

Scenario, Drivers, Challenges and Opportunities

ANALYSIS OF THE DRIVERS OF THE FOOD SCENARIO: EUROPE AND ITALY

Antonio Moretti, ISPA Director, December 2025

INDICATIONS FOR DISCUSSION

CONNECT FOOD TABLE

Need for the agri-food sector to safeguard competitiveness and adopt a more dialogue-oriented approach with all parts of the supply chain.

The definition of new measures, legislative and non-legislative, to implement the strategy “*Vision for Agriculture and Food*” is underway.

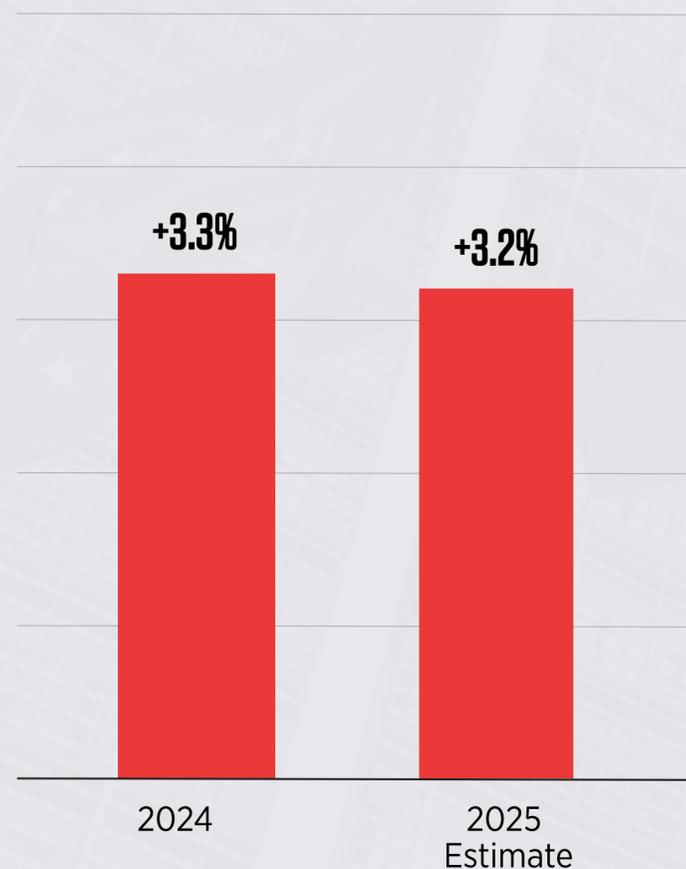
1. **WHAT:** What initiatives are needed to achieve the right balance between product safety and traceability and the competitiveness requirements of the sector at the EU and international level?
2. **HOW:** How can we best collaborate to discuss and identify solutions to support the sector, ensuring sustainability and innovation?

GENERAL OVERVIEW

DYNAMIC BUT COMPLEX IT LANDSCAPE

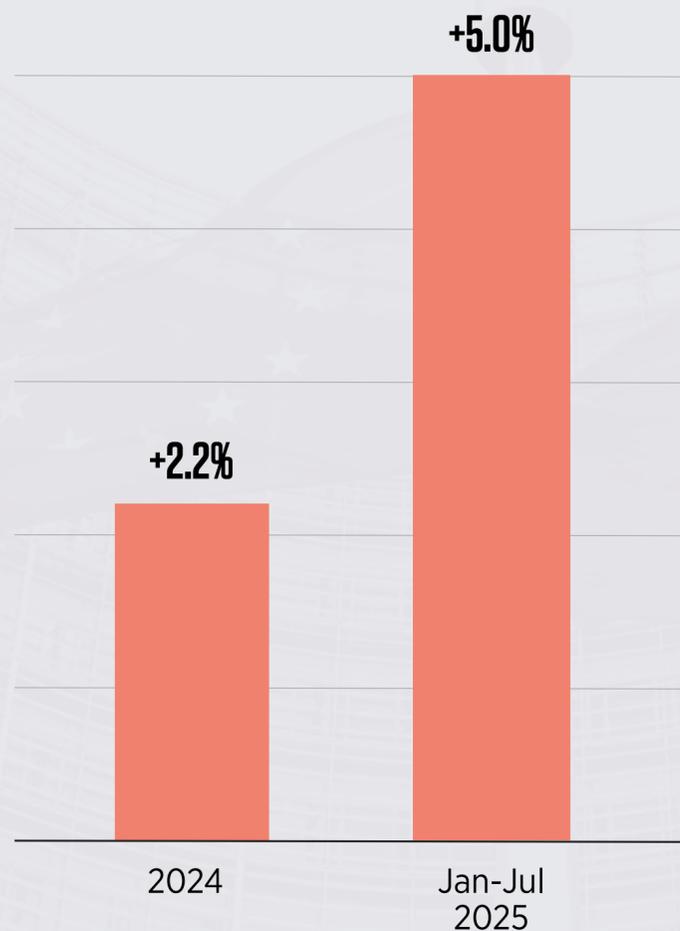
World GDP

The situation in recent years



International Trade

The growth of trade



Agribusiness in Europe



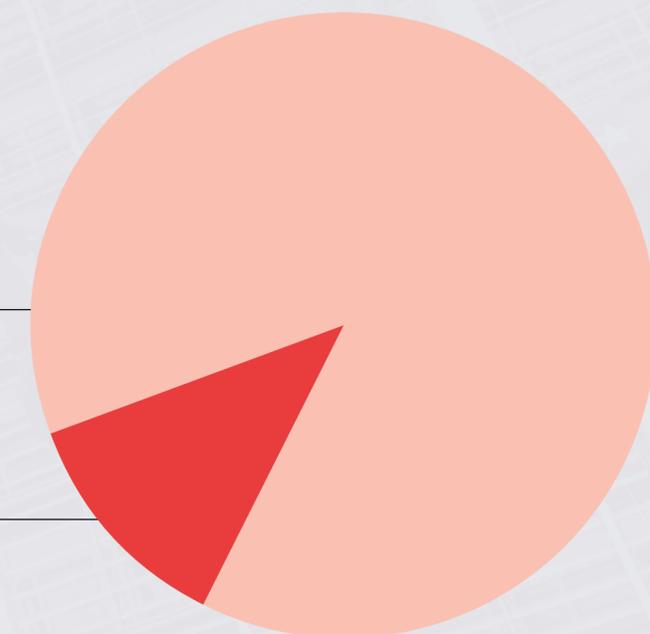
900 billion €
Added value generated by the European agri-food system in 2022



30 million
jobs in the sector

88%
Farmers over 40

12%
Farmers under 40



ANALYSIS
OF THE DRIVERS
OF THE FOOD SCENARIO:
EUROPE AND ITALY

Antonio Moretti,
ISPA Director,
December 2025

Source: Agribusiness Report 2025 - Ismea

GENERAL OVERVIEW

DYNAMIC BUT COMPLEX IT LANDSCAPE

The figures of the sector in Italy Added value



+9.2%
agricultural income
in Italy vs +0.7% EU



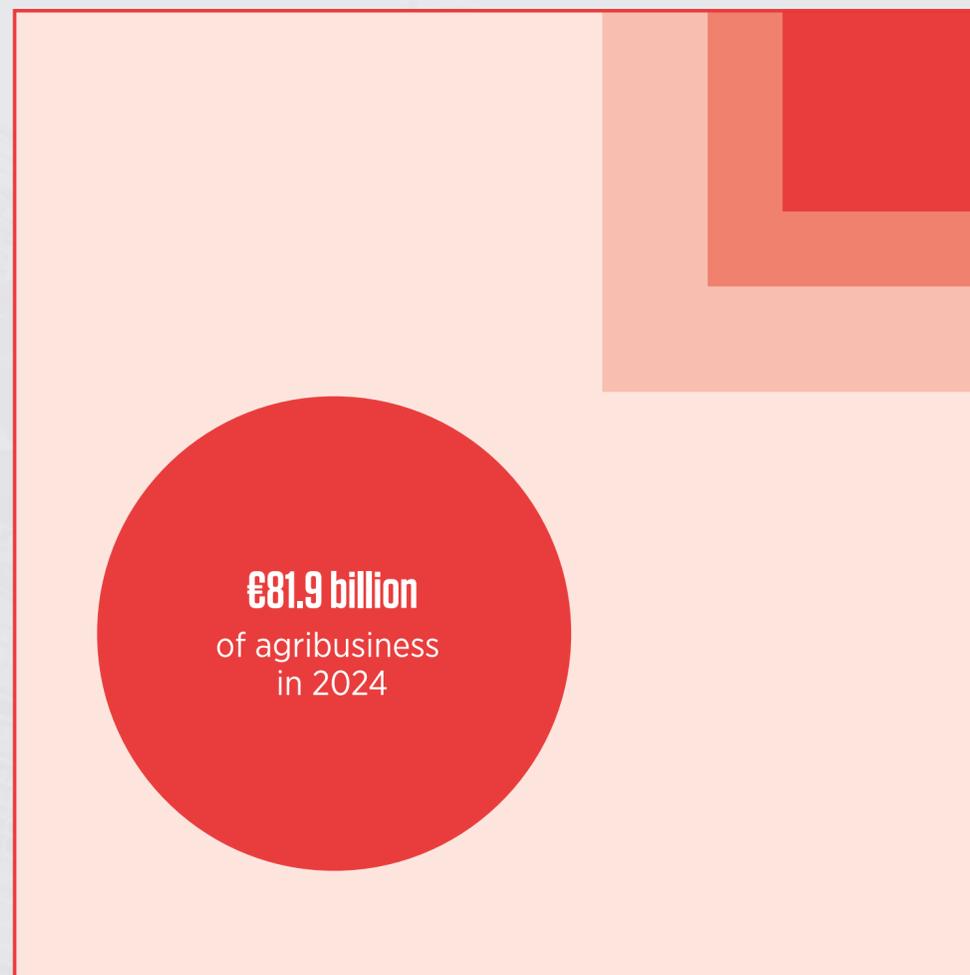
€70 billion
agri-food exports by 2025



3.2%
food inflation in August 2025



up to 15%
of the GDP of the agri-food chain



€81.9 billion
of agribusiness
in 2024

4.2%
of GDP



8%
including distribution
and catering



15%
with logistics, transport and brokerage



€15 billion
public resources invested in agriculture
in the 2023-2025 three-year period

STRATEGIC DRIVERS FOR COMPETITIVENESS

INFLUENCES ON THE SECTOR



1.

EU Regulatory Framework
-> Regulatory Pressure



2.

Consumption Transformation



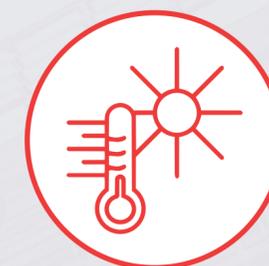
3. Digital

Transformation



4.

Geopolitics and International Trade



5.

Climate Crisis



6.

Innovation and Research

DRIVER

1

REGULATORY FRAMEWORK

EU REGULATORY PRESSURE

Impact on competitiveness: Compliance obligations increase costs and require specialised expertise; this favours the consolidation of larger companies, discriminating against smaller operators.



Green Deal
e **Farm-to-Fork**



EUDR (EU Deforestation Regulation) and **CSDD** (Corporate Sustainability Due Diligence): supply chain control.



Packaging Regulation: single-use plastic ban



Nutritional Regulations, e.g. sugar tax and salt reduction targets involve reformulation of some products

DRIVER

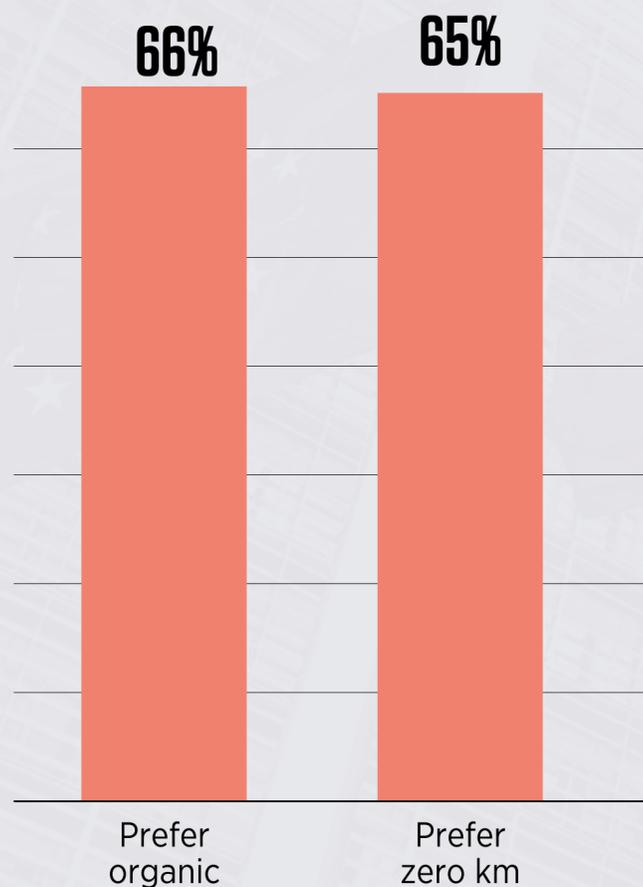
2

CONSUMPTION TRANSFORMATION

FOCUS ON QUALITY, SUSTAINABILITY, TRACEABILITY

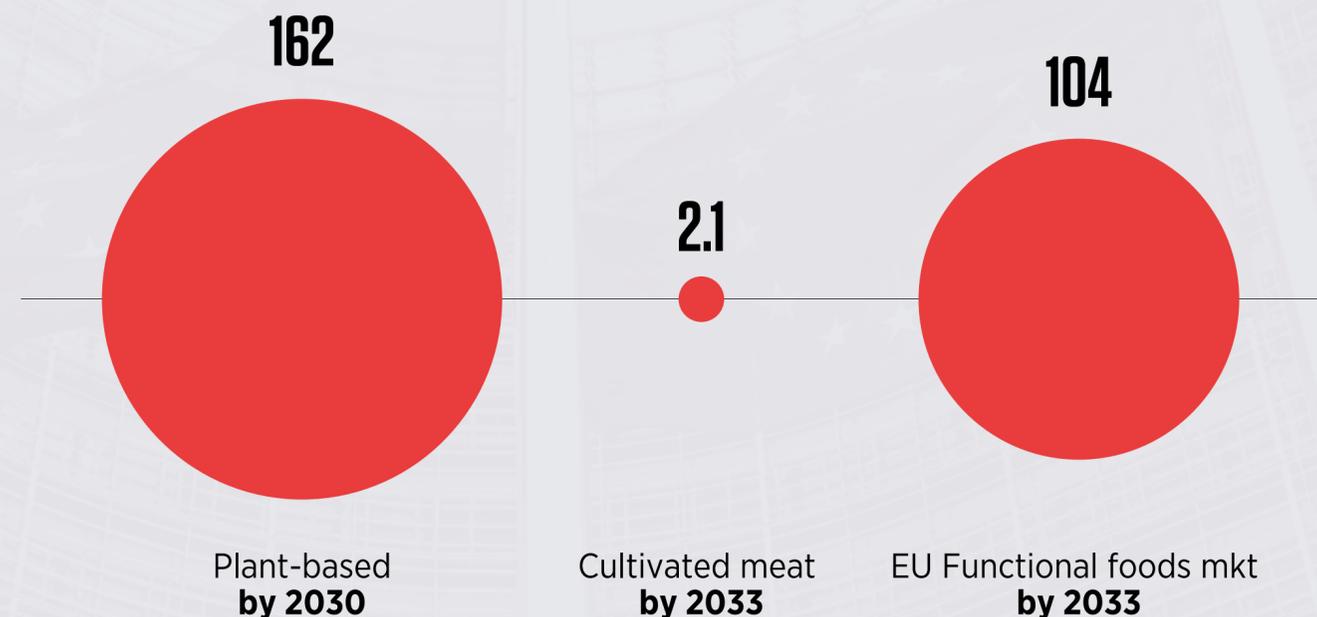
Consumers

Focus on quality, sustainability, and traceability



The growth of markets

Projections in billions of dollars



Impact on competitiveness:

an advantage is created for products with quality certifications (PDO/PGI)—Italy leads with 900 world registrations—and for those who innovate on nutritional profiles; at potential risk are low-cost commodity products.

DRIVER

3

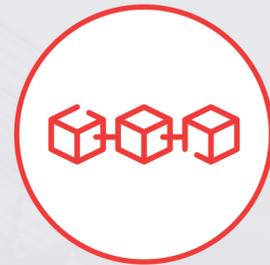
DIGITAL TRANSFORMATION

THE DIGITISATION OF FOOD REPRESENTS A STRUCTURAL CHANGE

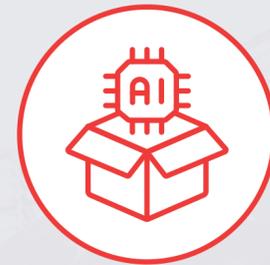
Impact on competitiveness: this transformation divides those who invest in digitisation from those who do not; it favours aggregation and scale-up; it generates crises for non-digitalised SMEs.



AI, predictive analytics for food safety and frauds: automated shelf-life prediction, real-time risk detection, supply chain intelligence for compliance/conformity



Blockchain for traceability and verification of sustainability claims



Blockchain, Internet of Things (IoT) and artificial intelligence (AI) for logistics and food distribution



E-commerce: 18-30% online food shopping by 2030 in Italy, food delivery reaches 71% of the population (*Sole24Ore, 2023*)

DRIVER

4

GEOPOLITICS AND TRADE

THE GEOPOLITICAL SCENARIO IS CRITICAL

Impact on competitiveness: Italian agri-food exports (€70 billion) are heavily dependent on foreign markets; PDO/PGI and high-quality products show more resilience than commodities vulnerable to tariffs.



US tariffs
and EU countermeasures



Tariffs on food -
bourbon, peanut butter,
meat, dairy, cereals



EU-Mercosur Agreements:
(a potential market of
260 million people)
offer outlets, but rising
protectionism increases
uncertainty

DRIVER

5

CLIMATE CRISIS

CLIMATE SHOCK IN ITALY HIGHLIGHTS STRUCTURAL FRAGILITIES > AGRICULTURE > INDUSTRY

Impact on competitiveness: increased investment in climate adaptation (resistant varieties and/or species precision irrigation, monitoring); risks for vulnerable crops; opportunities for stable supply chains (wine, oil, cheese).



In 2025, **production drops** of some agricultural specialities and price volatility (e.g. cherries, almonds, hazelnuts)



Water crisis and water supply difficulties, resulting in tensions between the agricultural, industrial, and civil sectors over water management.



Growth of some processed products: Olive oil **+30%**, PDO cheeses **+10%**

DRIVER

6

INNOVATION AND RESEARCH

INNOVATION AND RESEARCH - ACCELERATING THE ECOSYSTEM

Impact on competitiveness: investment in research and innovation can accelerate the path to competitiveness if implemented at a systemic level.



The EU allocates significant resources through research programmes such as **Horizon Europe, PRIMA, ERC.**



Italy has mobilised over €15 billion in three years via NRRP, with €8,9 billion managed by MASAF and €3 billion in the Revolving Fund for Supply Chain Contracts.



The Italian foodtech startup ecosystem shows some vitality, but it is small compared to the innovation ecosystem.

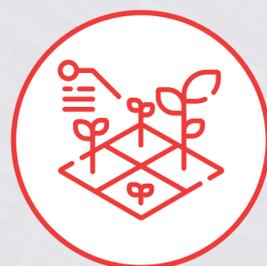
CRITICAL CHALLENGES FOR COMPETITIVENESS

ASPECTS TO BE TAKEN INTO ACCOUNT

Challenge	Characteristic	Implication
REGULATION	New EU regulations (EUDR, CSDD and packaging obligations) mean significant investments for companies	Initiates market consolidation, exclusion of small producers and a competitive advantage for large companies
SUSTAINABILITY VS. PROFITABILITY	Green adaptation costs and stringent compliance put pressure on company profitability	Reduced margins if not accompanied by a surcharge
DIGITALISATION DIVIDE	Investing in new tools (Ai, Blockchain, e-commerce) brings growth, those who do not do so fall behind	Increased investment in upgrading, research and development, critical capital
CLIMATE VOLATILITY	Crops increasingly sensitive to climate change: higher cost, lower yield	Investment in adaptation; concentration on robust supply chains
PERSISTENT FOOD INFLATION	Prices still 1/3 above pre-pandemic (August 2025)	Inflation squeezes retail margins and pushes consumers increasingly towards private labels
GEOPOLITICS	US tariffs, protectionism, relocation of supply chains	EU/Italy exporters lose volumes; geographical repositioning

IMPACT OPPORTUNITIES FOR RESEARCH & INNOVATION

SCIENTIFIC INNOVATION CAN ENABLE COMPETITIVENESS ON SIX FRONTS



Climate resilience (agriculture)

Genetic improvement for drought/water stress resistant varieties; AI-driven precision agriculture; real-time climate-soil-plant monitoring; biotechnology.



Circular economy and compliance

Packaging in biomaterials; waste valorisation; digital life cycle assessment (LCA); blockchain-based traceability, bioeconomy.



Nutritional Innovation

Optimisation of plant proteins; new foods, alternative proteins, scaling up of fermented foods; personalised nutrition, biotechnology, promotion of quality labels.



Food safety and quality assurance

Tools and AI for real-time detection of pathogens and chemical and physical contaminants; emerging risks, blockchain traceability; food fraud, automation of microbial diagnostics.



Digital agriculture scaling

IoT/satellite sensor integration; precision input application; yield forecasting; business management software.



Manufacturing digital optimisation

e.g. machine vision for quality control improvement, intelligent packaging, process management software, business life.

THREE POSSIBLE 2025–2030 SCENARIOS

ASSUMPTIONS AND DRIVERS TO FOCUS ON



SCENARIO A

“Consolidation & Quality Premium”

Regulation pushes towards large players and certified supply chains; SMEs aggregate; innovation favours premium markets (organic, PDO, functional).

Winners: Large agri-food groups and small quality players with PDOs/PGIs.



SCENARIO B

“Green Resilience Pivot”

Climate crisis accelerates investments in adaptation; sustainability becomes competitive driver

Winners: Research-backed agribusiness, biotech innovators, precision farming tech.



SCENARIO C

“Digital Divide Acceleration”

Digital transformation polarises; e-commerce and supply chain intelligence become competitive moat.

Winners: Digital-first brands, big omnichannel retailers, foodtech + data companies.

SUMMARY

THE EUROPEAN AND ITALIAN FOOD SCENARIO IS DYNAMIC BUT POLARISING

The growth of exports and the demand for quality products coexist with growing factors such as:



Climate Vulnerability



Stringent regulation



Growing digital divide



Geopolitical instability

Scientific innovation can enable competitiveness if geared to immediate scalability, affordability for SMEs, integration with EU policy (post-2027) and simultaneous addressing of climate, sustainability, quality, and digitisation.

The winner is not the one who innovates the most, but the one who integrates innovation with system adaptation along the supply chain and territory.

TECHNOLOGY TRANSFER SYSTEMS

VIRTUOUS CASES



In Italy, technology transfer offices of university and research institutions manage intellectual property cases, collaborative research contracts and spin-offs, translating scientific results into industrial applications in the agri-food sector.



Virtuous cases of collaboration are represented by:

- interdisciplinary projects involving various research actors - industry e.g. NRRP: ONFOODS, AGRITECH
- CLUSTER CL.A.N.
- Platforms (e.g. EU FOOD SAFETY PLATFORM)
- The CNR is responsible for evaluating MIMIT-funded projects for enterprises' R&I
- Engagement paths with companies (e.g. links with EIT FOOD Italia, FOOD SEED, Food Hub, etc.)

TT can be a hinge mechanism between industrial policies and research, targeting calls on supply chain automation, circular bio-economy, food safety, traceability, waste reduction and digital technologies for agri-food SMEs.

TECHNOLOGY TRANSFER SYSTEMS

EUROPE'S STRATEGIC VISION FOR THE SECTOR



New Approach

- **Trust and dialogue** along the entire value chain (EU and global)
- **Greater involvement** of farmers, food chain operators, institutions and civil society
- Response to **local and regional** concerns and ideas



Collaboration for the future

- Collective effort **to define the future of EU agriculture and agribusiness**
- Ensure a **resilient, innovative and sustainable sector.**