Case of Emilia Romagna

The Emilia-Romagna Region was selected as a pioneering example in the management of withdrawals from the market and free distribution of fresh fruit and vegetables to the needy through the network of charities otherwise destined for pulping. In particular, innovation made in Emilia-Romagna consists in the development of a platform - called Sir (Information system of withdrawals) - which keeps track of the products withdrawn in the context of EU interventions for the prevention and management of crises of market and which also allows constant monitoring of the amount of food donated.

By participating in Lowinfood, a project that will go on for four years, the Emilia-Romagna Region can aspire to be accredited at European level as a model of excellence in the management of market withdrawals and distribution of food surpluses to the less fortunate. Thanks to the management system based on maximum efficiency, from 2012 to 2020, over 36 thousand tons of fresh fruit and vegetables were withdrawn from the market and destined to charities operating in Emilia-Romagna, over 130 thousand throughout Italy.

<https://www.regione.emilia-romagna.it/notizie/2021/gennaio/alimentare-regione-in-prima-fila-nella-lotta-agli-sprechi-con-la-partecipazione-al-progetto-europeo-lowinfood>

7. Strengthen the synergies between public entities, companies and research centers for the development of circular solutions

Case of Lazio

The Lazio Region, through Lazio Innova, launches with Amadori, a leading group in the Italian poultry sector, with Almacube, incubator and innovative hub of the University of Bologna and Confindustria Emilia Area Centro, and with the technical partner Digital Magics, the open innovation challenge "Circular economy and environmental sustainability in the poultry supply chain".

A challenge that aims to involve startups, companies and spin offs with innovative ideas on circular economy and environmental sustainability in the poultry sector. The goal is the search for innovative solutions throughout the supply chain - from feed production to breeding, from food processing to distribution - with a view to green economy, energy saving and zero impact.

The challenge is addressed, in particular, to the search for solutions in the field of waste enhancement, waste management and the search for innovative raw materials for the breeding phases.

<https://www.lazioinnova.it/news/economia-circolare-sostenibilita-ambientale-nella-filiera-avicola-al-centro-challenge-imprese-startup/>

Thank you!

