

Exploring multifunctional agriculture in the Veneto. A focus on broadening processes

Luca Simone Rizzo*

Key words: *Veneto Region, multifunctionality in agriculture, broadening in agriculture*

1. *Diversification: an engine for rural development?*

The literature on multifunctionality is vast. In Van Huylenbroeck *et al.* (2007) and Renting *et al.* (2009) one finds numerous reviews of definitions, case studies and the instruments adopted for investigating them. In 2011 a group of researchers studied it relating (rural) identity to regional development (Mettepenningen *et al.*, 2011), a topic already dealt with by Pollice and Spagnolo (2009) and Carbone (2009). By multifunctionality in agriculture we mean the introduction into a farm of a wider conception that goes beyond the mere production of commodities and “embraces” the creation of a range of processes, goods, activities and services that “deepen”, “broaden” and “reground” the farm’s operations and territorial relationships (Sotte, 2006, p. 5; EC, 2008; Casini, 2009; EC, 2012, p. 242 ff.; EC, 2013, p. 250 ff.¹; Henke and Salvioni, 2013, pp. 29-32). In this way, agriculture becomes (more) sensitive to the landscape, to biodiversity, to greening, to environmental protection and to the social needs of the territory, and opens to the introduction in farms of complementary activities of a non-agricultural nature (tourism-related, recreational in a broad sense, didactic or of other kinds) (Di Iacovo, 2009, pp. 41-59). In this regard, studies are being developed from a “national viewpoint” or on the individual functions. We shall here dwell on the diversification activities² that may be grouped under

* Padua, University of Padua, Italy. This paper takes its cue from an analysis carried out by the author for the Veneto Region – Primary Sector Directorate – for the purpose of drafting the 2014-2020 Rural Development Programme. The study deals with Priority 6 (Focus area 6.1 “Promoting economic diversification, the development of SMEs and employment”) and was elaborated by a group coordinated by P. Messina of the “Giorgio Lago Interdepartmental Centre” of the University of Padua, whom we should like to thank.

¹ Cf. section 3.5 *Diversification and quality of life in rural areas*.

² Other gainful activities (OGA) are those that, while not comprising farm work, are directly related to the property and the farm. They use its resources (area, machinery, buildings, etc.) or products, have an economic impact on it and are carried out by the owner, his/her family members or one or more partners of a group property (<http://epp.eurostat.ec.europa.eu/tgm/web/table/description.jsp>).

the term broadening³ (for this type of non-agricultural activities see Tab. II). These are called upon to contribute to several themes of the new (2014-2020) RDPs (Rural Development Programmes).

2. *Research design: Objective and methodology*

The aim of this paper is to verify to what extent multifunctionality is spreading in rural Veneto, focusing on broadening processes such as: agro-tourism; recreational, social and care activities; maintenance of parks and gardens; teaching farms; handicrafts; and non-agricultural contract work. The figures derive mainly from the 6th Agricultural Census (2010). These do not allow one to observe a trend so much as to confirm their spatial distribution (and quantify it). The related activities have been surveyed since the 2000 Census and in subsequent structural investigations (2003, 2005, 2007). The more precise identification of the related activities (which rise from 5 to 16) as well as the different sample of reference do not allow for an inter-census analysis. On selected diversification activities, therefore, we analysed other additional datasets possessed by the Veneto Region (e.g. teaching farms) or contents in thematic ISTAT studies (2012). By means of descriptive bivariate statistical techniques (tables and graphs) we obtained an overview of the frequency distributions. Then we have calculated indices⁴. By means of a dedicated GIS, reclassifying the data and using spatial interrogations, we also created thematic maps.

3. *Area under study: a quick overview*

The Veneto consists 56% of plains, 29% of mountains and 15% of hills. According to the classification adopted by the 2007-2013 RDP for the LAU2⁵ of the Veneto (pp.10-12) – A (urban hub), B (rural area with intensive specialized farming)⁶, C (intermediate rural area), D (rural area with overall development problems) – the rural territory is very large (Tab. I).

The municipalities with specialized farming (over 60%) cover 9,479 sq km and coincide with the so-called urbanized and industrialized countryside. The role of agriculture is undisputed even in the zones characterized by the greatest imbalances (C, that is to say a heterogeneous grouping, with rural communes and others that are highly tourism-based but nonetheless with an agricultural economy, and D). This justifies the need to study the changes in agriculture (Boatto and Pizzo, 2013; Povellato, 2013), verifying if and how it takes part in a new way in rural development.

³ Sotte (2006, p. 4-7), Aguglia *et al.* (2009, p. 7) for details on “deepening”, “broadening” and “regrounding”; Henke, Povellato (2012, p. 2).

⁴ E.g.: number of farm businesses diversifying; number of farm businesses diversifying per utilized agricultural area and per total agricultural area; number of farm business (and average) divided per classes, according to the number of OGAs they engage in simultaneously (1, 2, 3, 4, 5); etc. All indices were also calculated on the basis of the 2007-2013 RDP classification of rurality.

⁵ Local Administrative Unit of level 2.

⁶ B1 rural-urbanized, B2 urbanized.

Tab. I – Classification of rural areas (2007-2013 RDP of the Veneto Region): population and surface.

CLASSES OF RURAL AREAS		CHARACTERISTICS						
Code	Description	Mountainous area	N. of municipalities	% of tot. municipalities	Population	% of tot. population	Area (sq km)	% of tot. area
A	Urban hubs	NO	5	0.2	912,588	19	843,99	5
		YES	-	-	-	-	-	-
B1	Rural-Urbanized (Rural areas with intensive specialized farming)	NO	95	16	1,324,964	27	1,963.32	11
		YES	7	1	141,749	3	212.71	1
B2	Urbanized (Rural areas with intensive specialized farming)	NO	232	40	1,490,373	31	6,494.06	35
		YES	37	6	180,435	4	788.63	4
C	Intermediate rural areas	NO	77	13	394,896	8	2,437.89	13
		YES	11	2	67,404	1	320.52	2
D	Rural areas with generalized development problems	NO	-	-	-	-	-	-
		YES	117	20	344,801	7	5,346.29	29
Total			581	100	4,857,210	100	18,407.42	100

Source: Data provided by the Veneto Region, partly based on Census population (ISTAT, 2011). Cf. *Priorità 6, Analisi del contesto*, tab 6.02 p.14 modified by the A., in: <http://piae.veneto.it>

4. Deepening “vs.” Broadening? Trends in Veneto and in other Italian regions

Diversification is a more relevant phenomenon in Italy’s northern Regions than in the southern ones. Apart from Trentino-Alto Adige, Lombardy and Valle d’Aosta (which stand at around 20%, 16% and 11%), for most Regions the number of businesses involved is less than 10% of the total. No one has a higher figure if one considers the number of standard days devoted to them. In the Veneto – which reaches 5% for both indicators (Henke and Povellato, 2012) – one finds 6,986 cases of activated functions: 4,136 (around 60% of those examined) classifiable as *broadening* and 2,473 (35%) as *deepening* (Tab. II).

In no case is the number of cases per single OGA more than 10% of the total for that activity in Italy (Fig. 1)⁷.

Because a holding can diversify in more than one related activity, the actual number of companies in the Veneto that do so is really rather small:

⁷ Exception made for aquaculture.

5,940 (5% of the total⁸). In absolute terms, the phenomenon is more marked in the Provinces of Padua, Vicenza and Treviso. In relative terms, it is most significant in the Province of Belluno (Boatto and Pizzo, 2013, p. 13-48-49). A rapid examination of what the main activities are immediately highlights how, as nationwide data also show, agro-tourism is today one of the principal expressions of diversification for farms (second only to agricultural contractual work). It counts for 53% of the cases of *broadening* examined. Though the figure compared to the total number of farming businesses (119,384) is marginal, it is growing (as is evident from other sources, such as those cited above). This is not surprising if one considers how particular attention has been devoted to agro-tourism and to the role (effective or potential) that it can have in stimulating development in rural areas⁹.

This phenomenon is also capable of influencing the range of services and the structure of a given area.

Tab. II – The Veneto: number of cases per type of Other Gainful Activity.

REMUNERATIVE ACTIVITIES LINKED TO THE FARM		Deepening	Broadening	N. of cases	% of total
1	Agricultural contractual work (<i>using production means by the holding</i>)		X	1,848	26.5
2	Agro-tourism		X	1,120	16.0
3	Initial processing of agricultural products	X		944	13.5
4	Processing of animal products	X		538	7.7
5	Processing of vegetable products	X		465	6.7
6	Fixing up of parks and gardens		X	400	5.7
7	Other related activities			377	5.4
8	Non-agricultural contractual work (<i>using production means by the holding</i>)		X	229	3.3
9	Teaching farms		X	187	2.7
10	Services for livestock	X		178	2.5
11	Renewable energy production		X	163	2.3
12	Recreational and social activities		X	142	2.0
13	Forestry	X		123	1.8
14	Production of complete and complementary feed	X		113	1.6
15	Wood processing (<i>cutting, etc.</i>)	X		65	0.9
16	Handicrafts		X	47	0.7
17	Aquaculture	X		47	0.7
Total cases found in the Veneto				6,986	100

Source: 6th Census of Agriculture (ISTAT, 2010). Data provided by the Veneto Region; processing by the A.

⁸ In line with the trend in Italy, in which on average only 4.7% of farms – little more than 76,000 – devote themselves to one or more remunerative related activities (Henke, Povellato, 2012, p. 2).

⁹ COM(2007) 621 final, *Agenda for a sustainable and competitive European tourism*.

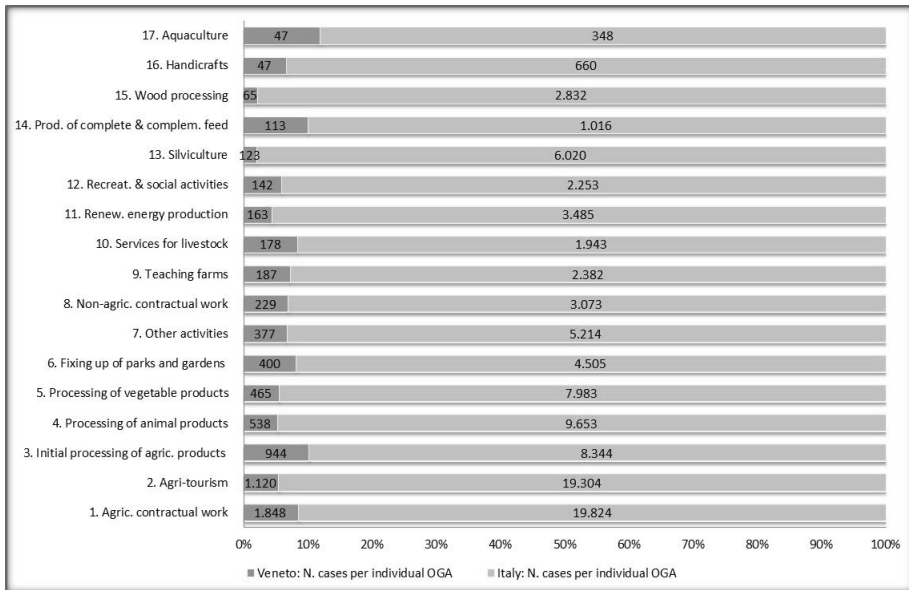


Fig. 1 – Proportion of the total of the cases found for each OGA in the Veneto out of the total for that activity in Italy.

Source: 6th Census of Agriculture (ISTAT, 2010). Data processing by the A.

5. *Broadening processes in the Veneto. Farm multiactivity: a consolidated fact or still a “myth”?*

From our contacts with those involved, it emerged that in some companies that diversify more than one function is activated. The interviews, for instance, carried out with some agro-tourisms allow us to affirm that often the activity under examination is part of a broader offering. These are businesses that can offer a whole range of services: from those that are strictly didactic (*orienteering* or guided tours to discover natural features, sometimes intentionally linked with history, culture and local traditions) to hospitality-based ones (accommodations and agro-camping) and those connected with sport¹⁰. We then tested this assertion from a quantitative point of view, analysing first the whole of our sample (without distinguishing between *deepening* and *broadening*) and then just the 6 selected OGAs. The figures speak clearly: the number of businesses involved in multiple and overlapping diversification activities is negligible. 81% of those that diversify do not devote themselves to more than one related activity, and 12.8% to two (Tab. III).

The result is only slightly different if one considers just the six *broadening* activities we analyse, for which 5 classes can be identified. Of the 1,880 farms examined, 1,672 are involved in only one related activity (90% of the total, so marginally higher than the figure mentioned above), 9% in two (Figg. 2-3). The other classes – when considered together – do not exceed 1.8% of the total.

¹⁰ Also in *Rapporto Statistico 2013 – Trasformazione* by Regione Veneto (cf. p. 195).

Tab. III – Farms with extra-agricultural activities by number of activities (deepening + broadening) in Veneto.

Classes (by number of related activities exercised simultaneously)	1	2	3	4	5	6	7	8	9	TOT.
Number of farms	4,485	702	195	59	29	13	4	2	1	5,490
Percentage of the total	81.7	12.8	3.6	1.1	0.5	0.2	0.1	0	0	100

Source: 6th Census of Agriculture (2010). Data provided by the Veneto Region; processing by the A.

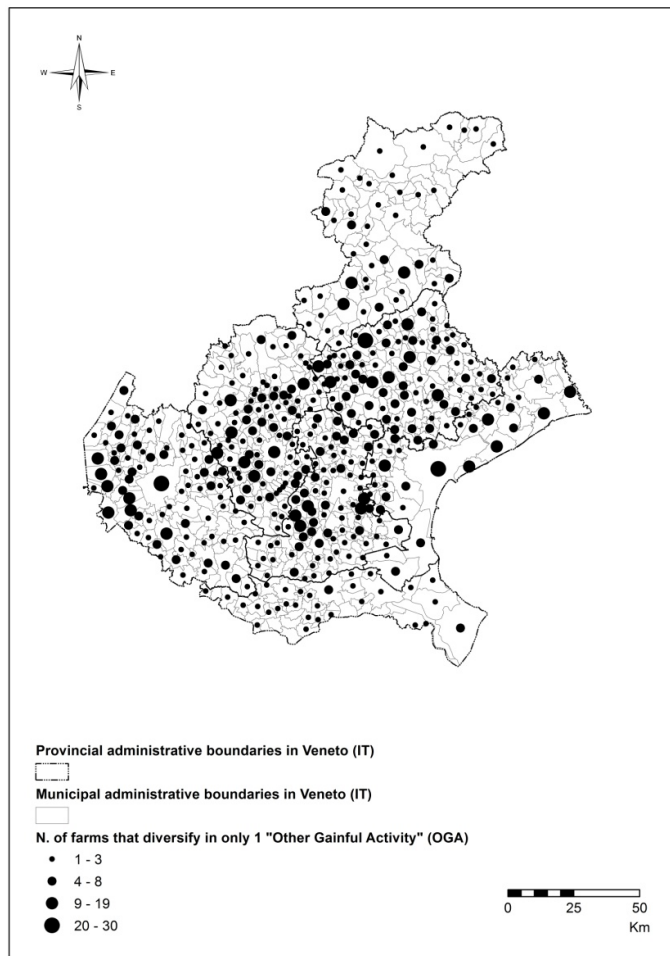


Fig. 2 – Distribution by class of numerousness of farms diversifying in only one OGA (of the 6 under study).

Source: 6th Census of Agriculture (2010). Data provided by the Veneto Region. Map by the A. (ArcGIS 10.1).

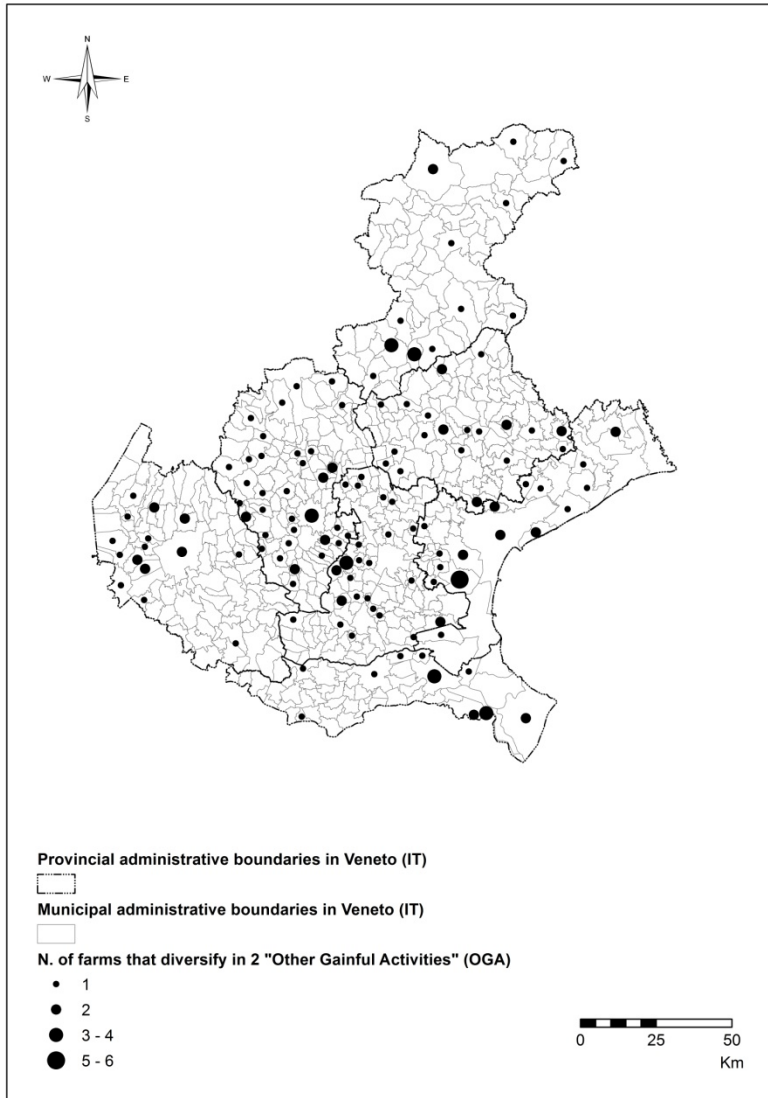


Fig. 3 – Distribution by class of numerousness of farms diversifying in two OGAs (of the 6 under study).

Source: 6th Census of Agriculture (2010). Data provided by the Veneto Region. Map by the A. (ArcGIS 10.1).

6. Does the economic size of farm businesses play a role?

To understand the dynamics involved better, we pondered on the connection between the businesses' inclination to diversify and their profitability. From the agricultural Census one cannot obtain such information directly. The farms, therefore, were classified according to their *standard output*, the recognized measure of their production potential (De

Gaetano, 2012). Based on analyses carried out by the 2013 Group¹¹, we identified threshold values that allowed us to clarify which were the farms that could be considered “businesses” and distinguish them from those whose objectives are either self-consumption or ancillary functions. The classes, therefore, were four: a) farms that do not exceed the threshold of 10,000 Euros (“non-businesses”); b) farms between 10,000 and 20,000 (“intermediate companies”); c) those between 20,000 and 100,000 Euros (“small businesses”); and d) those above that threshold (“large businesses”). Besides, this allowed us to grasp the weight of those farms that can really be considered as market-oriented businesses (Tab. IV).

Tab. IV – The Veneto: farms and total area (ha) by class of Standard Output (SO – Euro) (and relative percentages).

Class of SO	Number of farms	% of total farms	Total farm area (hectares)	% of total agricultural area
Up to 10,000	73,258	61.4	178,988.61	17.8
From 10,000 to 20,000	13,512	11.3	88,896.12	8.8
From 20,000 to 100,000	22,526	18.9	298,222.45	29.6
Over 100,000	10,088	8.5	442,071.73	43.8
<i>Total</i>	<i>119,384</i>	<i>100</i>	<i>1,00,179</i>	<i>100</i>

Source: 6th Census of Agriculture (2010). Data provided by the Veneto Region; processing by the A.

These, though representing only 27.4% of the total, cover 73.4% of the overall area (in hectares). This leads us to reflect that the real number of farms we are referring to when talking about *broadening* processes is not 119,384 (i.e. all those covered by the Census), but rather smaller.

Below are a pair of examples selected from among the 6 other gainful activities we examined. We chose these either because they should be supported due to the fruitful interaction they can create with other sectors or because they can potentially act as sentinels for safeguarding rural territories and favour employment and integration. The majority of the farms that open up agro-tourisms (548) are part of the class between 20,000 and 100,000 Euros. A significant number (337) also exceed that threshold. Among these, then, are 80% of the cases we noted. An examination by classes of rural areas allows us to understand that the cases studied are distributed pretty much throughout them, but are concentrated especially in

¹¹ Arzeni and Sotte, 2013, pp. 14-15.

class B1 (550 agro-tourisms, of which 88% may be described because of their economic size as “small and/or large businesses”). These are followed by C (with 192 *agro-tourisms* of which 86% result from the diversification of companies whose standard output is equal to or above 20,000 Euros), D (171), B2 (158) and A (59). Even if they are not negligible, the two least relevant classes in terms of “turnover” are also less significant even when one examines the data relating to teaching farms, to contractual work for non-agricultural activities and to the maintenance of parks and gardens. The agricultural entrepreneur who decides to diversify by concentrating on crafts, on the other hand, belongs in 55% of cases to the first class.

7. Conclusions

The census data do not allow us to assert that there is a strong propensity towards diversification, but rather that this openness comes especially from more market-oriented production facilities. In the medium and long term, it may be that farms which are considered to be scarcely remunerative may display trends that are different to those forecast. We believe it unlikely, however, that this will take place in the absence of growth in size, which would also enable them to obtain greater resources with which to invest. A glance at their geographical distribution confirms that in zones C and D – characterized anyway by a large presence of barely remunerative farms¹² – it would be necessary to promote recourse to activities that would supplement income. Zones B1 and B2 in fact demonstrate stronger performances from just about all the cases we examined. In B1 paid recreational services (e.g., *agro-tourisms*) have become more common; similarly, B2 is already involved in a process of reconversion and restructuring towards the production of services. Today we are witnessing a growing need for maintaining the territory in general, as well as the urban and extra-urban fabric, which is becoming ever more intensive (with grassy roundabouts, plant-and tree-lined street borders, and other possible interventions of various types). Consequently, therefore, even in zone B there are ample margins for manoeuvre in order to make farmers more involved in maintenance activities: to care for villages, vegetation, canals or the banks of minor rivers with the necessity to improve the rural zones’ overall power of attraction.

This study has enabled us to understand better how agriculture in the Veneto is changing. As far as the phenomenon under investigation is concerned – which calls for greater levels of competence and cultural growth both on the part of those involved and of the institutions – the new rural development policy will continue to take effect in response to insistence from the EU. Our research will also, therefore, be instrumental in being able to investigate the impacts on local identity in a rural setting.

¹² With the exception of that part of C in the east and west of the Province of Verona (towards Lake Garda) that is devoted exclusively to viticulture.

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Esplorando l'agricoltura multifunzionale in Veneto. Un focus sui processi di broadening

L'accresciuta competizione a livello globale rimodella l'agricoltura e le sue relazioni. Nell'Ue la diminuzione dei redditi agricoli spinge i territori a esplorare la diversificazione, in termini sia di processi produttivi sia di attività; questo per trovare alternative a formule consolidate basate sulla specializzazione produttiva e sulla standardizzazione di prodotto e testare nuovi modelli basati su funzioni e output complementari a quelli abitualmente attribuiti al settore primario. Per l'Ue diviene cruciale valutare se e quanto in Veneto si possa parlare di una transizione dal produttivismo al post-produttivismo, analizzando le scelte degli agricoltori a livello di diversificazione. La Regione Veneto a riguardo ha commissionato uno studio funzionale all'elaborazione del nuovo Programma di Sviluppo Rurale 2014-2020. L'analisi dei dati censuari permette di focalizzare sui progressi processi di allargamento per gli anni 2007-2013 e individuare indicatori di multifunzionalità. Simili processi trovano espressione tramite un'ampia gamma di attività. Essi rappresentano cambiamenti nelle pratiche agricole e nell'erogazione di nuovi servizi con un maggiore incontro tra cittadino e i valori della ruralità. Nei documenti Ue è sottolineata, tra l'altro, l'importanza di comprendere le dinamiche del *broadening*, anche per il contributo che esso può dare ad una più efficiente gestione territoriale.

Exploration de l'agriculture multifonctionnelle en Vénétie. Un accent sur les processus d'élargissement

La croissance de la concurrence au niveau mondial remodèle l'agriculture et les relations. La diminution des revenus agricoles poussent les territoires européens à approfondir le processus de diversification; et ce, dans la tentative d' "esquiver" des formules à long terme visant à la spécialisation et à la standardisation des produits ainsi qu'à tester des nouveaux modèles de production basés sur les fonctions et les sorties complémentaires de celles qui sont habituellement dévolues à l'agriculture. Au seuil d'une nouvelle période de programmation européenne, il devient donc important d'évaluer l'étendue de la transition qui a eu lieu entre le productivisme et le post-productivisme, en analysant les choix des agriculteurs en termes de diversification. Nous avons effectué une recherche empirique commanditée par la Région de Vénétie, chargée de l'élaboration du nouveau PDR 2014-2020. Nous nous sommes concentrés sur les processus d'élargissement des activités et sur la période 2007-2013, en utilisant les données du recensement récent et en calculant indicateurs. Les processus d' "élargissement des activités" englobent un large éventail d'activités. Les recommandations de la C.E. soulignent l'importance de leur analyse, notamment du point de vue de leur contribution potentielle à des pratiques d'aménagement du territoire plus efficaces.