

The amfori BSCI Sustainable Wine Programme

An Overview of the Italian Wine Industry



ITALIAN WINE IN NUMBERS

Italy is a world leader in wine production and the ancient beverage remains a staple of the Italian economy. France represents the closest competition when it comes to production output, with each country producing about 20% of the world's total. Several factors contribute to Italy's success: a thousand-year-old tradition of winemaking, a tremendous diversity of grape varieties, quality-oriented vinification techniques and a favourable climate and terrain.

In 2015-16 Italy claimed top spot as the world's biggest wine producer:



442 vineyards & 1,200 types of grapes



637.634ha of which 73.362ha for organic



384.000 wineries

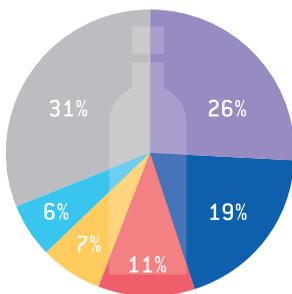


48.5 mhl (2018)

Italy also holds top spot in terms of sheer volume exported, though is second only to France in export value.

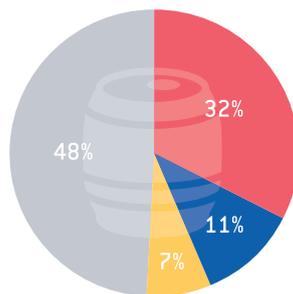
Main export destination:

Main export markets for Italian bottled wines



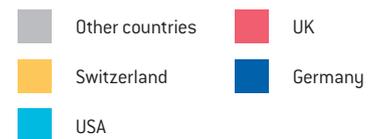
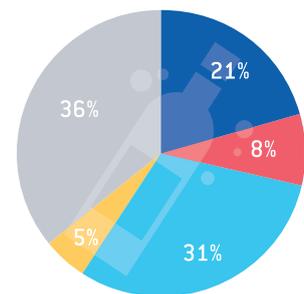
853.268.918 litres (-4,6% 2015 to 2016)

Main export markets for Italian bulk wine



383.261.163 litres (+ 5,3% 2015 to 2016)

Main export markets for Italian sparkling wines



223.087.783 litres (+21,3% 2015 to 2016)

(2015-2016 data)

SUSTAINABILITY IN THE WINE INDUSTRY

BARRELS AND BOTTLES: THE ECONOMICS

Wine producers represent over 20% of the Italian agricultural sector. The industry generates sales of 11bn, with exports representing half of that figure. A large share of the economic value is generated by family businesses and small-holders with production areas between 1-3ha. Their participation in the market is made possible through cooperatives that sell their own brands and have established a presence in export markets, from which 70% of their turnover derives.

The most dynamic cooperatives operate in the North and Center of Italy, which are also the top exporting regions. Alongside cooperatives, large private wineries sourcing from self-owned and contracted farms dominate the market. The largest wineries owe over 80% of their turnover to exports.

Number of wine cooperatives	498
% of total wine production	60
Revenues	€4.334bn
Number of employees	9,042
Number of members	148,315

Data: 2015, Statista

Italy has established several mechanisms to ensure and promote quality wine. Approximately one-third of Italy's wine producers hold a quality label. Associations of grape and wine producers called *Consorzio di tutela* assure the standards behind these labels are upheld.

All producers participating in these *Consorzi di tutela* must adhere to strict production guidelines and are subject to regular monitoring of their production practices.

BROAD AND DIVERSE EMPLOYMENT

The wine industry is a large contributor to employment.



1.25m people employed
in the sector



30% of employed
workforce are women



+ 200,000 workers in the
grape harvesting season

Seasonal and occasional work in both farming and wine production is often performed by migrant workers. The number of migrants working in Italian agriculture has increased by 90% in the past decade.

CAPORALATO: ILLEGAL RECRUITMENT

amfori BSCI members should be aware of the challenges affecting Italian agriculture that also impact on the wine sector.

Caporalato is a form of job brokerage that entails outsourcing the hiring of farm workers to illegal intermediaries (caporali) who retain a slice of worker salaries as a recruitment fee. Migrants and, increasingly, women and young people are most at risk.

Being recruited into situations of semi-legality (e.g. receiving a written contract but not social security) exposes workers to many forms of exploitation: illegal deductions, payment below the legal minimum wage, forced and unpaid overtime. Moreover, segregation in unhealthy dormitories and exposure to occupational health and safety hazards are common.

Caporalato has been forbidden under Italian law since 2011 and is recognised as a criminal offence for which recruiters and producers can be convicted. However, in 2016 an estimated 430,000 workers were recruited through this process.

GOING GREEN

In recent years, efforts have been made to improve environmental performance in the industry. Three main issues are at the heart of the agenda:



Water management



Greenhouse gas
emissions



Biodiversity protection

COLLABORATING FOR SUSTAINABILITY

Over 500 wineries, representing a third of GDP from wine, participate in a sustainability network. About 15 national initiatives have been launched to support the sustainability agenda of the sector. The following enjoy industry wide recognition and foster an agenda of sustainability based on the three pillars of people, planet and prosperity:



THE AMFORI BSCI SUSTAINABLE WINE PROGRAMME

The four goals of the amfori BSCI Sustainable Wine Programme help identify priorities and evaluate whether amfori BSCI audits need to be conducted or not.



WORKERS' EMPOWERMENT

Workers' involvement and empowerment is vital to reducing risks and consolidating good labour practices.

- Assess possible presence of vulnerable workers within significant business partners;
- Assess recruiting practices, contracts and housing conditions (if applicable); and
- Encourage business partners to follow amfori BSCI guidelines on responsible recruitment and related courses on the amfori academy, amfori's online learning hub.



STRENGTHENING OF COOPERATIVES

Cooperatives are essential employers and contributors to local development. Well-performing cooperatives become active proponents of social responsibility.

- Assess if cooperatives are acting according to the [seven cooperative principles](#); particularly those about education, training and information, and concern for communities;
- Assess if cooperatives define common production practices (e.g. pest management, water usage) for their members and how their implementation is monitored; and
- Encourage cooperatives to complete relevant training on the amfori academy so they can cascade the knowledge within their membership.



OCCUPATIONAL HEALTH AND SAFETY

An environment in which workers receive sound occupational health and safety (OHS) protection, without discrimination, is essential for preventing accidents.

- Assess if law is being respected, OHS risk assessments are regularly conducted in all work environments and a qualified member of staff is appointed for first aid;
- Assess that OHS training is timely and given to workers, including seasonal and migrant workers, prior to starting their duties; and
- Encourage wineries and vineyards to promote healthy habits of accidents' prevention and gather workers' feedback for improvements.



SOIL AND WATER MANAGEMENT

Healthy soil and responsible water use is essential to preserving an industry so dependent on natural resources.

- Assess whether the law is being respected. Soil and water use risk assessments are regularly conducted by qualified experts;
- Assess if your business partners belong to any sustainability initiatives or certifications acknowledged by the Sustainable Wine Programme. Be aware that certifications might be held by consortia to which producers are associated.

In becoming part of the Sustainable Wine Programme, amfori BSCI members sourcing wine from Italy will actively contribute to the fulfilment of the UN Sustainable Development Goals.



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amfori is the umbrella organisation of amfori BSCI and the amfori BEPI, and also offers an International Trade Policy service.

amfori unites over 2,000 retailers, importers and brands to defend values of international trade and offers practical solutions towards more sustainable supply chains.

To learn more, visit the amfori website at: <http://www.amfori.org>

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CONTACT US

For more information contact: info@amfori.org

c/o amfori
Avenue de Cortenberg 172
1000 Brussels - Belgium
Tel. +32 2 762 05 51
www.amfori.org