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**Measurement of competitiveness
and multifunctionality of
wine-growing farms: an operative
approach in Piedmont (Italy)**

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Overview

- Introduction
- Source of data and methods
- Results and discussion
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Introduction

This research wishes to establish a competitiveness framework regarding the specialist vineyards in Piedmont, Northern Italy, placing reference on the farm as a whole (Ciaponi, 2005)

The aim is rather to value both the agricultural and non-agricultural activities in which the economic unit may be engaged.

The farm in reference can no longer be merely defined as agricultural, in its own right, but crosses over into the range of a multifunctional farm.

Introduction

There is not only one way to define and to evaluate farm competitiveness (De Stefano, 2003; Mazzarino e Pagella, 2003, Adinolfi et al., 2006)

Authors refer to “competitiveness elements” that could influence the competitiveness of farm: farm structures, economic and institutional environment, inputs, relations between farms and markets (Pretolani 2003)

Introduction

Starting from Agenda 2000, competitiveness of the agricultural sector has become one of the main objectives of community support, at the side of the more traditional areas of market stability and right to nutrition.



The centralization of producer behaviour instead of products.

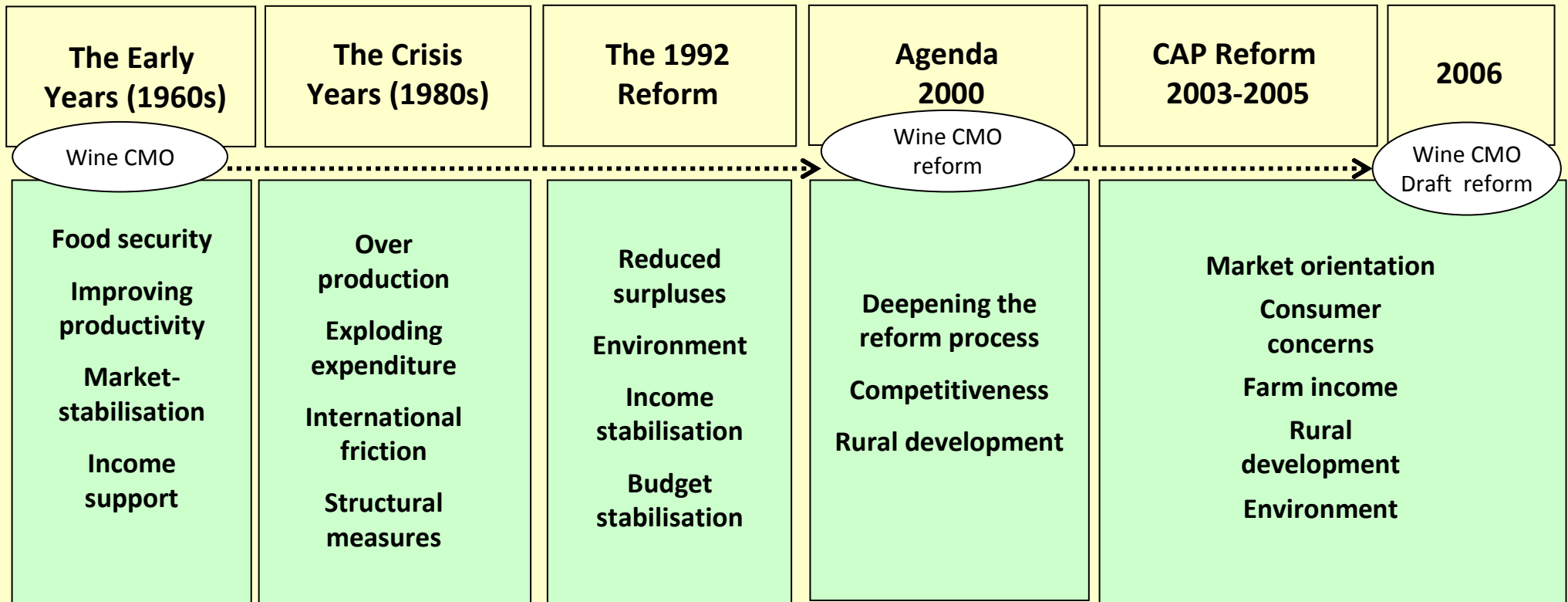
Positive externalities on both the environment and the community.

Introduction

Productivity →

Competitiveness →

Sustainability →



Introduction

Agricultural multifunctionality expresses the capability of the primary sector to produce secondary goods and services of various nature:

- the interaction between agriculture and environment, including any negative effects;
- positive effects of rural development;
- food safety in a broad sense;
- animal protection.

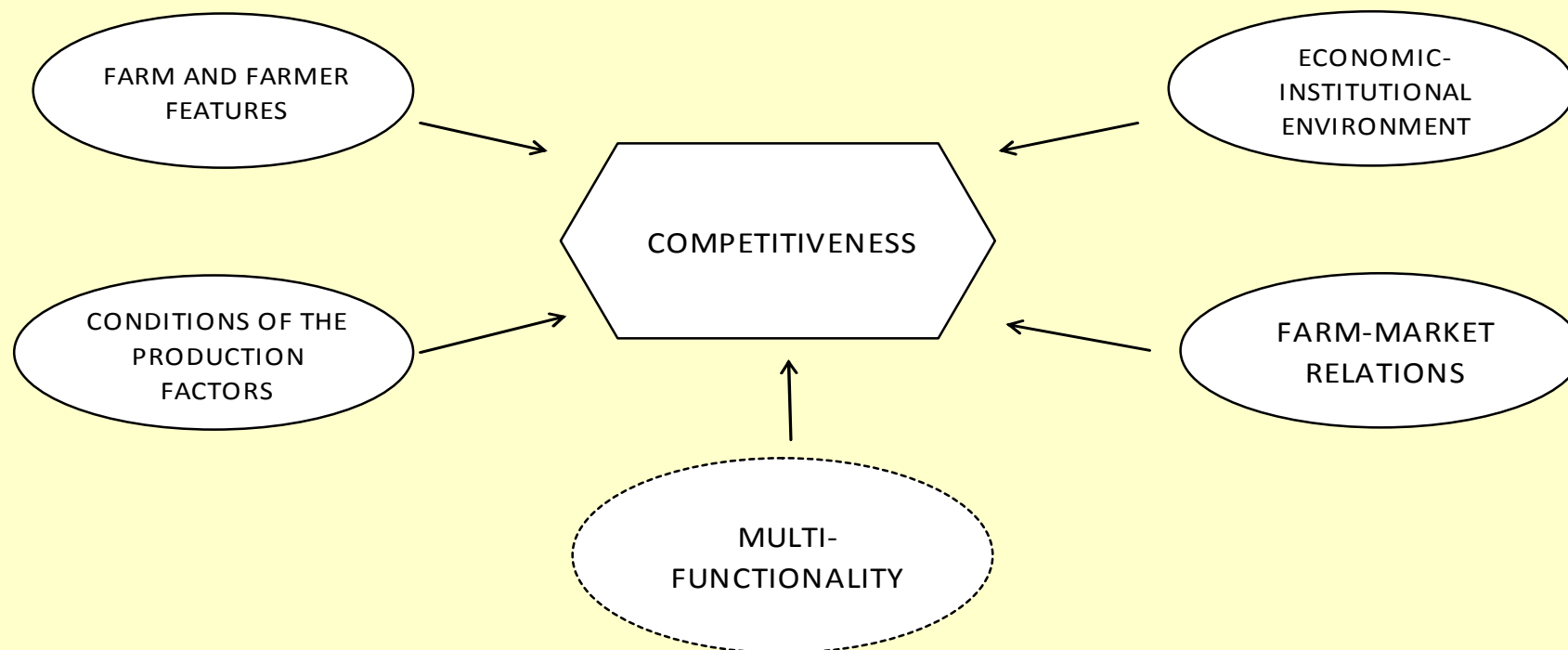
Introduction

So the multifunctionality can be classified into two main typologies:

- the primary one is associated to, or goes beyond, standard agricultural activities;
- the second one is characterized for the research of diversification.

Source of data and methods

In some cases, were employed variables directly by FADN. In other situations, in order to increase the descriptive capability of the data, newly created indexes were calculated.



Source of data and methods

The evaluation of an overall competitiveness, which derives from a summary of all indications considered, bears certain difficulties.

Indeed, the constitution of an overall indicator leads, in the majority of cases, to a loss of a series of information contained within the single simple indicators.

Therefore, the problem at hand involves the condensation of all selected variables, while reducing notion loss and correlation incidence to a minimum.

Source of data and methods

Synthesis technique based on the standardization of the data in order to comprise, through successive steps, information groups from the initial variables empirically observed.

The arithmetic average of the information was calculated for each group of variables, thus obtaining an overall partial group indicator. This estimate swings around the zero mark, which corresponds to the situation of an average farm.

Source of data and methods

A further step involves the elaboration, always through a mean procedure, of these summarized group indicators in order to estimate two overall competitive indicators:

- CTR (or traditional competitiveness) is net of the multifunctional aspects;
- CMF (or multifunctional competitiveness) accounts for multifunctionality

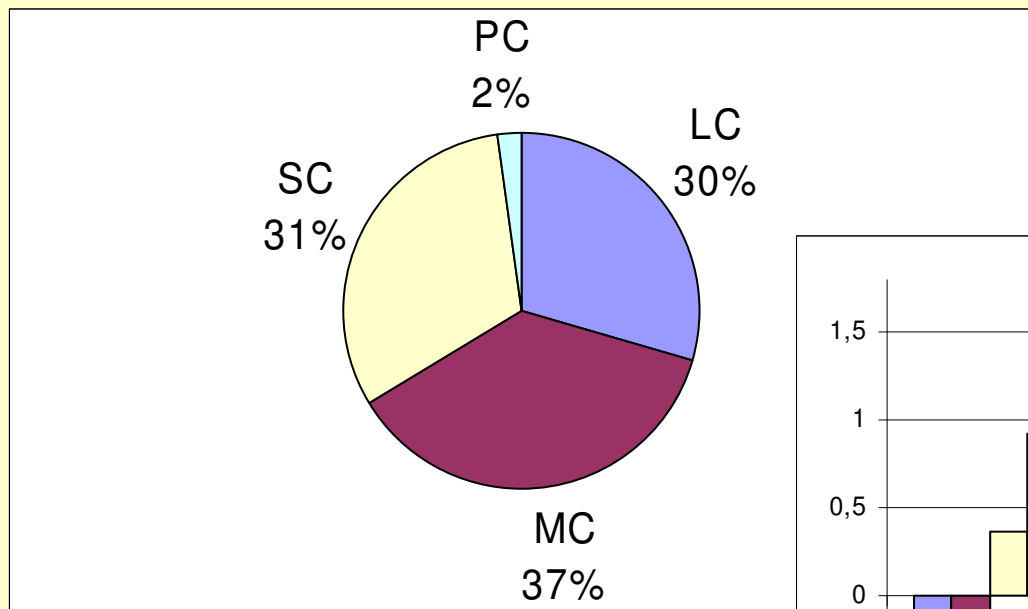
Results and discussion

The introduction of aspects greater linked to multifunctionality does not seem to induce noticeable changes in the competitiveness framework, at least in light of the competitiveness estimation employed:

	CTR	CMF	CMF - CTR
Stand. Dev.	0.29	0.30	-
Min	-1.179	-1.054	0.125
Max	1.264	1.526	0.262
Q1 (first quartile)	-0.194	-0.240	-0.065
Q2 (median)	0.008	0.036	-0.021
Q3 (third quartile)	0.166	0.189	0.044
% farms >0	50.91	56.36	5.45
from - to +	-	-	18
from + to -	-	-	6

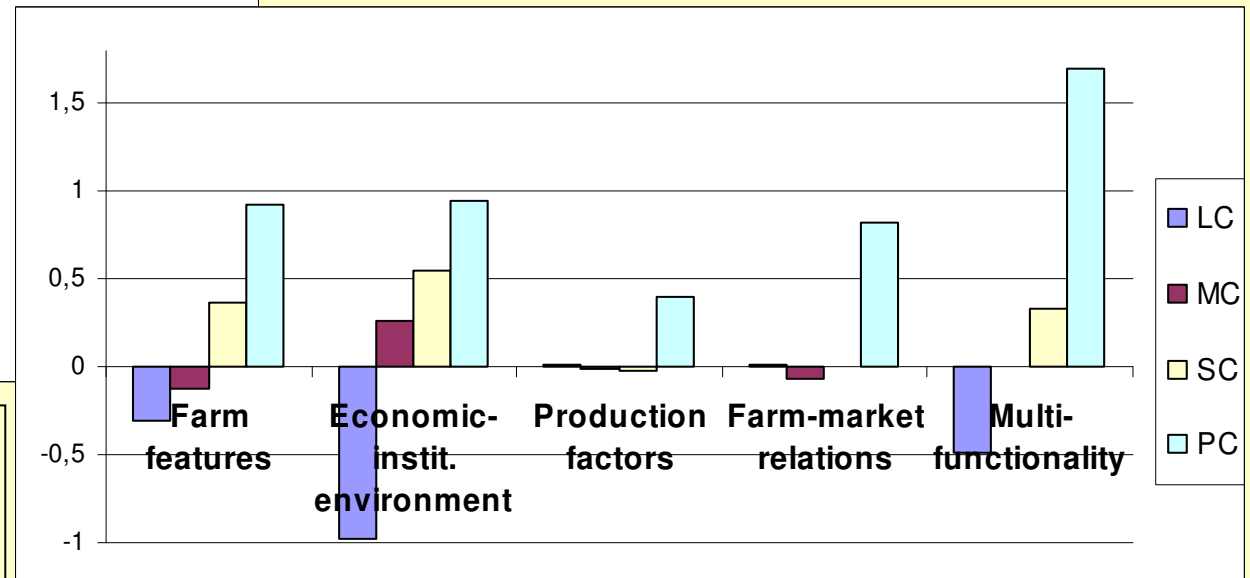
Results and discussion

Estimation of the CMF index distribution, in order to highlight the presence, or absence, of higher frequency areas characterized by similar components:



LC – Limited Competitiveness
MC – Mean Competitiveness

SC – Significantly Competitive
PC – Particular Competitive



Conclusions

The result of the study confirms the good competitiveness of Piedmont wine-growing farms from both structural and policy sensitivity point of view.

The introduction of multifunctional elements does not drastically modify the picture of farm competitiveness at hand: the wine farms that are more competitive, from a traditional point of view, are often even much more competitive when considering the multifunctional aspect.

Conclusions

The new wine CMO scheme, the National Plan in the details, and the future reforms of MAE actions in the rural development Pillar could suggest that in the next programming periods (post 2013) the link between competitiveness and multifunctionality will increase; specially because of the estimated higher public support forward the environmental externality coming from agriculture and processing systems.

Thank you!!!