MOVING
MOuntain Valorisation through INterconnectedness and Green growth

Policy Brief

CENTRAL APENNINES | Alto Molise dairy value chain

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MOUNTAIN VALORISATION THROUGH INTERCONNECTEDNESS AND GREEN GROWTH

Alto Molise dairy value chain- Central Apennines

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Summary

The MRR Central Apennines in Italy is known for its vast pastures and wooded lands that are closely linked to livestock farming and forestry products. The value chain (VC) of spun paste cheese is an important part of the economy of the area, reflecting traditional practices passed down through generations. These practices connect the landscape, environment, dairy products, and cultural heritage in a positive relationship. By combining with tourism and meat production, farmers can diversify their income since milk production alone may not be enough for the farm to survive. However, the spun paste cheese VC faces various threats, such as drought, depopulation of rural areas and centers, rising raw material prices, and farmers' reluctance to accept EU agricultural policy reforms that focus on rural development issues. Consequently, the policy needs that emerge are related to technology, tackling depopulation, environmental protection, land organisation and training.

Figure 1: Caciocavallo of Agnone cheese certified PAT (Italian traditional food product).

Key Policy Messages

- ☞ Resilience
- ☞ Participation
- ☞ Social innovation

1. *The dairy Value chain and the MRR*

The dairy value chain of spun paste cheese (f.i. fresh final product, such as stracciata, and matured final product, such as caciocavallo, which is typical product representing the identity of the territory), is historically rooted in the socio-ecological system of the Central Apennines. The local production system connects the environmental settings (i.e., permanent grasslands and meadows), livestock farming skills (in some cases linked to the traditional transhumance practice), the production of dairy goods (still partially made with craft techniques), and socio-cultural heritage (mountain farming and artisan culture). The area is characterised by a strong tendency towards depopulation, lower average incomes than in the region and very low population density. However, there is a tourist vocation that tends to strengthen, also as a consequence of the pandemic: village tourism and experiential cultural tourism are increasing and represent a segment of tourist demand. There is a tendency for the area to intercept this demand and position itself in it (assemblage with tourist VC) (Moretti et al., 2023).

At the production stage, pasture meadows are the main and strongly characterising element. At the processing stage, dairy

culture and reputation play an important role in production specialisation and relationships (both horizontal and vertical). The spun paste cheese obtained goes to the next stage in order to be purchased and sold (Ho.re.ca, farms shop, etc). After the products have been distributed and purchased, they are ready for consumption, a stage involving culinary traditions together with pastoral and rural culture. Consumption practices generate reputation feedback and involve actors like regulars and tourists.

2. Value chain contribution to resilience and sustainability

The VC connects the environmental setting (i.e., permanent grasslands and meadows), livestock farming skills (in some cases linked to the pastoral heritage, like traditional transhumance practice which is undergoing recovery), the production of dairy goods (still partially made with craft techniques), and socio-cultural heritage. In addition, the VC generates profits for companies and leads to investments, as well as income for families, generating employment (employment is also a result in socio-cultural terms) and wages. It also generates empowerment, i.e. growth in community awareness of a land resource that can be utilised, and from an ecological point of view, it contributes to the maintenance of the landscape and biodiversity. In order to improve the VC contribution to the sustainable development of the MRR, the main barriers are related to the following aspects:

- Demographic decline and loss of functions and basic services (transport, health, education, rural extension services).
- Automation and risks loss of traditional practices.
- Risks of losing the link between production and territory (worsening reputation).
- Drought and risks weakening meadow-grazing resources (Scotti et al., 2023).
- Price tensions and less willingness to pay for quality products.
- Non-rational meadow-grazing management.
- Difficulties in implementing the new "environmentalist" CAP, as witnessed by the farmers' recent protests.

3. Policy experiences

In the area, the Common Agricultural Policy has been implemented through the first (Income aid) and the second Pillar (area-based measures, investment-based measures and LEADER programme). These aids are essential for the survival of farms and the sustainable and organic processing of agriculture, for generational renewal and agricultural investment. Also, habitats and birds' directives have been implemented by national and regional institutions. At municipal level concession of public assets (grazing lands) has been granted. Even if the implemented policies are relevant to dairy production and pasture maintenance, to the survival of farms and to biodiversity conservation, difficulties in their implementation have been observed. These difficulties are mostly related to the incorrect use of European aid (so-called paper pastures), to the complexity of new CAP aid

mechanism, to design issues and access to measures and to adopt the approach.

4. *Recommendation for future policies*

Recommendations for future policies are divided into different themes:

- Market policies that stimulate the dissemination of local food systems and promote informal and territorial markets, advancing good practices in food production and consumption of food, including voluntary certification schemes for the strategic differentiation of products in the area. It is crucial improving value chain policies supporting the creation and dissemination of new markets (Belliggiano et al., 2024), to improve products placement and the resilience of the focal value chain, thus attracting the interest of young farmers to stem the depopulation of rural areas.
- Rural development policies supporting innovation towards 'new' (or local) breeds and innovative agroecological approaches in breeding and dynamic management of biodiversity based on valorisation of local resources, including the recovery of abandoned lands and buildings through the active involvement of farmers and residents.
- Technology policies aim at upgrading of existing infrastructure and interventions for the digitisation of business processes and stables, including the provision of special training for producers and processors. These policies enhance the important role of universities and research centres, both for the sharing and implementation of research results and for the creation of spin-offs. Policies call for the dissemination of OG-EIPAGRI and initiatives to stimulate return and tackling depopulation creating/promoting policies aimed at return to the area and the growth of social capital.
- From a social point of view, the need for training-related policies spans two axes: technical training to accommodate the participatory digitisation of business systems and processes; formal and non-formal training relating to VC-A practices, as well as the revival of traditions and values specific to VC-A and the Apennines.
- With regard to the environment, policies promoting the rational and sustainable use of natural resources in farming, such as grassland and water management plans and agroecological approaches in farming, since the quality of pastures, affects that of the main raw material.
- As for organisation, the policies concern both territorial governances, calling for inter-municipal agreements and agreements between the various institutions in the area and the associated management of civic uses; and the financial sector, calling for policies that speed up the settlement of funding; and technical-managerial assistance, at company and territorial level.

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