

CEI Wholesale Markets Foundation

Study Tour to Italy

6-9 June, 2005

Objective

The aim of the study tour was to share the experience of Italian wholesale markets, in the area of market ownership and management, as well as services offered to market users, with the members of the CEI WM Foundation.

Programme

FAO's Investment Centre Division (TCI), together with FAO's Agricultural Management, Marketing and Finance Service (AGSF) and FAO's Regional Office for Europe (REUD), organised a series of meetings between the members of the CEI WM Foundation and senior managers of the Rome, Fondi, Salerno and Naples wholesale markets. In addition, study tour participants visited a number of companies involved in fruit and vegetable (F&V) marketing. The study tour programme included the following visits:

- 6 June 2005: Agrifood Centre of Rome (*Centro Agroalimentare di Roma*, CAR - <http://www.agroalimroma.it/>);
- 7 June 2005: Agrifood Centre of Fondi (*Centro Agroalimentare di Fondi*, MOF – <http://www.mof.it/>);
- 8 June 2005: Salerno's Fish and F&V Wholesale Market, Finagricola (F&V Cooperative), and Naples' new Agrifood Centre (*Centro Agroalimentare di Napoli*, CAAN).

The topics covered during the study tour included: ownership and management of markets, financing of new market infrastructures, services offered to market users, food safety standards, etc.

Audience

The list of participants is available on:

<http://www.eastagri.org/meetings/index.asp?id=15>
<http://www.ceiwmfoundation.org>

Seminar on *Linkages between the Food Retail Industry and Wholesale Markets*

In addition to the study tour, on 6 June 2005, FAO organised a seminar on food retail / wholesale markets linkages. The following presentations were made:

- Opening note: "Wholesale markets in the era of supermarkets and hypermarkets - developments in Western and Eastern Europe", Edward Seidler, FAO/AGSF;

- “Role played by FAO to support wholesale market investments”, Emmanuel Hidier, FAO/TCI;
- “Adaptation to the emergence of the food retail industry and changing customer demand – Budapest Wholesale Market case study”, Márton Szabó, President of Budapest’s Wholesale Market;
- “Adaptation of Italian wholesale markets to the changing needs of users”, Prof. Marco Sibani, President of CSC Markets, Secretary of the Italian Wholesale Markets Association;
- “The evolution of the demand for fresh produce wholesale markets, answers of the Agrifood Centre of Rome”, Dr. Vincenzo Talarico, Trade and Marketing Manager, Agrifood Centre of Rome;
- “Overview of the distribution of agricultural and food products in Ukraine”, Mr. Roman Fedyshyn, Director, Lviv wholesale market.

Typology of markets visited

The facilities visited by the members of the CEI WM Foundation included three types of markets:

- terminal wholesale markets, serving the needs of the retail network and consumers of large cities (e.g. Naples, Rome);
- assembly markets, concentrating fresh produce supply from local producers (e.g. Fondi);
- markets with a mixed destination (e.g. Salerno).

Italian legislative framework

The new wholesale markets of Rome, Fondi and Naples were developed under the regulations of Law 41/86 (*Wholesale Markets National Plan* or *Piano Mercati*) which legislated for the modernisation and expansion of Italy's main wholesale markets.

Italian Law 41/86

The aim of the law was to modernise markets that had become obsolete and that were located in the centre of large cities. The law foresaw the allocation of 1,000 billion lire from the State budget (approximately EUR 500 million) for the implementation of the *Piano Mercati*, i.e. the relocalisation and modernization of Italian markets.

The 41/86 law foresaw the modernisation of 14 markets, including *markets of national interest* (Bologna, Fondi, Catania, Naples, Rome, Turin and Verona), *markets of regional interest* (Padova, San Benedetto del Tronto, Rimini, Cosenza, Catanzaro and Pescara), and *markets of provincial interest* (Parma).

The ownership and management structure of the markets financed under the law was changed. The markets, original set up as municipal companies, were turned into joint stock company, opening their capital to private shareholders, including market users. However, the law stipulated that public shareholders would keep control over at least 51% of the capital.

The financing plan envisaged in the law for the new markets was:

- 40% grant (public funds);
- 35% loan with subsidised rate;
- 25% own equity.

The markets financed under the 41/86 law have in common a number of technical features: they are multi-product and usually cover F&Vs, flowers, fish, as well as meat; they offer a wider range of services (product handling, storage, packing, etc); they include logistic platforms; they provide IT facilities; etc.

Market Visits

A. Rome Agrifood Centre / *Centro Agroalimentare di Roma (CAR)*



CAR was created under the 41/86 law. It is primarily a wholesale market serving the needs of Rome's urban centre. The market extends over an area of 140 ha. It became operational in 2000 after the old market located on Via Ostiense was closed down.

For the moment, the market covers F&Vs and fish. CAR supplies traditional retail clients, restaurants, hospitals, canteens, religious groups, catering companies, as well as the 140 retail markets of Rome.

Working hours are:

- Summer time 2h – 8h
- Winter time 10h – 18h

Ownership. Public shareholders include the Lazio Region, the Province and Municipality of Rome, and the Chamber of Commerce of Rome. Private shareholders include: Banca di Roma, Banca Nazionale del Lavoro, Banca Antonveneta.

CAR has a limited number of staff: 26 employees, compared to 120 in the old market of Ostiense. Most services are outsourced, including (i) cleaning services, (ii) security services and (iii) ordinary and extraordinary maintenance.

The market is composed of two main areas: the first area is accessible to registered clients with a credit smart-card (EUR 2 for retailers, EUR 3 for wholesalers); the second area is open

to the general public and provides a number of services (cash and carry, offices, miscellaneous shops, etc). Other facilities include: several banks, a tobacco shop, an office of the *Azienda Sanitaria Locale* (ASL), which looks after public health and food safety issues within the market.

Future Plans. CAR is considering introducing a new section for biological products. This would be one of the first wholesale markets for biological products in Europe. A meat market is also considered. For the moment, Rome's meat market is located on Via Tagliatti.

Persons/Companies met:

- CARGest S.r.l.
 - Via Tenuta del Cavaliere,1
 - 00012 Guidonia Montecelio (RM)
 - Tel 06 60 50 12 01
 - Fax 06 60 50 12 75
 - Website <http://www.agroalimroma.it>
- Dott. Vittorio Bocca
 - President
 - Via Crescenzo, 42
 - 00193 Roma
 - E-mail vittoriobocca@tiscali.it
- Dott. Massimo Ottaviano
 - Manager, Operations
 - E-mail m.ottaviano@agroalimroma.it
- Ms. Doriana Ciambuschini
 - Secretary
 - Mobile 335 788 89 64
 - E-mail: d.ciambuschini@agroalimroma.it
- Dott. Flavio Pezzoli
 - Coordinator, Services and Quality
 - Mobile 335 304 385
 - E-mail f.pezzoli@agroalimroma.it
- Dott. Vincenzo Talarico
 - Manager, Trade and Marketing
 - Fax 06 60 50 12 50
 - Mobile 335 296 127
 - E-mail v.talarico@agroalimroma.it
- Saltari Sud (Massimo Saltari e fratelli)
(*quatrième gamme* products)
 - Via della Tenuta del Cavaliere, 1
 - 00012 Guidonia Montecelio (RM)
 - Tel 06 60 50 10 40
 - Mobile 335 716 23 36
 - E-mail saltari.sud@tiscalinet.it
 - or msaltari@tiscalinet.it
- Lino D'Olimpio e figli
- Soc. Coop. Agricola r.l. San Lidano
- Dott. Riccardo Pompei
 - President, FedAgro Roma

B. Fondi Agrifood Centre / Centro Agroalimentare di Fondi (MOF)



Fondi Market is the largest fruit and vegetables market in Italy with a throughput of 1,200,000 tons. The market extends over an area of 335 ha. It is essentially an assembly market, concentrating supplies of fruit and vegetables from the South of Italy. 85% of the fresh produce commercialised at the market is of national origin, 15% is imported.

Products are delivered to/from the market 98% by road, 1% by boat and 1% by air. Most products are graded, sorted and (re)packed in areas adjacent to the market before being reconsigned to all destinations in Italy and abroad.

The market, financed by the Southern Italy Development Fund, became operational in 1972. It was modernised under Law 41/86 and was inaugurated in its present form in 2000. MOF's owners include public shareholders (51%) (Lazio Region, Municipality of Latina, Chamber of Commerce of Latina) and private shareholders (49%).

Working hours are 6h – 13h and 15h30 – 16h

The market consists of two areas: (i) *area A* which is the main trading area and (ii) *area B*, located around the market, where private operators have built facilities to sort/grade/ (re)pack products. The market has its own laboratory for analysis of pesticide residues.

Apart from the market company, two other entities are actively involved in the operations of the market: (i) AgroFondi Soc. Coop., a cooperative of market users, in charge of public relations and a series of services offered at the market and (ii) Comitaly S.p.A. Comitaly was created with the aim of promoting F&Vs markets overseas. It provides consultancy service to small operators who would not be able to access foreign markets. Comitaly also assists its clients in accessing public funds.

Issues. One issue faced by MOF is the inadequacy of the local road infrastructure. Road access to the market is not adapted to the large number of large trucks getting in and out of the facilities on a daily basis. A proper connection to the nearby motorway is missing. Another issue is related to MOF's limited capacity to accept new clients. Trading areas are rented out for 5 years. However, old clients have precedence over new tenants. All trading space is rented and it is difficult for new operators to enter the market.

Future plans. MOF plans to create a Risk Management Centre. The centre will help market operators to identify and deal with insolvent clients. The market would also like to encourage its clients to make a better use of the "*autostrada del mare*" project, a Valencia-Gaeta high-speed maritime route. This would lower transportation costs and reduce air pollution normally associated with road transportation.

Persons/companies met:

- MOF S.p.A

Viale Piemonte, 1
 04022 Fondi (LT)
 Tel 0771 512 731/2
 Fax 0771 510 737
 Website <http://www.mof.it>

- Dott. Giuseppe La Rocca

President
 E-mail giuseppe.larocca@mof.it

- Dott. Stefano Nardone

Deputy Director
 Tel 0771 521 92 25
 Mobile 348 310 98 13
 E-mail stefano.nardone@mof.it
 or snardone1@virgilio.it

- Dott. Salvatore De Meo

Promotion and Public Relations
 E-mail salvatore.demeo@mof.it

- Dott. Roberto Sepe

Communications Manager
 E-mail roberto.sepe@mof.it

- Dott. Franco Rotullo

Statistics, Prices and Quality
 Mobile 348 310 98 02

- Comitaly S.p.A.

Viale Piemonte, 1
 04022 Fondi (LT)
 Tel 0771 537 626
 Fax 0771 500 307

– Dott. Giuseppe La Rocca

– Dott. Stefano Mora

• Fratelli Recchia S.r.l.

Website <http://www.comitaly.com>

President

E-mail giuseppe.larocca@comitaly.com

Managing Director

Mobile 348 596 63 69

E-mail info@comitaly.com

C. Salerno Wholesale Market



To date, Salerno's wholesale market is 100% public-owned. It has two sections: F&Vs and fish. The F&V section handles c. 50,000 tons of products / year. The Salerno market was created by the CIPE (Inter-ministry Committee for Economic Programming). In the near future, part of the capital of the market company might be sold to private operators. The market supplies local retail markets in Salerno, as well as *niche* shops.

Working hours are:

- Fish section: 23h – 3h
- F&V section: 3h15 – 10h

Future plans. An area is available for the development of *quatrième gamme* products. The market also intends to expand into other product areas: milk and dairy, flowers and meat.

The visit of the market was followed by the visit of a large cooperative, Finagricola, involved in grading/packaging/marketing of fresh produce, as well as in the production of *quatrième gamme* products.

Persons/companies met:

- Salerno Wholesale Market
Via Mecio Gracco – Zona Industriale
84131 Salerno
Tel 089 666 124 / 302 030
Fax 089 301 727
- Mr. Raffaele Annarumma
Director
Mobile 347 648 78 18
E-mail: mercatoittico.salerno@virgilio.it
- Dott. Mauro Scarlato
Assessore Turismo e Annona
Comune di Salerno
Palazzo di Città
Via Roma, 1
Tel 089 662 322
Fax 089 662 321
- Finagricola
Viale Spagna – Zona industriale
84091 Battipaglia (SA)
Tel 0828 614 511
Fax 0828 752 961
Website <http://www.finagricola.it/>
- Mr. Gerardo Palo
President
- Linfadoro
Adesud S.r.l.
Viale Spagna – Zona industriale
84091 Battipaglia (SA)
Tel 0828 614 411
Fax 0828 342 000
Website <http://www.linfadoro.it>
- Dott. Massimiliano Palo
Managing Director
E-mail mpalo@linfadoro.it
- Dott.ssa Rosanna Tarallo
Quality Assurance
- Mr. Sabato Pecoraro
President of Concessionaires, Salerno Market

D. Naples Wholesale Market (CAAN)



The new market of Naples (CAAN) was launched/financed under law 41/86. Construction works have just been completed. Operations are due to start on the new site (60 ha) in October 2005. The market will include a F&V section, a fish section, a milk and dairy product section, a flower section and a section for non-food consumer products.

Access roads to the new site are not adequate. Two access roads should be built by local authorities in the near future.

Ownership. Public shareholders include the Municipalities of Naples and Volla and the Campania Region. Private shareholders include Banco di Napoli, Banca Monte dei Paschi di Siena, Banca di Roma, Banca d'Italia, and AssoMercati (association of market operators).

Trading areas will be assigned to market users by public tender. The operators of the old Naples Market will be given priority. Services available at the market will include: cash and carry, 3 banks, 6 bars and restaurants, 3,600 m² of offices and shops.

Persons/companies met:

- CAAN S.c.p.a.
C.so Meridionale, 58
Napoli
Tel 081 285 018
E-mail: caanscpa@tin.it
- Dott. Carmine D'Orazio
Vice-President
Mobile 338 333 46 11

– Dott. Alfredo Rotondo

Mobile 338 928 16 34

Miscellaneous considerations

- Modern wholesale markets must offer a wide range of services related to the handling, storage, processing, re-distribution and marketing of products.
- Wholesale markets must constantly adapt to the evolution of trade and distribution networks.
- Wholesale markets have a public function, in particular in the area of (i) food safety and (ii) dissemination of market information. The presence of public shareholders in the capital of market company facilitates initiatives related to the protection of consumers' health and purchase power. Another role that wholesale markets can play is the promotion of local/typical products, in line with EU regulations.

CEI Wholesale Markets Foundation Study Tour Participants

