



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

LORENZO DE LUCA

FARMING EXPERIENCE IN VENETO REGION, ITALY (*)

I began farming in 1971 when I was 30 years old. I had just returned from Australia where I lived with my parents working in the building industry. I decided to buy a small farm in the village we had left 10 years before. To start with I bought the land and the house as I intended to live in the country, but farming was soon to absorb my interests entirely.

The farm consisted of 6.5 hectares cultivated partly with maize and partly with vineyard. I began producing milk, initially in a small cowshed, gradually increasing the number of cattle. At this stage the farm was similar, in terms of structure and production, to other farms in the region, the Veneto, and the province of Treviso where I live. Average farm sizes were about 5 hectares and the cowsheds generally had 4-8 head of dairy cows.

An important decision in my work was to join two cooperatives: a dairy cooperative which collected the milk I produced and a wine growers' cooperative where I sent the grapes from my vineyards. Given the small size of my farm I did not think it worthwhile to sell my products on the market directly. The cooperative system allowed me to recover part of the added value created when milk is transformed into cheese and grapes into wine in cooperative structures, in the form of stable prices which are generally higher than those obtained from other sales channels.

Over twenty years of farming I have gradually increased the size of the farm by buying land (2 ha in 1976, 3 ha in 1982 and 2 ha in 1986), and renting other farmland (10 ha in 1980 and later a further 15 ha) and by increasing the number of cows in the shed. In 1986 I built a new cowshed.

If we compare the changes that have taken place in the productive structure in Veneto with developments on my own farm over these 20 years, it is clear that my farm has grown significantly more than the regional average.

Examining the data from the last Agricultural Census, the average size of the 48,000 farms in the province where

(*) Text collected and revised by Andrea Povellato (INEA)

I live has remained at the level of 6 hectares and the average number of head of cattle on dairy farms is about 10-12. If I had just kept the initial 6.5 ha farmland I had, I would probably be one of the many part-time farmers who predominate agriculture in Veneto and Italy generally.

My farm now consists of 40 hectares, 13.5 of which are my own property. Part of the land (2 ha) consists of woodland on a hill and there are another 1.5 hectares of waste land. The cultivated area amounts to 37.5 ha, divided as follows:

	ha	ton/ha
Corn silage	8.5	45-50
Alfa-alfa	8.5	11-12 (hay)
Permanent meadows	11.5	10-11 (hay)
Vineyard (productive)	6.0	9-10
Vineyard (being planted)	3.0	-
Total cultivated area	37.5	

About 4 hectares of meadows are situated on hillsides with 6-7% slopes.

The livestock consists of 35 dairy cattle and 25 rearing cattle. The average milk yield is 6.2 tons per head. The cowshed is organised with open stall-system and a milking parlour for 5 cows.

As far as farm mechanisation is concerned, all the crop and stabling operations are carried out with the farm's own machinery. The work is organised on a typically family basis: as well as myself, my 22 year-old son works full time on the farm. Another son of mine, who is 32, is employed by a transport firm and works about half a day on the farm. The youngest son (17 years old) still attends school and works for 2-3 hours a day on the farm. During the grape harvest, when the amount of work is much greater, some relatives of mine help on the farm.

The farm's gross output only derives from sales of milk and grapes to the cooperatives. The over 200 tons of milk are sold at the price of 410 US\$/ton (1) and the 800 tons of grapes are paid an average price of 440 US\$/ton. Total turnover is over 112,000 US\$. If we subtract about 51,000 US\$ for variable costs, this leaves about 61,000 US\$ of gross margin.

(1) An exchange rate of 1,470 lire per dollar was used. (*)

The role played by cooperation is particularly important in my work. I was president of the dairy cooperative for 8 years and I take an active part in the other cooperative's activity.

The "Agrimontana" dairy cooperative at present consists of 140 members situated within a radius of 10 km from the cooperative. Every day 8 tons of milk are processed by 7 people employed full time in the cooperative. The milk is transformed entirely into butter and cheese, 40-45% of which is sold directly through two outlets run directly by the cooperative. A further 50% of the production is sold to large chains of stores and the remaining 5-10% is purchased by wholesalers. Annual turnover is about 2 million US\$.

The "Vittorio Veneto" winery cooperative processes 12,000 tons of grapes supplied by 1,100 members operating at a maximum of 15 km from the cooperative. 78,000 hl of wine are produced by 8 full-time employees and 15 people employed during the autumn. Most of the wine is sold in bulk to major producers of sparkling wine. Some 5-10% of the product is purchased by a large cooperative which bottles and markets the wine. Annual turnover is about 10 million US\$.

If I were to sum up the results of my activity as a farmer, I would say I have achieved some of the aims I had in mind initially, for example in developing the farm which has increased significantly in size with respect to the initial situation. But I am less satisfied when I think of the great commitment I made to achieving these results.

In the seventies I was partly helped by loans obtained at low interest rates and satisfactory product prices. In the eighties the increasing difficulties in the market were offset by the decision to supply the produce to the cooperative. But I believe that the major reason for success was my trust in technological innovation: the unifeed trailer, feed rations, open stall-system and integrated pest management in the vineyard were avant-garde choices with respect to what other farmers were doing. Probably I was influenced by having a more open-minded approach, the result of living abroad and working in a different field with respect to farming.

I believe that the major problem for those operating in farming is the lack of open-mindedness, which is unfortunately common to farmers. This causes greater difficulties than the problems arising from the farmers' limited contractual power, with agricultural prices basically being imposed on farmers from the outside, and

the increasingly more complex mechanisms of Community Agricultural Policy.

In my opinion more attention should be paid to improving the professionalism of those involved in farming. Unfortunately, although farmers' associations have always been active in the Veneto, their activity has not always been coherent with the objective of improving their members' professional capacities. At present the major farmer union (Federazione Coltivatori Diretti) has a membership of 20,000 farmers in the province where I live and about 3,800 farms are involved with the extension and training services. The organisation's major objective is to defend the social and economic well-being of farm families. On the one hand, it acts as a trade union with respect to local government, promoting cooperation and association among farmers in order to ensure greater contractual power. On the other hand, the union provides assistance with regard to legal and technical-economic issues and pension schemes. In recent years the trade union has begun to diversify its activity in order to satisfy the variety of needs expressed by the farmers.

Despite the uncertainties deriving from the directives of Community Agricultural Policy, particularly with regard to production quotas, I believe that agriculture can still bring satisfaction to those who are willing to commit themselves. It is certainly difficult to earn an income proportionate to the work and the responsibilities involved in farm management. But one should not overlook the advantages of working on a self-employed basis and the awareness of acting for the benefit of environmental conservation.

As far as future prospects are concerned, the question arises whether my sons will find it worthwhile to carry on running the farm at the present level of commitment. This is a situation common to many other farmers. Although the farm provides opportunities for full time employment, the labour market locally offers better earnings with a lower degree of responsibility. So people prefer to work on their farms part-time. Labour intensive production thus disappears (e.g. cowsheds and vineyards) and contractors are used for the majority of cultivation operations.

It would be disappointing for me if the next generation did not take my place, given the effort and commitment I have dedicated to consolidating the farm's productive structure. But I am convinced that my sons will appreciate the advantages of a living and working experience that has given me great satisfaction.