Ca' Foscari University of Venice

Second Cycle Degree Programme

in Economics and Business Development

Global Markets

Final Thesis

Challenges and Opportunities of Italian Food Products in the U.S. Market

Supervisor
Prof. Perri Alessandra

Graduand
Caforio Eleonora
Matriculation Number: 843444

Academic Year
2016 / 2017

INDEX

CHART INDEX

Acknowledgements

Ringrazio i miei genitori, per essere sempre stati presenti, anche quando mi trovavo dall'altra parte del mondo, per avermi sempre sostenuto, creduto in me, ed aiutato a realizzare i miei sogni. Ringrazio i miei nonni, per avermi insegnato i valori della vita.

Ringrazio l'università Ca' Foscari e l'Unione Europea, che con il progetto Erasmus + mi hanno permesso di girare il mondo, conoscere culture diverse, incontrare un sacco di amici, migliorare il mio livello linguistico, acquisire più sicurezza in me stessa e vivere esperienze di vita indimenticabili.

Ringrazio la mia allenatrice Valentina e il mondo del pattinaggio, per avermi insegnato che volere è potere: con costanza, determinazione, impegno e sacrificio si possono raggiungere grandi obiettivi. Le delusioni e le sconfitte fanno parte della vita, l'importante è sapersi rialzare, e continuare a lottare per ciò in cui si crede.

Ringrazio Cinzia e Attilio, per avermi aiutato e sostenuto in questo percorso, per il loro esempio di vita e per avermi voluto bene come una figlia. So che Atti sarebbe fiero di me.

Ringrazio la mia grande amica Giulia, per avermi aiutato a reperire dei dati dell'UE a cui non avevo accesso dall'America. Ringrazio le mie amiche Giulia, Anna, Eleonora, Vanessa, Monica, i miei amici Joaquin, Luca, Mattia e Alessandro, per avermi dimostrato che la vera amicizia non ha confini.

Ringrazio gli amici dell'Erasmus di Santiago de Compostela, per avermi fatto vivere una delle esperienze più belle delle mia vita e gli amici di Atlanta, per avermi fatto scoprire ancora di più la bellezza della diversità culturale.

Ringrazio Linda e Laura per avermi supportato e sopportato negli ultimi mesi ad Atlanta, e per la bella amicizia che è nata.

Ringrazio tutte le persone che mi hanno spinto ad essere curiosa, a mettermi in gioco con nuove avventure e a non fermarmi davanti alle difficoltà.

Ringrazio Marco, per avermi fornito del materiale prezioso per questo lavoro e per avermi dato la possibilità di esporre una parte della mia tesi, ad Atlanta, nell'occasione della cena dei soci dell'Accademia Italiana della cucina.

Ringrazio la mia relatrice, prof. Perri, per i consigli dati, il prof. Bello per avermi aiutato ad Atlanta e il bibliotecario Joel. Ringrazio inoltre tutte le persone che mi hanno aiutato nella diffusione del questionario.

INTRODUCTION

My experience as an exchange student in Atlanta, Georgia (U.S.) for nine months inspired this thesis. I realized that finding Italian products in the grocery stores was very difficult and American imitations of Italian food were everywhere. I also noticed that Americans were fascinated about Italian food; however, they had some confusion in distinguishing it. A lot of them proudly affirmed their favorite Italian dishes were Fettuccine with Italian Alfredo sauce and chicken parmesan and, when they found out these recipes do not exist in Italy at all, they were very disappointed.

I started observing the products in the grocery stores and I discovered there were plenty of imitations of Italian food, even symbols of the Italian culinary tradition, protected by the EU through Origin Designations or Geographical Indications (PDO, PGI). I started doing some research and I found data proving that Italian sounding is a big issue, especially in the U.S.. I also discover that, despite this huge imitation problem, the U.S. is the second largest importer of Italian food in the world, even though no free trade agreement has been reached yet.

I began to think about the potential of the U.S. market for Italian export in the Food Industry, and I wanted to relate this research to my personal experience in Atlanta. I wanted to understand if American consumers were aware of the Italian imitations they could find in the market. I decided to focus my study on the food sector, avoiding beverage, since the regulation on alcoholic is peculiar and different in each state.

My work is ideally addressed to Italian companies, which sell traditional Made in Italy food, and which are interested in expanding their business, exporting to the U.S. market. The aim of this thesis is to provide some guidelines for Italian companies, underlining challenges and opportunities of the American food market. The content is based on data collected and elaborated from different databases, research studies, institutional websites, academic papers and manuals, the direct observation of American grocery stores, and the results of a survey regarding customer preferences and awareness of Italian food imitation in Atlanta.

The topic is extremely wide, but I tried to deepen some specific points. In **chapter one**, I am going to provide an overview of the relevance of the Food Industry in general and especially for the Italian economy, highlighting the importance of PDO/PGI products and explaining their peculiar regulation in the EU. I am going to show also some data regarding the central role of export in this sector, especially the exchange trade with the U.S.

The **second chapter** presents an analysis of the food industry in the U.S. market. It starts with an overview of the current situation, underlining some data regarding Italian import. Then, it focuses on consumers' habits and the new trends of the market. Since the distribution of the products plays a central role in this sector, I will also analyze the most common distribution channels in the U.S.

The **third chapter** gives an overview regarding the regulation related to this topic. Since the Transatlantic Trade and Investment partnership (TTIP) failed, I am going to consider the international regulatory bases: the analysis starts with WTO principles regarding agricultural products and tariffs, and it continues with the trade relationship between the EU and the US. Finally, I am going to give some information regarding the specific documentation needed to import food into the American market.

In the **fourth chapter**, I am going to deepen imitation practices of Italian food around the world and in the American market. In particular, I am going to provide some examples of the Italian sounding phenomenon that I personally observed inside some grocery stores in Atlanta, with a particular focus on PDO cheeses.

In the **last chapter,** I am going to show the results of the survey I addressed to Millennials in Atlanta. It touches different topics related to the perception of Italian food, awareness of imitation practices, interest and willingness to pay a premium price for authentic food. At the end, it focuses on Parmigiano-Reggiano, the most imitated product in the world. Finally, considering different topics analyzed in the previous chapters and the results of the survey, I am going to summarize threats and opportunities of the food industry in the U.S., giving the general conclusions of my thesis.

PREFACE

a. Definitions

Considering that food is a primary need of human being, the food industry plays a central role in the global economy. However, before starting deepening this topic, it is fundamental to clarify the meaning of some words.

Although different law systems and organizations came up with different definitions, in the industry is common to differentiate between agribusiness and food industry. The word "**Agribusiness"** -*industria AGRICOLA*-, was coined by John Davis and Ray Goldberg at Harvard University, in 1957, and it refers to the business of *agriculture and breeding*. It focuses on bringing farming products to the market, and it includes the activities related to the use of chemical substances, crop production, agricultural machinery, seed supply, processing of raw materials, marketing activities and retail sales of farming products *(Irwin W. Rust, 1957)*.

On the other hand, the **Food & Beverage industry (F&B)** or Food and Drink industry (F&D) -*industria ALIMENTARE*-, is focused on the manipulation of raw food, creating a higher value-added product. It refers to the manufacturing part of processing raw food materials: preparation, preservation, packaging, distribution, and service of food and drinks. It is divided into two main segments: the production of processed food and its distribution. According to the main technology used while processing food, companies operating in this sector can be divided in three different categories: extraction (flour and sugar), fermentation (wine and cheese production), and confectionary (sweet, bakery) firms (*Treccani Dictionary).*

Since the agricultural sector and the transformation of agricultural products are usually closely related, it is common to refer to "**Agri-food"** industry (*industria AGROALIMENTARE*), which includes both**.**

Although I am going to use this categorization throughout my work, I want to point out that these definitions are not static: according to the subject and the purpose, other entities categorize the same products differently. For instance, according to the WTO, "agricultural products" are not limited to raw materials, but they include all processed

food, such as butter, bread and chocolate. On the other hand, the EU definition of "food" (translated in Italian with "*alimento*") has a wide connotation and it "means any substance or product", processes or unprocessed, "expected to be ingested by humans" *(Reg. 178/2002, art 2*). It does not include animal feed, tobacco, narcotic and medicinal products; however, plants are considered food after harvesting and live animals are part of this category only if they are supposed to be placed on the market for human consumption *(WTO & Eur-lex).*

b. The importance of the agrifood industry in the world

The Agrifood industry has a global value of **$5 trillion dollar a year**, and it accounts for **10% of consumer spending**. It has a huge social impact and carbon footprint, accounting for **40% of global employment** and being responsible for 30% of global greenhouse-gas emissions. Moreover, in spite of being a traditional sector, it is characterised by a sustained growth: between 2004 and 2013, the share value of the Agrifood industry reached a 17% annual increase, outperforming many other sectors, including energy (13% growth) and information technology (10% growth). The positive trend is expected to continue in the next few years: due to an increase of world population and an improvement of the standard of living in some populous countries (in particular China and India), the **demand of food is expected to increase** 70% by 2050.

Finally, the power of agrifood lobbies, who already have an important influence in some countries, is expected to grow worldwide, affecting political decisions: filling the global gap between supply and demand of food is the new challenge that institutions and companies have to deal with in the next future *(L. Goedde, M. Horii, S. Sanghvi, 2015).*

1. The Italian Food & Beverage industry

1.1 The importance of the industry in the Italian economy

The relationship between agriculture and food industry is extremely close in Italy: the Food and Beverage industry **buys and transforms 72% of agricultural raw materials**, which means that almost three quarter of the agriculture and breeding output is used to obtain more elaborate products, while only one quarter is directly sold in the market. There are four traditional branches in the food & beverage sector in Italy: wine industry, dairy sector, oil extraction and the food processing industry (where the tomato industry is particularly important). Since the size of the agrifood companies has been increasing and consumers are more and more interested on typical processed products, **producers often directly process raw food materials**. The Agrifood sector generates an added value of 58.5 billion euro every year, being the first of the traditional "4As" of made in Italy: agroalimentare (food), automotive, arredo (furnishing), abbigliamento (clothing). More than half (31.6 billion euro), is related to the manufacturing side -F&B- *(The European House Ambrosetti, 2017).*

The FOOD & BEVERAGE industry is the second largest manufacturing sector in Italy, after mechanical engineering, and it accounts for 8% of the national GDP, with an annual turnover of **132 billion euro.** While the Italian industrial production dropped of 20% between 2011 and 2016, the F&B sector did not seem particularly affected by the economic crisis, recording a growth of 5.6%. A stagnant domestic consumption is opposed to a sustained increase in the **demand of Italian food abroad**. Consequently, non-exporting food companies have been more affected by the economic downturn and Italian stagnation *(ISTAT, 2017).*

1.2 Italian Export

According to Coldiretti, in 2016, Italian exports in the whole **agri-food industry** accounted for **38 billion euro,** representing 9% of the total Italian exports (412 billion euro). It represents the largest supply chain in Italy: more than 6,850 companies of all sizes work in the industry (*Coldiretti, 2016).*

Between 2004 and 2014, Italian export in the agri-food sector increased 83,8%, while total Italian export raised 46,1% on average. In the last few years, **exports has played a central role** for the industry, representing now 20.5% turnover of the whole industry. It is an important result, considering that in 2004, export accounted only for 14% of the total turnover. Today **one company out of two produce also for foreign markets** *(Federalimentare, 2016).*

The Food & Drink side is the most important part of export: it accounted for 28.9 billion euro in 2015 and **31.5 billion** euro in 2016, representing 83% of the export revenues of the Agri-food industry. Italian products with a higher added value and a greater differentiation are appreciated all over the world. Instead, fruit and vegetables sell better in the domestic or European market. Despite the overall growth of export (+5.7% yearly), the total turnover of the F&B industry has remained stable in the last four years, as an effect of the decrease of internal consumption *(Repubblica, 2015).*

Despite this positive trend, the export performance of the Italian Food Industry are still far **below its potential**. It is considered a "**captive industry**" (*settore vincolato)* because of the high barriers to export related both to the dimension and the productivity of the company. It means that, in order to be competitive overseas, exporting companies need to be far **larger and more productive** that the average Italian firms in the sector *(ISTAT, 2017).* The main issue is that this industry is very **fragmented at production level**: according to the Italian Council of Ministry, almost seven Italian businesses out of ten are micro (less than ten employees) or small (less than 50 employees) enterprises *(A. Renda, G. Lucchetta, 2013).*

This structure often represents an **obstacle to internationalization,** due to unaffordable costs for small-size firms. Consequently, even though some companies outperform the average productivity and dimension, they still hardly meet the requirements to export successfully. In the international market, their competitors are more likely to be medium-size or large firms, which can afford higher promotion and advertising costs as well as a higher bargaining power with distributors.

In CHAPTER 2, I am going to analyze the several costs a food manufacturer faces in an international context.

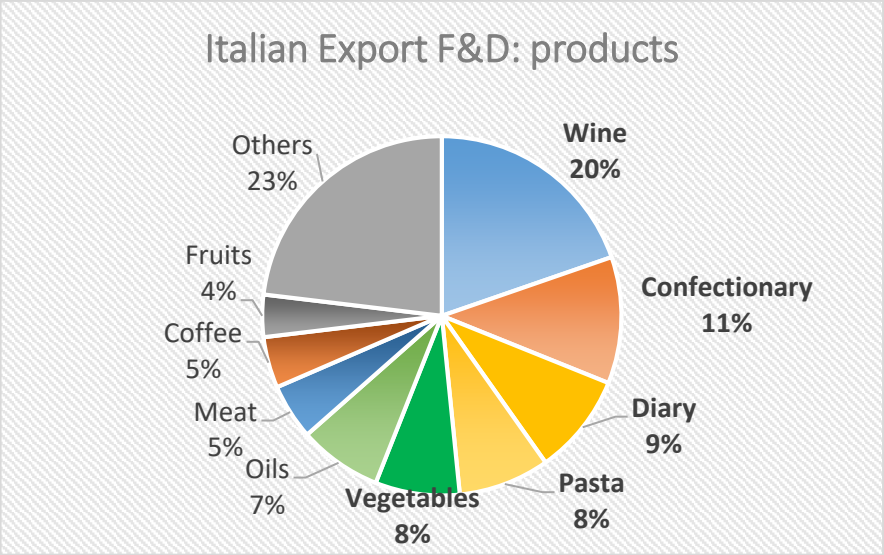
1.2.1 The most exported products

According to *Coldiretti*, overall Italian exports in the agri-food industry grew 9% in 2015. Regarding specific categories of products, an increase of 11% can be seen in fruit and vegetables sales, 10% in olive oil, 9% in pasta and related products and 6% in the **wine sector**, which was the most exported Made in Italy product, with a record turnover of 5.4 billion euro. Italy is the second largest global exporter of wine, after France, and Prosecco is the most exported wine in the world (for number of bottles sold), with 25% increase in global sales in 2016 *(Coldiretti, 2016).* Italy is also the fourth major exporter of **cheese in** the world (after Germany, Netherlands and France), for a total value of $2,507 million *(Cometrade DATA).*

As CHART 1 and APPENDIX A show, the most exported Italian food products are wine (20% of the total), confectionary and sweet products (11%), cheese and other milky products (9%), pasta (8%), vegetables (8%) and oil (7%).

CHART 1: Major exported products in the Italian F&B sector in the first half of 2016. Graphic representation of APPENDIX A.

(Source: Federalimentare, elaboration from ISTAT data).



1.2.2 Major Trade Partners

Half of the total export in **the Agri-Food sector** is destined to four countries, three of them in Europe (Germany, France and UK) and one overseas (the U.S.).

As CHART 2 shows, the first destination is Germany, with 6.48 billion euro sales in 2015, followed by France with 4.02 billion euro sales and the United States. **The U.S. is first Extra-EU country**, accounting for **3.6 billion euro export**. Agrifood export represent an important part of the total export to these countries: almost 13% to Germany, 10% to the U.S and 9% to France *(InfoMercatiEsteri, 2017).*

Regarding the growth ratio, export to the U.S. **boomed almost 20%** between 2014 and 2015, benefiting from Expo Milan effect and the depreciation of the euro, highlighting the potential of the American market for Italian products. In the same period, export to Germany and France increased 6% and 2.5% (APPENDIX B1).

CHART 2: Commercial exchanges between Italy and its major trade partners. All figures are expressed in euro and refer to 2015. It is a summary of APPENDIX B.
(Source: Elaboration from InfoMercatiEsteri, on ISTAT data)

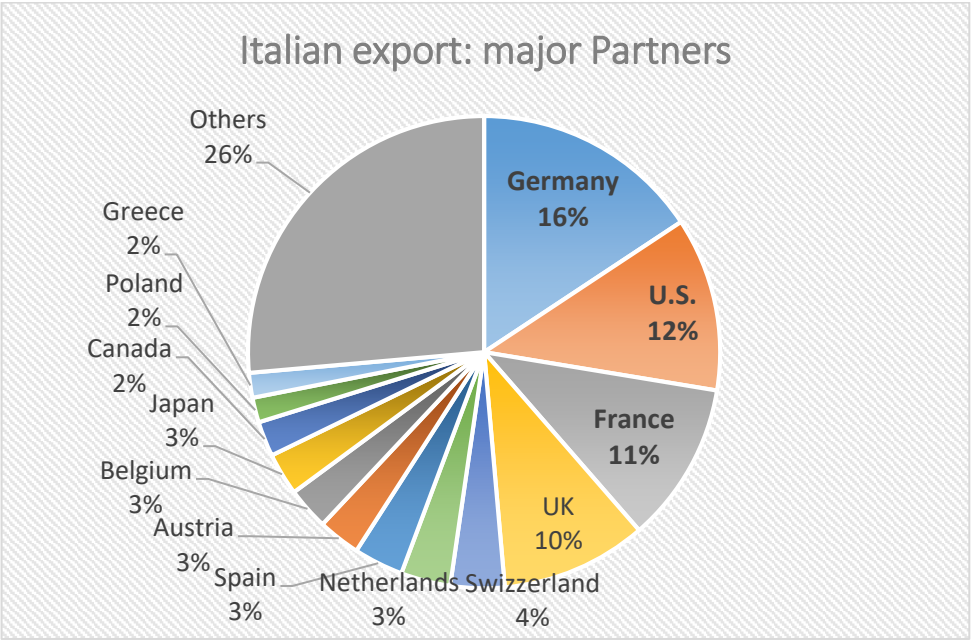
Italian exchanges (2015)	Germany	U.S.	France
TOT expo F&B	4.83 bn	3.54 bn	3.38 bn
TOT expo AGRIFOOD	6.48 bn	**3.64 bn**	4.02 bn
Agrifood expo growth	6.0%	**19.7%**	2.5%
Agrifood/tot expo	12.7%	10.1%	9.4%
TOT import agrifood	5.06 bn	1.12 bn	5.41 bn
Import + export	11.5 bn	4.75 bn	9.43 bn
Export – import	+1.4 bn	**+2.5 bn**	-1.4 bn

Food and Beverage (F&B) represents more than 97% of the total Italian Agrifood sales in the U.S.. Considering the high premium price of purchasing Italian products overseas, U.S. consumers are usually willing to pay it only for higher value added products, such as wine, cheese, olive oil, vinegar and mineral water. Regarding non-processed food, like fruit and vegetables, they prefer buying cheaper options, usually coming from the Southern states or imported from Mexico and South America. Consequently, the agriculture part is almost irrelevant when considering Italian export to the U.S. market.

The **U.S.** is the **second importer of Italian food and beverage** in the world, with 3.54 billion euro turnover in 2015, **3.7 billion euro** in 2016: it accounts for almost 12% of the total

Italian food export. Export to **Germany** reached 4.83 billion euro in 2015 and 4.9 billion in 2016, representing 15.7% of the total; while export to **France** accounted for 3.38 billion euro in 2015 and 3.5 billion in 2016: 11% of the total (CHART 3).

CHART 3: Market share of major trade partners for Italian F&D exports in 2016 (Source: Federalimentare, on ISTAT data)



Germany and France are key partners for both Italian export and import of food: in 2015, Italy reached a total trade (import & export) of 11.5 billion euro with Germany, ending up with 1.4 billion euro surplus. Instead, the total food trade with France was 9.43 billion euro, with 1.4 billion euro deficit. Italian export represented 56% of the total exchange of food with Germany and 42.6% with France. However, the situation with the U.S. is different: it is interesting to notice that Italian export represent 77% of the total bilateral trade of food with the U.S. (4.75 billion euro) and Italy reached **2.5 billion euro surplus** in 2015 [1] (APPENDIX B1 and B2)

[1] Source Data 2015: *InfoMercati Esteri, 2015. Source* Data 2016*: The European House Ambrosetti, 2017*

1.3 PDO/PGI products

1.3.1 EU Quality Logos

In the EU, original and traditional food is protected through the Geographical Indication regime. It consists of a system of quality logos, which are printed on the packaging of the products, to certify the close relationship with a specific geographical area of production and a traditional production method. Italy relies strongly on Geographical Indications to protect the tradition and quality of its food.

The **P.D.O.** logo (Protected Designation of Origin) guarantees the strongest link with the territory: it certifies that the PRODUCT is **entirely manufactured** "produced, processed and prepared" in a specific geographical area. In this case, the quality and all the characteristics of the product are strongly related to the region, through a combination of specific environmental conditions (temperature, soil and humidity), human skills and traditional techniques, which cannot be found elsewhere.

On the other hand, the **P.G.I.** logo (Protected Geographical Indication), guarantees that part of the manufacturing process (production, process or preparation), takes place in that specific area. This means that raw materials can come from a different region, as long as part of the process takes place in the designated area. Therefore, for P.G.I. products, the link with the geographical region does not affect the quality of the whole product but a specific characteristic or its reputation.

In addition, some products are labeled as **T.S.G.** (Traditional Specialities guaranteed), referring to traditional food without a link with a specific geographical location (*Professione del Gusto, 2016).*

CHART 4: EU quality logos: P.D.O., P.G.I, T.S.G (Source : European Commission)

A similar categorization exists for wines: D.O.C. (Controlled Denomination of Origin) refers to a product made within a certain geographical area, from a local and officially recognized grape. Other than having these characteristics, D.O.C.G. (Controlled and Guaranteed Denomination of Origin), represents a higher quality wine, which follows more strict criteria, regarding the type of grape and the whole wine making process.

1.3.2 PDO Regulation: How to obtain the logos

The producers have to go through a long and strict **examination and verification** of all the quality requirements, before obtaining P.D.O. or P.G.I. certifications. It is essential to prove and justify the link with the geographical area, provide information regarding the authenticity of processing methods and comply with the EU safety and labelling regulation. Usually, for each P.D.O/P.G.I. product, companies representing different phases of the supply chain, meet in **consortia**. This collegiate body specifies the rules regarding the place and the process of all the phases of the supply chain: the specific raw materials to use, the exact geographical area they have to come from, the processing method and its location. Then, the consortium starts the procedure to obtain the official recognition of the EU. Only after the approval of the EU, the name become a P.D.O. or P.G.I. and it can be used only for products that follow those specific rules established by consortia.

In the EU the logo **guarantee protection** against the use of the **name** for comparable products, which want to exploit the P.D.O. reputation without complying with the strict requirements and characteristics establish by the consortia. All kind of imitations of the protected name is prohibited, as well as translating the name or using expressions such as “type”, “style”, “method”, “like” or similar (such as “Gorgonzola type”). The evocation of protected names, with minor changes –ex. Cambozola for Gorgonzola, Bufaleggio for Taleggio- and all kind of misleading indication of the origin or quality of the product in the packaging and advertising, are forbidden. Usually, the object of protection is the name constituted by a *commodity-related general name* plus a *geographic name*, such as “Prosciutto di Parma”, “Pecorino Romano”. The general name alone (Prosciutto, Pecorino…) can legally be used for other products.

Periodically, designated institutions or private agencies, verify the respect of the production and manufacturing rules of the members of the consortium. If new producers want to sell their products within the quality logo, they have to pass through strict controls before joining the consortium and being allowed to use the P.D.O./P.G.I. P.D.O. and P.G.I are recognized in all the countries of the EU and their logos represent a guarantee for the customers of buying a **traditional product**. It also ensures producers with protection **against imitations** and represents an important **marketing tool** for the European Union. The challenge for the EU is to extend this quality recognition and protection to extra-EU countries in order to safeguard the reputation and the export of these European heritage products. The EU commission is trying to do that through bilateral agreements. For instance, through CETA *(Comprehensive Economic and Trade Agreement*) signed at the end of 2016, Canada will recognize 143 Geographical Indications of European food and drinks, applying almost the same EU regulation against imitations. Currently the EU protects 1349 Geographical Indications of food products, where the most represented category is cheese, and 2090 names of wines and spirits, 3439 products in total *(European commission & Italian Ministry of Agricultural Policies).*

1.3.3 Italian PDO/PGI

In this paragraph, I want to provide some data regarding Geographical Indications (G.I.) of Italian products, in order to understand the importance of this part of the food industry for our country. Italy is the global leader for number of Geographical Indications, with 814 products (291 food and 523 wines), accounting for 24% of all European GIs. In the wine sector, Italy has 74 products registered as D.O.C.G. and 330 D.O.C *(Europa.eu & Italian Ministry of Agricultural Policies)*. In 2015, the production value of certified wines reached 7.4 billion euro, while the food sector accounted for **6.3 billion euro**, for a total of 13.8 billion euro. They represents 10% of the total turnover of the agrifood sector *(R. Pacillo, 2017).*

Italy ranks at first place for number of GIs in the food sector: 166 P.D.O., 123 P.G.I and 2 T.S.G (**291** in total). It is followed by France (237 PDO/PGI) and Spain (190 PDO/PGI). A complete list of Italian GIs can be seen in APPENDIX C. The number of GIs continue to

grow: the trend of last few years (2005-2016) shows an augmentation of 73 P.G.I. (+142%) and 60 P.D.O. (56%). In 2015 there were more than 80,000 certified operators related to P.D.O, P.G.I. and T.S.G. products in Italy: 75,463 producers and 7,150 transformers. Most people work in the **cheese sector**: 34.5% of the total producer (26,042 units) and 21.4% of total transformers (1,529 units), *(ISTAT database).*

Most certified products are fruit & vegetables or cereals (110), followed by olive oil (45), cheeses (51) and meat products (41). CHEESES have the highest number of P.D.O (49) and the highest value at the production (3.662 million euro in 2014), representing more than 50% of the total value of PDO/PGI products, as it can be seen in APPENDIX D (*CSConfagricoltura, 2017*).

Although there are 49 cheeses recognized as PDO, the first four (Grana Padano, Parmigiano-Reggiano, Mozzarella di Bufala Campana and Gorgonzola) account for almost half (3116 million euro) of the total value of PDO/PGI. In addition, the top ten PDO/PGI products represent 81% of the total value of Italian Geographical Indications. Two famous hard cheeses lead the rank: **Grana Padano** with 612 million euro value at the production (21% of the total PDO/PGI) and **Parmigiano-Reggiano**, with 525 million euro value (19% of the total). Together, they represent 40% of the value of all Italian Geographical Indications and 70% of the total value of PDO/PGI cheese *(CHART 5 and 6)*.

CHART 5: top 10 PDO/PGI Italian products, for value at the production in 2014 (Confagricoltura, 2017)

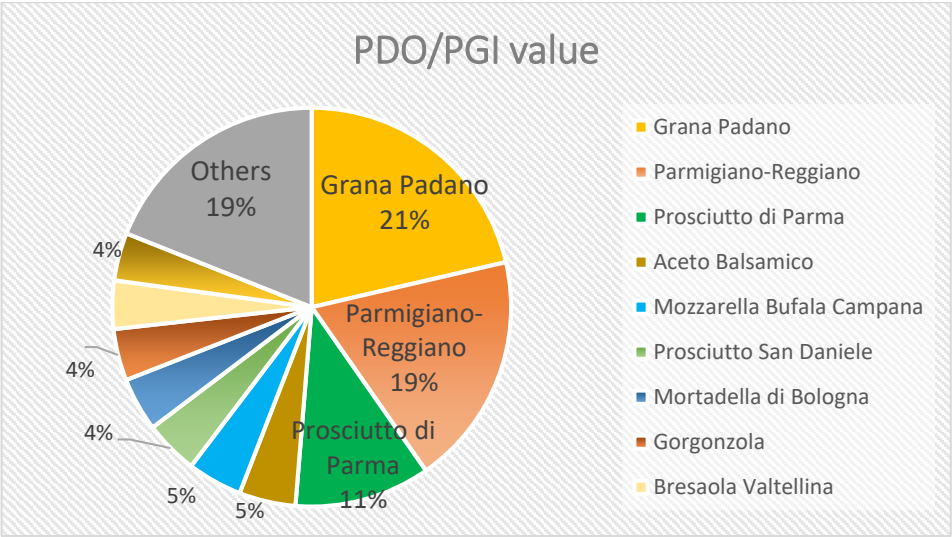


CHART 6: Top ten PDO/PGI products for value at the production, and for export. Data refer to 2014 and they are expressed in million euro (Source: Confagricoltura, 2017)

Product	Prod rank	Value 2014	Export 2014	Export rank
Grana Padano DOP	1	1,361	612	1
Parmigiano Reggiano DOP	2	1,205	525	2
Prosciutto di Parma DOP	3	701	257	4
Aceto di Modena IGP	4	292	493	3
Mozzarella di Bufala Campana DOP	5	283	76	8
Prosciutto San Daniele DOP	6	278	57	9
Mortadella Bologna IGP	7	277	-	
Gorgonzola DOP	8	267	101	7
Bresaola della Valtellina IGP	9	249	-	
Mela Alto Adige IGP	10	247	204	5
Pecorino Romano DOP	-	-	135	6
Mela Val di Non DOP	-	-	44	10
TOTAL FIRST TEN		**5,160**	**2,504**	
TOTAL PDO, PGI		**6,368**	**2,763**	
First ten/Total (%)		**81.0%**	**90,6%**	

These figures proves the importance of Geographical Indications for the Italian economy and its interest in extending the recognition of the GIs regime to other countries. The **lack of protection** and recognition of GIs abroad represents a central issue for Italian PDO/PGI products, especially in the U.S. market.

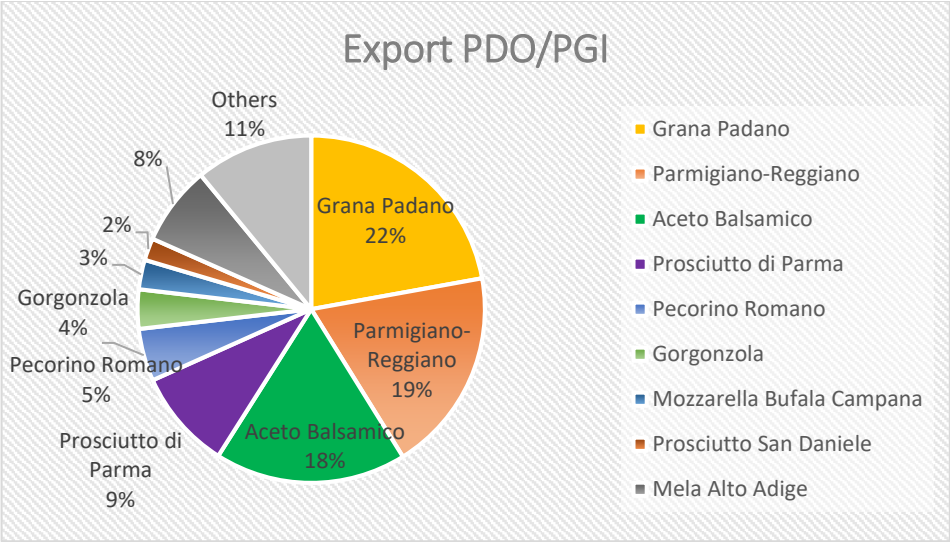
1.3.4 Italian PDO/PGI export

In 2015, the GI export in the **F&D industry** (counting both food and beverage, including wines), reached **7.8 billion euro**. It represented 21% of export in the agrifood industry, which accounted for 38 billion euro, with an annual increase of 9.6%.

The total **food export** of PDO/PGI accounted for **3.1 billion euro** in 2015, representing 12% growth from 2014 (2.76 billion euro). The first 10 exported products represent 90% of the total export of PDO/PGI Italian products. The top three products account for almost 60% of the total export of Geographical Indications. Grana Padano was the most exported

PDO, with 612 million euro revenues (22% of the total PDO/PGI products), Parmigiano-Reggiano ranked second, with 525 million euro sales (19% of the total) and Aceto Balsamico di Modena was third, with 493 million euro exports (18% of all PDO/PGI). In addition, in CHART 6 and 7, it is interesting to notice that the top five PDO cheeses (Grana Padano, Parmigiano-Reggiano, Pecorino Romano, Gorgonzola and Mozzarella di Bufala), accounted for more than half of the total export of Geographical Indications (52%). All data can be found in APPENDIX D (*CSConfagricoltura, 2017).*

CHART 7: Top 10 PDO/PGI Italian exported products; Data refer to 2014 (Sources: Confagricoltura, 2017)



According to *Confagricoltura*, the number of producers and processers has been decreasing in the cheese sector in the last 5 years. However, exports and the total turnover have been growing, showing a slow trend of enhancing the concentration and productivity of the supply chain, in order to be more competitive, especially in foreign markets.

Conclusion chapter 1

The agrifood sector is very important for the Italian economy and it is a symbol of “Made in Italy” in the world. While the domestic demand has been stagnant in the last few years, export continue growing, especially to the U.S.. However, the fragmentation of the food supply chain in Italy represents an obstacle to the internationalization: only the largest companies have the structure to sustain the high costs of exporting.

Italy has the highest number (291) of traditional product recognized and protected by the E.U. through Origin Designations and Geographical Indications. They represent 20% of the agrifood export. The largest part of the turnover of these products is related to cheeses: Grana Padano and Parmigiano-Reggiano alone account for 40% revenues and export of Italian GIs

2. Characteristics of the Food industry in the U.S. market

This industry analysis aims at providing general information of the U.S. food market to foreign companies, interested in operating in the U.S. market. Understanding the American lifestyle, new trends and drivers of consumers' choices, as well as the different distribution channels available to reach the final consumer.

2.1 Current situation of the U.S. market

The U.S. is the third most populated and the fourth largest country in the world. It has the highest GDP (18 trillion dollar in 2015), one of the highest GDP pro capita (56,000$ per year) and it is still the largest importer in the world. It is a very attractive marketplace, because it guarantees great products visibility in a stable and reliable economy *(InfoMercatiEsteri, 2017).*

Regarding the agrifood business, the U.S. has been characterized by a **stagnant annual growth** of 2.6% in the last five years; the total food sales accounted for $2,021.5 billion, in 2016 *(Census).*

As a result of mergers and acquisitions, the crop seed industry, the food manufacturing, as well as the beef and poultry processing sector, are very **concentrated**: four major firms own more than half of the total market share. The increasing demand of food and the competitive pressure to reduce prices has been a key stimulator of organizational changes, in order to achieve greater efficiency in the supply chain. A dramatic **increase in labor productivity and scale**, has characterized the farm and food sector, with large investments in mechanization and new technologies.

The agrifood system still provides about 10 percent of total U.S. employment. 10 to 20 percent of full-time farmers provides 80-90% of U.S. food production. They are typically well educated entrepreneurs, running large commercial corporations. However, the agricultural production has only a small influence on the final price of food, which is largely determined by the other phases, such as food processing, packaging, transportation, marketing and retail channels.

Huge multinational corporations traditionally lead the manufacturing market. Tyson Foods Inc, with $40 billion revenues a year in the U.S., is the largest company in this sector

and it is the second largest processor of meet in the world. PepsiCo Inc, with $38 billion revenues in the U.S., is the largest F&B company in North America and the second largest in the world (after Nestlé). Other big firms in the U.S. are Nestlé U.S. & Canada ($27.6 billion), Coca-Cola Co ($21.8 billion), Kraft Heinz Co ($21.7 billion) and JBS S.A, the largest world's meat processing company, with $20 billion turnover in the U.S (*Food Processing, 2017).*

2.2 Italy and the U.S. as trade partners

The U.S. is a key destination for Italian export in different sectors. It is the major commercial partner of the EU, even though no free trade agreement has been reached yet. In 2015, the total sales of **Made-in-Italy** products increased 3.3% in the EU, while they boomed to 21% in the U.S.. Historically, the U.S. guarantees the **greatest commercial surplus to Italy**. Considering the bilateral trade in all industries, Italy totalized a **21 billion-euro surplus**: more than twice the surplus reached within EU countries (8.5 billion euro) and more than half of the total commercial surplus (41.8 billion euro); *(APPENDIX E, Eurostat and Istat Data).*

As discussed in CHAPTER 1 and *APPENDIX* B2 shows, the agrifood sector contributes to the Italian commercial surplus: it has been increasing in the last few years, reaching 2.04 billion euro in 2014, 2.5 billion euro in 2015 and 2.4 billion euro in the first 10 months of 2016. According to the Italian Foreign Ministry, the U.S. market represents the **third most attractive country for Italian food products** and a great opportunity for Italian companies. The U.S. is the **second importer of Italian food and beverage** in the world, with 3.54 billion euro turnover in 2015 and **3.7 billion euro** in 2016, representing almost 12% of the total Italian food export.

Since 2009, Italian **Food export to the U.S.** has been growing 3%, on average, every year. A dramatic increase of almost 20% can be seen between 2014 and 2015. Analyzing the specific categories, the export of agricultural products raised about 26%, the beverage sector augmented around 18% (reaching 1.65 billion euro turnover) and the food industry increased almost 21% (1.89 billion euro revenues). This dramatic boost in export can be associated to the international recovery, the expo Milan effect and the strengthening of

the dollar in the last period. In 2016, export growth to the U.S. market remained positive, but it slowed down to 4.75% (InfoMercatiEsteri, 2017).

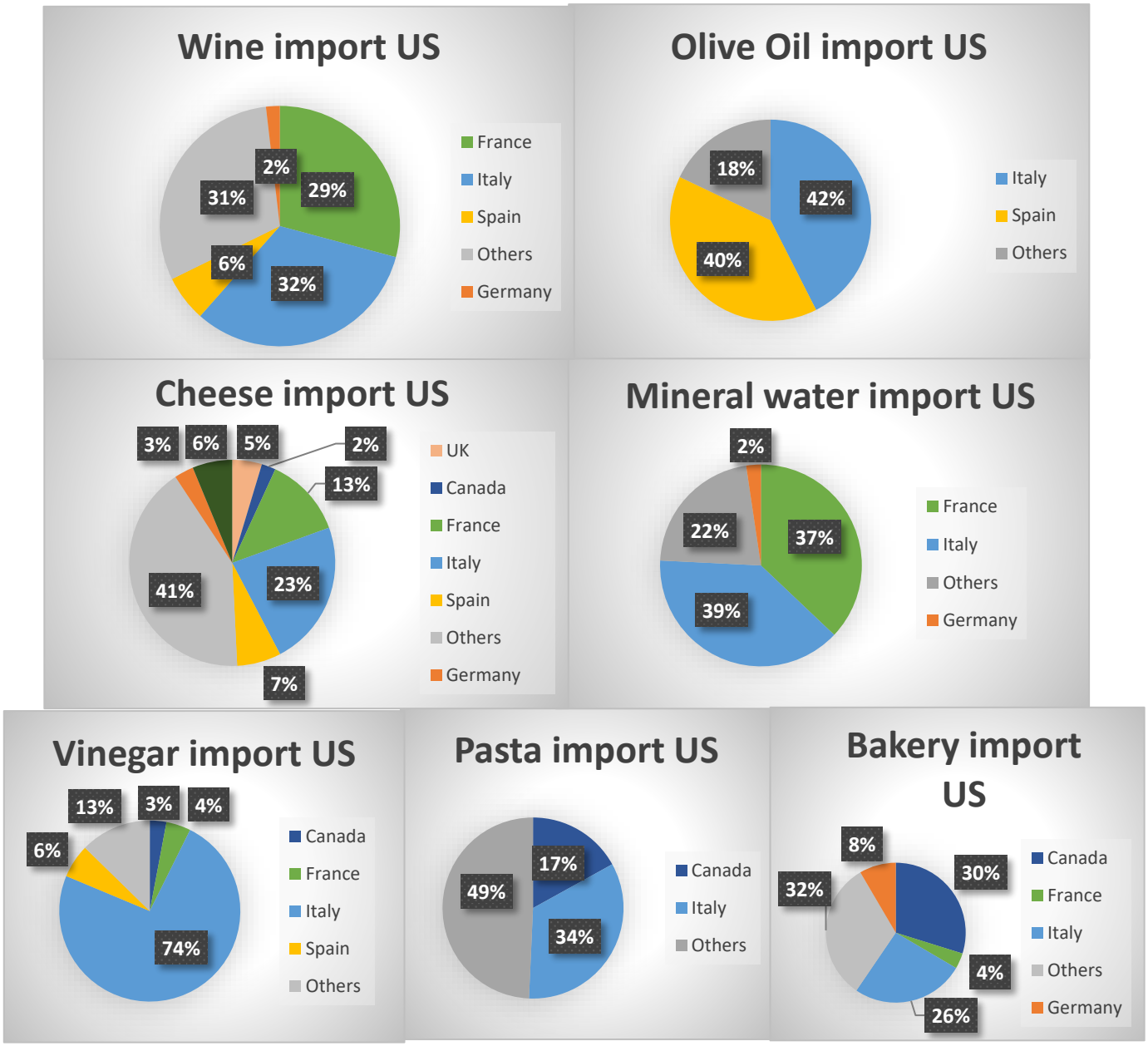
CHART 8 shows the positive trend of Italian export in the U.S. market in the last decade.

CHART 8: Trend of Italian export in the F&D sector in the last few years. All values are expressed in million euro (Source: ISTAT Data)

2.2.1 U.S. import of Italian food products

Italy is the **fifth major supplier** of food of the United States. It is the first major supplier of several high value products, such as wine (representing 32% of the total U.S. import of wine), olive oil (42% of the total), vinegar (74%), cheese (26%), pasta (34%) and mineral water (39%). It means, for instance, that almost three out of four bottle of imported vinegar in the U.S. market, come from Italy, as well as two out of five bottle of imported olive oil. Italy is also the second largest supplier, after Canada, of bakery, with 26% market share. CHART 9 gives a graphical summary of the market share of different export countries to the U.S., for the products where Italy is the leader in the market. Full data can be found in *APPENDIX F (Source: Census Data).*

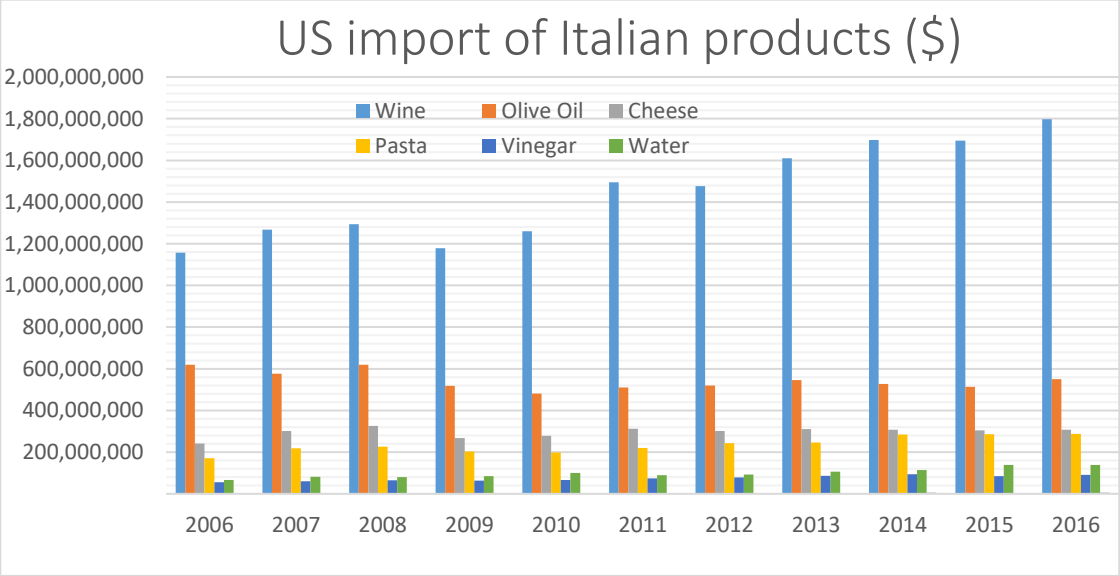
CHART 9: U.S import of the food products where Italy has the largest market share. (Source: elaboration of Census Data)



Considering the absolute value, as CHART 10 shows, the most imported Italian product is wine ($1,796 million in 2016), followed by olive oil ($550 million) and cheese ($307 million). Italian pasta sales accounts for $288 million, mineral water for $138 million and vinegar reached $91 million. These data come from Census Database, they are expressed in dollars and refer to 2016 *(APPENDIX F1).*

CHART 10: U.S. import of Italian food product: all the value are expressed in dollars (Source: original elaboration from Census Data)

a) Wine, Olive Oil, Cheese, Pasta, Vinegar and Water



b) Same data as chart 10a, but focusing only on Olive Oil, Cheese, Pasta, Vinegar, Water

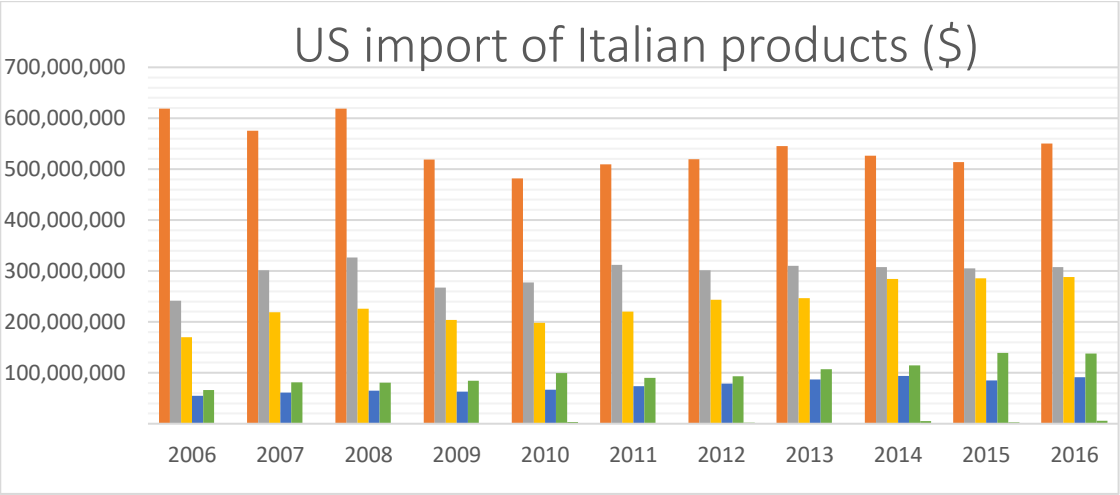


CHART 8 shows that Italian export (expressed in euros) to the U.S increased every year since 2010 and they boosted in 2015. However, CHART 10 seems to suggest a stagnation or decrease for all imported Italian products (expressed in dollars), in 2015. Considering that these data are expressed in two different currencies, the fluctuation of the exchange rate has to be considered. As CHART 11 shows, in 2015, there was a strong depreciation of the euro and appreciation of the dollar, then the exchange rate remained at that lower level for all 2016. It means that, in 2015, Italian goods became cheaper and the same

amount of dollars bought Italian more products. Consequently, the number of unit of Italian products exported increased, the euros gained for this exchange increased (the same amount of dollars corresponds to more euros, due to the depreciation of the euro), but U.S. consumers spent almost the same quantity of dollars for Italian products (CHART 10).

CHART 11: Euro/dollar exchange rate in the last ten years (Source: Trading Economy)

In APPENDIX F1 it can be seen that import of most products from most European countries decreased between 2014 and 2015: in some cases they dropped dramatically. For instance, oil from Spain dropped from 412 to 323 million dollar, mineral water from France decreased from 122 to 113 million and wine from Germany went from 117 to 103 million. Most Italian products remained stable or decreased only slightly, maintaining the largest market share: cheese went from 308 to 305 million dollar, pasta from 285 to 286 million dollar, oil from 526 to 513 million dollar and wine from $1.697 billion to $1,695 billion. Then, despite the strengthening of the dollar, the amount spent for Italian mineral water increased: $114 million to $139 million. Between 2015 and 2016 the exchange rate remained stable at that lower level reached the previous year, but import of almost all Italian products increased: in particular, olive oil moved from $513 million to $550 million and wine from $1.695 billion to $1.797 billion *(APPENDIX F1).*

2.3 Value drivers of food purchasing choices

2.3.1 Consumers' habits in the U.S. market

In the last few years, consumer preferences have been radically changing and keeping customers loyal has become a challenge for all companies in the food system. Low switching costs and the difficulty of **large companies** to adapt their value proposition to the evolving trends of the market are the main issues. For s**maller firms instead,** which are more flexible and dynamic, it is easier to meet the new need of the market and to earn consumers' trust. In fact, while the largest food and beverage manufacturers has been growing 1% a year on average, a 4% increase characterizes smaller companies, causing a loss of $18 billion in market share to the top 25 food companies *(D. Malovany, 2017).*

Regarding consumers' habits, the consumption of fast food has not declined in the U.S. in the last 15 years. On average, Americans spend 10% of their income on **fast food** and eat **20% of their meals in their car**. The lack of time to make a complete meal plays a central role in Americans' life and purchasing choice of food. Packaging improvements and the use of preservatives have extended the useful life of many food products. The dynamism of the U.S. society and the busy lifestyle of most people, created a large market for **ready-to-eat items**. In addition, the use of genetic engineering techniques is widespread in the U.S.: 90% of cotton, corn and soybean acres have genetically engineered traits.
According to the US government, many Americans **overconsume calories**: two-thirds of all adults and almost one-third of children and youth in the United States are overweight; one-in-three American child and teenager still eats fast food daily. In general, the intakes of fruit, vegetables and dairy products of all age groups, are below the recommendations, while total grains and protein food consumption usually meet the requirements or exceed the quantity needed. In addition, added sugar consumption far exceed the recommendations, especially on beverages *(USDA & HHS, 2015)*.

However, new trends are facing in the market. *Mintel*, the world leader in marketing intelligence, published a summary of **global trends** in the food and drink market for 2017. According to this study, people are seeking for **traditional food** and ancient **family recipes**, rather than revolutionary products. Considering the always-busier and stressful lifestyle

of a large part of the population, the time required to prepare a meal is another fundamental issue, as well as the demand of products to relax before bedtime, in order to sleep better. Finally, healthy food is not considered a lux any more: an increasing number of lower-income consumers want to improve their diet. In fact, even though eating habits of Americans are generally associated with fast and junk food, recent studies show that something is changing: American consumers seem to care particularly about **healthy and nutritious foods** *(Mintel, 2016 & FMI, 2016).*

2.3.2 New value drivers: healthy and organic

A research study published by *Pew Research Center*, confirms that the interest and sensitivity of Americans regarding healthy food, has been increasing recently. Today people pay more attention on eating healthy, than 20 years ago: two consumers out of three read **research studies or news** about the effect of food on health, at least once a week. They are aware of the relationship between eating habits and the chances of living a longer and healthier life. However, three U.S. consumers out of five think that both **quality and quantity of food** in Americans' eating habits are still an issue today and the food they eat could be healthier.

Tasty and healthy food are important drivers on purchasing choice for more than **75% of consumers**, in particular 18% of U.S. adults say that their "main focus is on eating healthy and nutritious": six out of ten claim they try to reduce negative nutrients (sugar, sodium, fats) and to avoid processed food (artificial ingredients, preservatives, GMO products). In addition, more than half consumers choose to include good fibre in their diet (whole grain, high fibre) and almost three out of ten seek for positive nutrition factors (such as vitamin-enriched, antioxidant-rich). Only 12% of consumers choose the easiest and most convenient food, and 7% do not give importance to what they eat.

In addition, a boost in plant-focused meal can be seen in the last few years: vegans and vegetarians represent a growing part of the population (9%). Younger generations are more sensitive to this topic: 12% of adults between 18-49 years old are vegetarian or vegan, compared to 5% of those ages 50 or older *(C. Funk & B. Kennedy, 2016).*

Since most Americans see organic products as the healthier option available in the market, the demand of **organic food** has boosted dramatically. This trend reflects also the increasing sensitivity in animal welfare and environmental issues: organic farming practices eliminate the use of pesticides and fertilizers. According to *Washington-based Organic Trade Association*, more than 80% of American households purchased some organic items in 2016, recording 3.4% increase compared to 2015. Consequently, more retail chains started offering natural products and the organic industry has **grown 20% yearly**, on average, in the last 20 years.

According to USDA *Economic Research Service*, retail **sales of organic foods more than doubled** between 1994 and 2014. Organic sales were worth $3.6 billion in 1997; they quadrupled in 2004 ($13 billion) and they reached **$35 billion in 2014**. Moreover, seven out of ten Americans claim they bought locally grown fruits and vegetables at least once in the last month and four-in-ten Americans say that some of the food they usually eat is organic, and no genetically modified (GMO). Half Americans think there is no difference between GM and other foods, while 39% say GM food is related to some kinds of health risk. In general, once again, younger generations are more sensitive to this topic: almost half (48%) of 18-29 year-old consumers consider GMO worse for health, compared to 29% of those ages over 65 *(USDA).*

2.3.3 Other value drivers

According to another research study, conducted by *Deloitte*, in collaboration with the *Food Marketing Institute (FMI) and the Grocery Manufacturers Association (GMA)*, the drivers of purchasing decisions in the U.S. have been changing in the last period. **Millennials**, people born between 80's and 90's (or early 2000), raised with digital technologies, are driving the change.

Consumers purchasing choice was traditionally driven by three factors: taste, price and convenience. However, the study shows that **new value drivers**, which seem to be equally important across the age groups and across the world, influence more than half consumers. As discussed above, HEALTH AND WELLNESS represents the most important of them. In general, American shoppers want to eat healthier and buy fresh and less

processed food: nine out of ten believe eating **food prepared at home is healthier** than buying ready-to-eat food. Consumers interested in healthy food look for fewer preservatives and lower artificial ingredients. In addition, they seek for products free from harmful elements or they ask for organic, natural and non-GMO products.

The second driver is related to THE SOCIAL IMPACT of the company: consumers are particularly sensitive about the environmental sustainability, animal welfare (free-range, cage-free), local sourcing of products, fair treatment of employees and the overall mission and values of the firm. Even though only 5% of consumers prioritize social impact in their purchasing decisions, this value is particularly important for millennials and the general sensitivity to this topic is growing fast.

In addition, the PURCHASING EXPERIENCE plays an important role as new driver. The interaction with the brand along all the purchasing phases is fundamental: customers expect good customer service and store layout. Finally, TRANSPARENCY and SAFETY are other important values: consumers ask for informative labels, which provide accurate and clear nutritional information, in order to make informed choices. The label is expected to specify ingredients, product attributes, origin of raw materials, growing and processing methods, and the certification of quality of a trusted third party.

The values described above are not new for the market, but their importance has been growing dramatically: most consumers base their purchasing decisions on a **mix of traditional** (price/taste/convenience) **and new value drivers** (health/ social impact/ purchasing experience/ transparency) combined. Half consumers claimed that their purchasing decision is more affected by new values drivers than traditional ones *(Deloitte 2016).*

Consumers' trust represents a growing challenge for F&D companies. The industry reputation in the U.S. was damaged in the past, due to accidents related to unsafe food. U.S consumers are 3.4 times more likely to have **negative sentiments** about **large food manufacturer**, than the average of other industries. This feeling is particularly developed in Millennials: 43% of them do not trust large food companies, compared to 18% of non-Millennials.

Furthermore, around 80% of consumers are willing to pay a **premium price** for healthier food and 25% of the total are willing to pay more than 10% of the initial price. The research shows that younger buyers, wealthy buyers, consumers with children and those with a recent diet change are more willing to pay a premium price for healthy food, than others are. In particular, 47% of Millennials are willing to pay "moderately" or "significantly" more, against 27% of non-Millennials. The growth of these new drivers of behaviour, lead companies to develop low calories products and promotional activities related to sport activities, in order to be appear a "**healthy brand"** *(Deloitte 2016).*

Finally, another new trend is related to **co-shopping.** Currently 85% of U.S. adults shared grocery shopping household responsibility, while in the past, only one person (usually women) used to have full responsibility for that. In multi-adult households with younger millennial, co-shopping is even more common (91% of the total): companies have to keep in mind that the target buyers of the future are both men and women. This behaviour is usually driven by different tastes, variable schedule, fairness and equality of gender.

This **evolution in preferences** represents a disruptive change for both manufacturers and retailers, and a scalable **opportunity for the whole industry**. In order to be successful in the market, companies should base their competitive advantage on the new trends. In addition, this changing marketplace represents a **good opportunity for Italian companies** selling traditional food products. Italian food is perceived as healthy all over the world and the strict regulatory system in the E.U. guarantees transparency throughout all the supply chain. In addition, Americans usually perceive Italian small farms and food companies as more genuine, traditional, environmentally friendly and more sustainable compared to the American system.

2.4 Distribution channels

The food sector is closely interconnected with trade and logistics, because a huge quantity of goods need to be moved quickly from a place to another. This complicated part becomes more challenging and expensive when dealing with an international distribution chain. Traditionally, manufacturers can reach the final customers through retail stores or food service places (restaurants, fast food, pubs…): these two segments usually have separate distributors. The following paragraphs will give an overview about the distribution issue, focusing on the main distribution channels in the U.S. market.

2.4.1 Overview

The **design and management of the distribution channels** are two main issues that food manufacturers have to deal with, in order to reach the final customer. According to the supply chain design chosen, the manufacturer has different responsibilities regarding the cost and management of many activities, such as the ownership of warehouses, inventory coordination, advertising and promotion campaigns, pricing and the risk of price changing, the after sale service and other financial issues.

In order to handle all these issues, companies can decide to rely on some intermediaries (wholesalers/distributors or agents) or they can choose to sell directly to retailers. However, manufacturers usually do not have the internal capabilities, contacts and time to do deal directly with retailers, consequently, they contact intermediaries. While **agents** (or brokers) facilitate the sales between the manufacturer and the wholesaler or retailer, without buying the products, **wholesalers** usually buy the products and keep them in their warehouse. Once the wholesaler purchase the goods, he is responsible for all the following phases: advertising, pricing, contacting the retailer and placing the products.The longer the supply chain, the higher the cost required to place a product to the market, considering that each player has to gain a profit. The shorter the supply chain, the more responsibilities the manufacturer has to handle.

There are five criteria to consider (known as **5Cs of distribution**) when choosing the best channels according to the specific need and structure of the company. First, manufacturers want their partners to be in contact with target retail customers (good

Coverage). Secondly, they expect the Characteristics of the products sold by the partner to be similar to the products they want to place in the market: that proves the intermediate's expertise in the specific sector. The Continuity of the channel is another point to consider: the manufacturer wants to create a long-term relationship, not to have to renegotiate price and conditions with new distributors. Finally, the Cost (commission or markup for the service) and the Control of the channel are other variables to take into account: having the possibility to influence the promotion and visibility of the products throughout the distribution chain is a key advantage for the company *(Dolan, R.J. 2014 & Hill, Charles, 2015)*

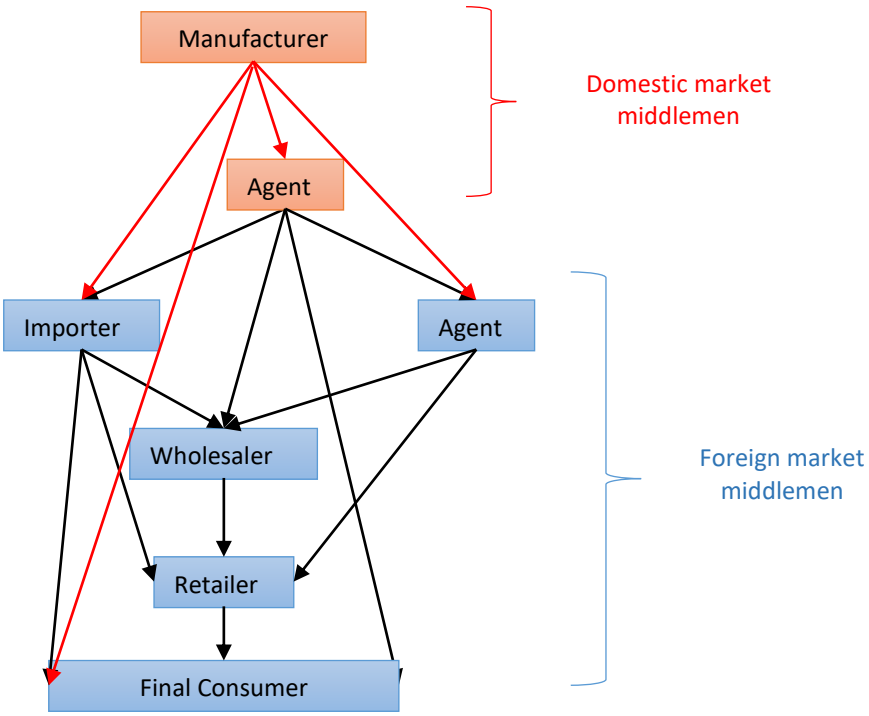
2.4.2 Main issues of an International distribution chain

When companies want to expand their business abroad, the strategy related to the design of distribution channels is one of the main issue to overcome, in order to be successful and to reach profitability in the new market. Usually, a foreign manufacturer does not have time and competences to deal with all the legal and business issues related to export and place products abroad. In an international context, at the beginning, it is recommended to rely on an import agent (or broker), to test the market with few products. If they are successful, the next step is to look for a wholesaler. Although the company loses part of the control of the sale process, in most cases, this is the best option to enter a new market, because wholesalers have their own warehouse, they know local customers' habits better than the manufacturer, and they can reach a higher number of retailers. Chart 12 shows the main options producers or manufacturers have to reach foreign customers.

On the other hand, the Manufacturer can choose to have direct presence and sale force abroad, through a FDI (foreign direct investment) in order to have a higher control of the whole sale process. This is the most expensive option, which only larger enterprises can afford. In this case, the manufacturer will also have full responsibility of sales, advertising, warehouse overseas and placing the products in the markets. *L***arge retailers**, such as Walmart, have their own distribution centers and manufacturers can deliver directly to

Them. This system represents 34% of total food distribution channels in the U.S. *(Jill A. Beaman, 2006).*

CHART 12: International distribution channels (Source: Slideshare)



Finally, it is important to keep in mind that, the **foodservice** side (restaurants, pubs, bars and other chains) usually has its specific brokers and distributors. Consequently, if the exporting company wants to reach this market as well, it usually needs to contact different intermediaries.

Through this process, the manufacturer has to convince many people about the profitability of its products. All intermediaries are looking for profitable and viable products, which can easily be sold in large volume and that can provide a sufficient margin. It is crucial to remember that consumers have always the final say: if the product is not attractive for them, no one throughout the supply chain will buy it. Finding the right distributor is fundamental to reach specific retailers in order to reach the target customers.

Another important and challenging phase of distribution is **transportation**. Most manufacturers choose to outsource this service, relying on a third party transportation

company. This is an essential activity to ensure customers' satisfaction: it makes the product available when and where customers want it. Delays and goods damages are usually related to transportation activities, but they have a huge impact on customers' satisfaction. Maintaining the quality of the product along the distribution chain and guaranteeing a fast shipment are among the main challenges for manufacturers. Since food products need to be moved quickly, trying to keep the channel short is essential.

Other than the logistic part, there are many **legal issues** to consider when exporting goods, especially food.

When dealing with international sales, is important to specify in the contract who is responsible for different activities, costs and risks related to the shipment. International Commercial Terms *(Incoterms)* help companies to deal with the distribution of these issues between the seller and the buyer. I am going to give only few examples, but there are other types of Incoterms that can be considered. The buyer may have to pay all the costs and is responsible for all the risks of the shipment, from the sellers' warehouse (or another place) to the destination, including loading, customs charges, transportation costs and unloading: ExWorks (EXW). On the other hand, the buyer may be in charge of all these responsibilities (Delivered Duty Paid -DDP), or they can be divided in different way between the two parties. For instance, a common choice is to agree on FREE ON BOARD (FOB), where seller fulfil his obligations after loading the goods and paying export customs. Whereas the buyer is responsible for the transportation, import duties and the other risks and expenses that may occur after the ship has been loaded *(F. Galgano, F. Marrella, 2011).*

In addition, the food regulation is different in each country and foreign companies have to make sure their products meet the specific requirements. In most countries food products have to pass through strict controls before being accepted at the border. In CHAPTER 3, I am going to explain the specific documents and online applications which have to be filled before the food can be accepted. In order to handle this process, foreign manufacturers can rely on **export agents** and/or **importers** who help them solve legal issues and find the right distributors.

In conclusion, distributing and selling food products abroad is not easy: other than understanding weather a product can be successful in the foreign market, it is necessary to comply with a different regulation, distribution system and handle many exportation costs.

Wholesalers usually charge 10% to 35% of the wholesale price and retailers charge a slotting fee to manufacturers, related to the risk of taking new products, warehouse and shelf costs. Packaging is another concern: retailers often accept only products with specific shapes and size, which can be different from the European standards *(Jill A. Beaman, 2006).*

It is easy to imagine that small manufacturers cannot afford all these distribution expenses and that they do not have enough bargaining power to negotiate prices with distributors. As pointed out in paragraph 1.2, **Italian manufacturers are often too small** to compete in the international marketplace and usually only structured companies have the resources to export overseas.

2.4.3 Distribution channels in the U.S.

Traditional retailer and food service places play a central role in food distribution in the U.S.. However, new channels have been developing recently: the online channel, non-traditional retail stores and fast casual service places have been growing fast recently.

a) Wholesalers

Wholesale and retail competition plays an important role in keeping down final prices, reducing profit margins along the supply chain. A clear positioning is fundamental to choose the right channel, in order to reach the right consumers. Wholesalers do not compete directly for final consumers and their major customers are retailers and food services.

According to *Census*, there are three main types of wholesalers in the US market. **Third-party merchant wholesalers** represent more than half of total market share: they buy groceries from the manufacturers and resell them to retailers. They can be classified according to the type of products distributed. For instance, general-line distributors,

handle a wide range of different food products, not focusing on one specific category. On the other hand, specialty distributors, focus on specific categories of products (ex. Fruit & vegetables, frozen, dairy) or on niche operators (such as airlines, hotels) and miscellaneous distributors are engaged on the distribution of an extremely narrow range of dry groceries, such as coffee or soft drinks. Moreover, **manufacturers can market their own products** through MSBO (manufacturing sales branches and offices), using their own sales force. Another option is to contact **agents**, who act as sale representative, buying and selling the product for a commission, without owning or physically handling it *(USDA).*

In the last 20 years, the organization of the distribution chain has changed. While traditionally, **wholesalers** used to buy products from manufacturers, keep them in their own warehouses, sell and deliver them to retailers, nowadays the needs of the market are different. Companies try to have as little inventory as possible, in order to be flexible, adapt their offer to customers' demand and base their revenues on a faster turnover model. Consequently, some traditional wholesalers went out of business or **became logistic companies**. In many cases, they provide only the service of logistical distribution and inventory coordination, without owning the goods.

Finally, it is important to keep in mind that large retailers (34% of all distribution channels in the U.S.), have their own warehouse and they can directly deal with the manufacturer, or his agent *(IOM & NRC, 2015).*

b) Retailers

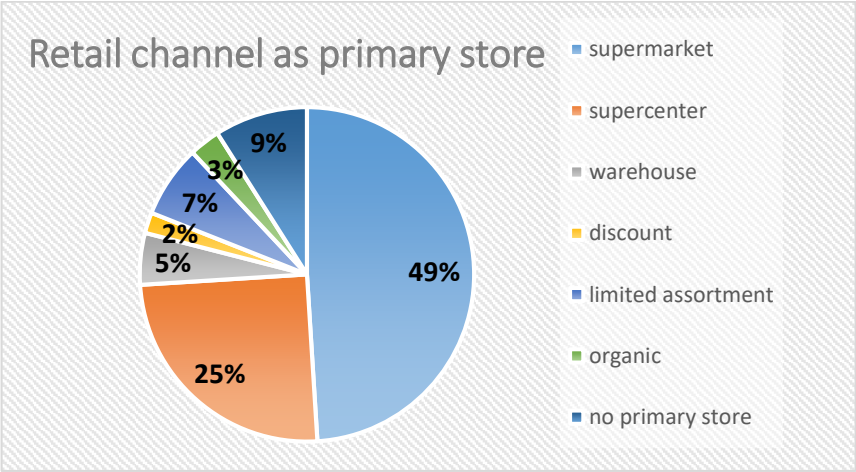
In the U.S., almost half of the food industry final sales come from retail channels. **Supermarkets** still represent the largest of them. As CHART 13 shows, almost half of the population uses supermarkets as primary store for grocery shopping, even though their popularity has been decreasing in the last few years (they used to represent 67% of the retail channels in 2005). In addition, 25% of consumers choose Supercenters (bigger supermarkets, like Walmart) as primary store for food *(Emerson, 2015).*

In the 90's **super centers** developed as new retailer channels: major retailers from nonfood industry, entered the food retail sector, offering also non-food products in the same place. Smaller retailers were not able to compete against the supercentres' power of negotiating lower prices with suppliers: consequently, smaller firms exited the market

or largest companies bought them. The business model of supercenters is different from usual supermarkets: they sustain the less profitability in the food segment, through higher margin sales in general merchandise.

In addition, 5% of consumers choose **warehouses**: huge hypermarkets usually based on a membership-only system. They provide all kind of merchandise and the large volume of products sold, as well as their location (in the suburbs) permit to keep prices low. The other retail channels are classified as "**non-traditional retail store**", since they have been developing in the last few years. Limited assortment stores, such as Aldi and Trade Joe's are growing: 7% of consumers chose them as primary store in 2016, compared to 4% in 2015. They offer a limited range of products, brands and size, in order to lower costs and final prices. Finally, 2% of consumers prefer discount stores and 3% organic or speciality stores. Regarding the grocery location, 48% of consumers choose the closest store as primary store; whereas, the other 52% is used to travelling further in order to get lower prices, a greater variety of products or a higher quality *(FMI, 2016).*

CHART 13: Channel used as primary store (Source: FMI, 2016).

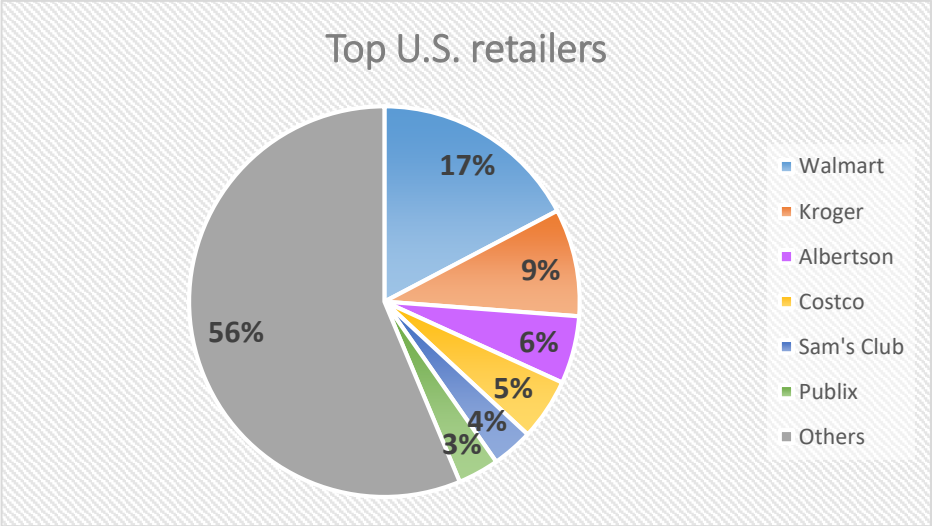


There has been an increase in **market concentration** in the US grocery retail segment. Few huge multinational corporation dominate the U.S. market (CHART 14): **Walmart** is the market leader, with 17.3% market share, followed by Kroger (8.9%), Albertson & Safeway (5,6%), Costco (5.1%), Sam's Club (3.4%) and Publix (3.4%), *APPENDIX G.* The **top four operators** account for almost 37% of the market share, while they used to represent 17%

of the market in 1992. The top 10 largest companies represent almost half of the total market share, while small and medium size companies complete the remaining part, with more than 40,000 small operators *(FMI, 2016).*

Walmart, an American multinational chain, is the largest company in the world by revenues, and the largest private employer, with 2.3 million employees. It also owns and operate Sam's Club retail warehouse. Costco is the largest American retail warehouse, the second largest retailer in the world (after Walmart). Costco, Walmart and Sam's Club provide a wide range of merchandising, not limited to groceries. Kroger is the third largest retailer in the world and the first largest supermarket chain in North America, while Albertson & Safeway is the second. Publix is an American supermarket chain, which operates especially in the Southwest of the United States and it is the largest employee-owned company in the world.

CHART 14: Market share of the largest retailers in the U.S., in 2016 (Source: Statista.com)



Retail warehouses and supermarkets can afford lower selling prices thanks to their economy of scale. In addition, large retailers usually sell also a range of products with their private brand, for a lower price: these products represent on average 25% of the total sold. However, considering the growing attention of American consumers on healthy and organic food, stores selling natural products have been gaining importance in the last few years. More than 90% of organic sales occur in conventional chains, supermarkets or natural food stores. The remaining part takes place in farmers' markets or channels other

than retail stores: the key players in this sector are Whole Food Market and Sprouts Farmers Market. The number of farmer markets has increased a lot in the U.S. recently, going from less than 2,000 units in 1994, to more than 8,000 in 2013.

The **competition** of mass merchandisers is expected to grow in the next few years, together with a higher **fragmentation** of the retail market, in order to meet the evolving demand. The number of medium-sized stores and businesses operating a single establishment is expected to grow as well.

c) Non-traditional channels

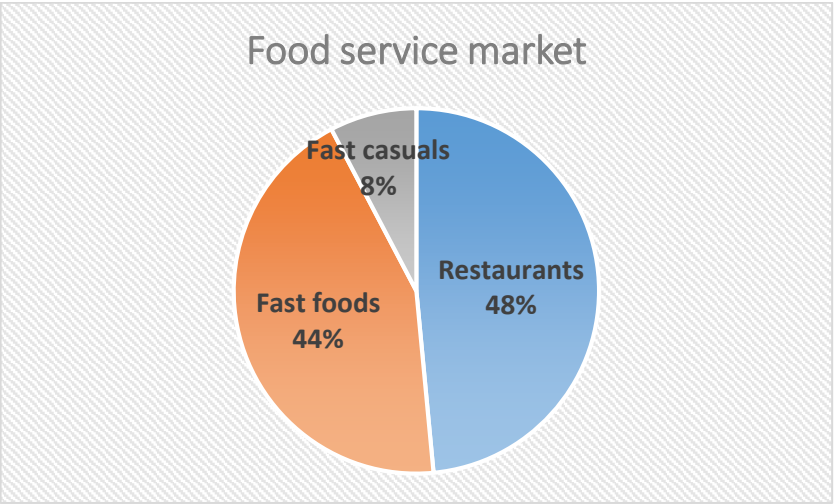
Non-traditional retail channels include the online channel, limited assortment stores, convenience and drug stores, as well as club stores. Even though the majority of grocery shopping in the U.S. is still based on traditional retail channels (supermarkets, super centres and mass merchants), experts believe it will radically change in the next decades. Traditional retail channels are expected to be characterized by a yearly growth of only 1.5% in the next few years, while sales in **non-traditional channels** will increase about 5.5%. They are expected to raise their sales of $165 billion from 2014 to 2024, compared to a $65 billion increase of traditional channels. In particular, the growing of digital technologies is affecting consumers' purchasing behaviour, influencing grocery shopping as well. In 2016, 5% of U.S. consumers, grocery **shopped online** regularly and an additional 15% did it occasionally. Millennials are more likely to use online channels than other generations: 28% of them grocery shopped online occasionally in 2016. Online grocery shopping is seen as a time-saving option and it is expected to grow in the next few years, reaching at least 11% of total grocery sales in 2023 *(Emerson 2015).*

d) Food Service

The other side of the distribution chain is based on the food service: 44% of Americans eat out at least once a week. A concentration in the retail sector is opposed to an increasing fragmentation in the service sector. In fact, small restaurants perform well as long as they differentiate in product and service. Independent restaurants and small chains are expected to grow more (4.5%) than the larger chains (3%) in the next few years.

Full service restaurants represent 48.5% of the market share, followed by fast food (43.8%). Considering the new trends and new drivers of consumers' purchasing decisions, innovative practices have been developing in the last few years. A new phenomenon is related to "**FAST CASUAL**" restaurants, which offer convenient ethnic cuisine and healthy food options with natural and fresh ingredients. They still represent less than 10% of the food service market, but their presence has boomed 500% in the last 20 years. Their value proposition fits evolving consumer tastes, still guaranteeing speed and convenience. Their positioning is between full-service restaurants and typical fast food: in fact, they usually do not offer table service; however, they differentiate from mass-production traditional chains because the food is fresh and prepared on site. A higher quality and fancier atmosphere are related to a higher price than fast food, which most customers are willing to pay in order to improve their diet. Fast casual are usually very successful inside or near business districts, where they can meet the demand employees, looking for a quick and healthy lunch *(FRC, 2016).*

CHART 15: Food service market share in the U.S. market in 2016. (Source: FRC, 2016)



e) Innovative options

All food retailers and service places have to be aware of the central role of technology, especially in the U.S. market. In fact, an increasing number of consumers use internet not only to grocery shop, but also in order to improve their eating experience. In fact, three

people out of four check the menu online before trying a new location and an increasing number of consumers is influenced by web reviews.

In addition, recently, the options of food supply expanded: restaurants or supermarkets have to deal with alternative and **innovative practices**, such as subscription delivery services and fresh delivered meal kits. The **MEAL KIT** strategy allows consumers to choose the dish they like in a weekly online menu and later, the right quantity of seasonal ingredients will be delivered to their houses. Then, they can cook their meal at home and enjoy a fresh dish. Other than meeting the demand of healthy and homemade food, this new method has several advantages: consumers do not have to struggle with thinking about what to eat, since a different menu is proposed every week. In addition, this solution save time in grocery shopping and there is no waste of food, because all the ingredients delivered are premeasured, accordingly to the meal chosen and the number of people selected *(Emerson, 2015).*

Finally, considering their busy lifestyle, Americans often either do not have time or do not feel like cooking, especially during weekdays: when they go back home after working all the day, they usually want to relax. In order to meet this need, delivering services, such as UberEat, are becoming very popular in the U.S. Through an app, everyone can choose the meal they prefer from different restaurants located in that area, and it will be delivered at home in usually half an hour.

2.5 Industry analysis

In order to understand the attractiveness of the American market for Italian food manufacturers, I am going to use Porter's industry analysis. I am going to consider Porter's five forces from an Italian food exporter's point of view: the bargaining power of buyers and suppliers, the threat of new entrants, the threat of substitute products, as well as the rivalry among existing competitors (*M. E. Porter, 2016).*

Considering that in the U.S. market, a lot of different food products are available, CONSUMERS have abundant food choice, and switching costs of changing brand or trying a similar product, are really low. Consequently, it is easy to substitute a product with different alternatives available according to price changes. Although the quality of food

has become a central issue for buyers in the last few years, price is still a fundamental driver for purchasing decisions. The market is highly competitive: companies and retailers **often compete on price** to attract new customers.

Moreover, consumers are empowered by the **democratization of information**. They rely more and more on social network and web-based media, where they can easily access information about the company and specific items, comparing prices of different retail channels and looking for specific product availability. In addition, they can share their opinion and customer experience online, influencing other consumers' purchasing choice. The influence of social channels has becoming stronger and stronger, and purchasing decisions rely often on web reviews. Consequently, due to the easy access to information and the lower switching costs, the bargaining power of consumers is very high in this industry in the U.S.

Even though the final customer has always to be considered, the direct buyers of Italian manufacturers are usually American importers, wholesalers or big retailers. In this case, the bargaining power of buyers is still high, because, even though different players of smaller dimensions are gaining market share, few huge companies still dominate the market. In order to obtain a high coverage within key markets, it is fundamental to reach largest retailers (which have their own warehouse) and the main wholesalers. Other than having a high bargaining power in negotiation, these large companies already have a great variety of products to sell: they will accept the risk of new ones only if the manufacturer can convince them they will be profitable. On the other hand, manufacturers fight to get space and visibility on the shelf, and the allowance they have to pay for a good visibility can be very high.

The power of SUPPLIERS instead, seems to be low: providers of Italian food exporters are usually Italian producers. Since the sector in Italy is very fragmented at production level, switching costs should be low: it is not very difficult to find a different supplier of the same raw material. Although it is not a peculiar characteristic of the American market, the power of suppliers for Italian food manufacturers, is usually limited.

Moreover, the THREAT OF NEW ENTRANTS, referred to other Italian food manufacturers, who could directly compete in the American market, is quite low. As explained above,

most Italian companies are small enterprises, and they do not have the structure, productivity level and size to face export costs. Only large firms have the resources and capability to expand overseas and be successful in this very competitive environment. On the other hand, the threat of the entrance of new American companies is quite high. Smaller American firms, being more flexible and dynamic in adapting to the changing of the market, can easily try to take advantage of the new trends entering the market.

On the other hand, the threat of SUBSTITUTES in the food industry in general, is low. A substitute is a product, which perform a similar function, but it belongs to another industry *(M. E. Porter, 2016).* It is difficult to substitute food products, whose purchase is based on the need and pleasure of eating.

Finally, the COMPETITIVE RIVALRY among existent players is very high. The industry is characterized by a high number of firms, where large multinational food manufacturers, with high bargaining power with buyers and suppliers, play a central role. However, an increasing number of smaller companies, more flexible, dynamic, and able to adapt to the changing marketplace, have been developing recently. Companies compete aggressively, usually on price, service and quality. In order to be profitable, it is important to focus on the specific competitive advantage, in order to offer a specific value proposition. Following the new trends of the market, Italian companies should focus on promoting traditional taste, natural food and healthy recipes.

Looking specifically at Italian products, the rivalry is very high, because Italian companies have to compete against American brands, selling Italian sounding products at a lower price. As I am going to explain in chapter 4, they face lower costs compared to Italian exporting companies, and they often sell imitation products at a lower price. Considering that the current American regulation allows these practices, rivalry based on the Italian sounding phenomenon represents a big issues for Italian companies. I will deepen this topic in the following chapters.

Conclusion CHAPTER 2

The U.S. is a very important market for Italy: it represents the **third most attractive country for Italian food products** and it provides the greatest commercial surplus to Italy. Italy is the first exporter of wine, cheese, vinegar, olive oil, pasta and mineral water in the U.S. market. In the last few years, Italian export to the U.S. have been growing and acquiring market share, thanks to the international recovery, expo Milan 2015 and the depreciation of the euro.

The American food industry is characterized by multinational corporations and it is a very concentrated sector: few companies dominate the market both at manufacturing and distribution level. Other than supermarket and supercentres, non-traditional retailers are gaining market share and the importance of the online channel for grocery shopping is expected to boost in next few years.

In addition, new trends have been developing in the American market: a growing number of consumers are looking for healthy, natural and traditional food; their interest in safety, transparency and company's social impact is gaining importance. The younger generations, in particular millennials, are driving this change.

Italian companies aiming at exporting food into the U.S. should consider this evolution of preferences and study Millennials' purchasing habits, in order to be successful in the market in the long-run. Finally, a high rivalry in the industry, especially for Italian style products and a high bargaining power of buyers are among the main challenges of the U.S. food market.

3. Regulatory framework for agri-food products

As an EU member, Italy is part of the **common European market** and follows EU treaties and laws, regarding international trade. The European Commission negotiates multilateral and bilateral agreements with extra-EU countries and within international organizations, representing all members. Commercial exchanges and economic relations between EU countries and the U.S. are regulated through international agreements. Since no bilateral agreement on food has been signed yet, I will briefly analyze some international principles, which can be applied to Italian export of goods to the U.S.. I will also summarize some key points of the TTIP draft, related to the agrifood sector. In addition, I am going to underline the importance of the agrifood industry for the EU, focusing on the different intellectual property system the U.S. and the EU have. Finally, I am going to consider the American regulation regarding food import and the specific documentation required.

3.1 International Regulation: WTO Principles

Being part of the World Trade Organization (**WTO)**, the U.S. and the EU ratified some multilateral agreements, enhancing the importance of increasing trade exchanges, through a gradual liberalization of the market. The aim of this thesis is not to conduct a deep analysis on the international regulation (for which I refer to more specific manuals), but to give a general overview of the regulatory framework that has to be considered when exporting Italian food products to the US.

Although the EU and the US have been working on the Trans Trade and Investment Partnership (TTIP) agreement in the last few years, no deal has been reached yet. Consequently, the exchanges between the two major players in the world, whose joint GDP represents half of global GDP, do not benefit from **a free trade agreement** *(L. Cavestri, 2015).*

Differences in economic interests, economic reality, legal system and philosophical approach are the main causes of the failure in reaching a common agreement so far. In the past, the U.S. and the EU ratified some bilateral agreements on particular issues of specific industries, but for the most part and especially for the food sector, the main

reference point for international exchanges is still the international regulation of the **WTO.**

3.1.1 General principles of international trade

The WTO key principles give an overview of the basic rules to consider for international trade exchanges. The non-discrimination principle is one of the key pillar of the WTO system. It includes the **most-favored-nation rule (MFN),** which does not allow the discrimination among different foreign suppliers, and the National Treatment, which ensure the same treatment between domestic and foreign products. The MFN (GATT, art. II) requires goods made in one country to be treated no less favourably than similar products from other countries. Consequently, if a member decides to increase trade barriers, that measure must apply to all WTO members, not specifically to one partner. On the other side, the **National Treatment** (GATT, art. XVII), imposes that foreign goods cannot be treated less favourably than similar domestic products, ensuring a stable and transparent regulatory environment. **Transparency and predictability** are other basic pillars of WTO (GATT, art III): they requires members to publish their trade regulations, increasing the international communication and reducing uncertainty of trade exchanges *(F. Galgano, F. Marrella, 2011).*

The WTO long-term goal is to gradually achieve international free trade, through further negotiations and adjustments. Finally the **special safeguard provisions** principle, establishes some special situations, when it is possible to impose an additional tariff. Three types of provisions are allowed: measures aiming at achieving noneconomic objectives (such as protecting public health, national security or specific industries that can be seriously damaged by imports), measures against unfair competition (tariffs on subsidized import and antidumping duties –for foreign goods exported at a lower price than in the home market) and intervention for economic reasons. In this last case, some protective measures are allowed to support an infant industry or to face serious issues in the balance of payment *(B. Hoekman, 2002).*

3.1.2 Agreements on agriculture

The original reference regulation for international trade of goods was the GATT (General Agreement on Tariffs and Trade), signed in 1947. The agricultural sector in international exchanges was highly distorted, since some non-tariff barriers, such as export subsidies and imported quotas, were allowed. Consequently, the access to foreign markets was very difficult for a long period. Through the Uruguay Round, member states came up with a new organization and regulation: the WTO officially entered into force in 1995**.** The same year the **Agreement on Agriculture** was signed: it guarantees an easier access to foreign markets and diminish the distortion of the sector. The aim of the new regulation is not to achieve free trade in the agricultural sector, but to make the foreign market access more **transparent and competitive**. The new regulation still allows national governments to support their rural economy, using measures that cause a lower distortion of the market *(B. Hoekman, 2002).*

a) Tariffs

The main intervention consisted of promoting a "**tariffs only**" system, eliminating non-tariff measures, by transforming them into equivalent duties. Import quotas (limit to the number of imports of certain goods), were substituted with tariff-quotas (a lower import duties for specified quantities and a much higher tariff rate for quantities that exceed that quota). Other than changing the nature of the trade barriers, member states tried to decrease the overall tariffs. In 1995, developed countries agreed to lower their tariffs of all the agri-food products of 36% in the following six years; on the other hand, the cut on duties for developing countries was fixed to 24% in 10 years. This new policy did not apply to least-developed countries, which could introduce higher duties. The goal of these measures was to increase market accessibility, while guaranteeing the development of local rural products and the national agricultural economy, ensuring a decent lifestyle for farmers.

A schedule of tariff and tariff quota of each member state, regarding all agricultural products, is published and updated as an annex of the Agricultural agreement. No unpredictable non-tariff measures, such as quantitative import restrictions and minimum

import price, are allowed. Except for some special cases (safeguard provisions mentioned above), member states cannot increase tariffs above the range established without offering a compensation, through the reduction of other tariffs. If a country decides to enhance trade barriers without a specific reason or without a formal procedure, the countries affected by this measure can reply with similar protective barriers.

The agreement also regulates the financial aid to the domestic agricultural sector. Since 2015, agricultural export subsidies have been strictly limited. In addition, all national policies with a direct impact on production and trade, are not admitted. On the other hand, national governments can use **indirect measures**, related to food security and agricultural infrastructures, with minimal impact on trade. They can also provide direct payments to farmers for income support or environmental programs.

b) Geographical Indications

The WTO regulation deals also with Origin Desegnations, central issue in the TTIP agreement, and extremely important for the EU.

Art.22 of the TRIPS agreement (Trade Related aspects of Intellectual Property Rights) defines Geographical Indications (GI) as good *"originated in the territory of a member, (…) where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin".* Therefore, the peculiar characteristic of GI is the linkage between a geographical location and the quality of the good *(M. Blakeney, 2014).* The assumption behind GI protection is that geographical factors (soil and climate) and the knowledge of the production and preparation process, strictly influences the quality of the product. The *Paris Convention* (1883) and the *Lisbon Agreement* (1958) talked about GIs for the first time, referring to them as "*appellation of origin*". However, only with art 22 of the TRIPS agreement (1995), GIs are officially recognized in the international law system. The agreement recognizes their standard level of protection, based on preventing unfair competition and consumers' misleading, meaning a reference or evocation of a geographical area, manufacturing process or nature of the product, different from the true origin of the good *(WTO, TRIPS).*

Art 23 recognizes a higher protection for GIs of wines and spirits and art 24 considers the limitation on protection for GIs, in particular, when a GI has become a generic name or when it has already been registered as a trademark. Despite this general guide, each country has the freedom to choose the means to protect this category of products. This lack of international harmonization causes strong conflicts regarding the legitimacy of GIs at international level *(F. B. Matthew, 2016).*

3.2 EU Regulation: the importance of the agri-food Industry

The agri-food industry represents 6% of the GDP in the European Union and it is the largest employment sector in the EU economy, with 22 million workers (44 million, if all the jobs related to food processing and retailing are included). The EU strictly regulates and supports this sector through the Common Agricultural Policy (**CAP**), which aims at providing a stable and sustainable supply of food, at a competitive price for all Europeans, guaranteeing at the same time a "decent standard of living" for European farmers. CAP allocates 59 billion euro each year (70% of the total CAP budget), to support farmers and the long-term development of farms, promoting sustainable and environmentally-friendly agricultural practices. About 5% of the overall CAP spending is related to market support measure, against unpredictable natural events. Considering the central role of the food & beverage industry, the EU developed a structured system of rules to guarantee product quality and inform customers about food origin and characteristics. These strict measures are designed to protect both the consumers and the producers against imitation *(European Commission, 2015).*

Safeguarding consumers is a key pillar for the EU, which obliges companies to provide right and clear information in the label, packaging and advertising. There are strict rules about product **traceability** *(Regulation 178 of the EU Parliament and Council, 28/01/2002*): the label must provide clear information regarding producers, the manufacturing process, the origin of raw materials and all the supply chain. In Italy, in particular, the law regarding labeling and origin is very strict: the wrong utilization of origin denomination and geographical names is considered a crime (*Law 99/2009).*

According to the **Community Customs Code** (Regulation 450/2008), the general rule to establish the country of **origin of a product**, is to consider where the last transformation takes place. Consequently, although raw materials are imported and most of the manufacturing process take place abroad, the product is still considered "Made in Italy" if the last part of the transformation happens in Italy. However, this rule does not apply for PDO and PGI, which have to follow the strict regulation analyzed in CHAPTER 1.

3.3 US-EU Trade Relationship

The **Unites States is the first partner** in agri-food trade for the European Union: in particular, it is the first destination for EU high value added products, such as wines and cheeses. In 2015, the trade of agricultural goods between the EU and the U.S. accounted for 31 billion euro, and the EU had a surplus of over 7 billion euro.

Through the **TTIP** (Trans Trade and Investment Partnership) negotiations, started in 2013, both parties have been trying to enhance the access to the foreign market. Other than duties elimination, both parties are trying to harmonize their regulatory systems, removing non-tariff barriers. For the aim of this thesis, I do not pretend to describe all the issues and implications related to the complex topic of TTIP; I would like to give a general overview of the regulatory system Italian food companies have to consider when exporting. An important part of the draft of this agreement is dedicated to the agricultural sector, whose lobby had the most influence in the preparation of the document. The goal is to reach a cooperation for a sustainable agriculture, make the other market more accessible, reaching a common ground on regulations, while still respecting the differences in agricultural models and standards. Next paragraphs will deepen this topic.

3.3.1 Import duties

Although the average **CUSTOM DUTIES** between the EU and the U.S. are already low (around 2%), the variance regarding individual products is very high. More than half of the goods exchanged is not subject to any kind of tariff; however, some products are characterized by very high duties, which discourage all kind of exchange. For instance, the U.S. settled 130% duty for peanuts, 140% for some dairy products, 350% for tobacco. In

addition, European exporters face an average duty of 26%-31% for meat and 20-35% for cheese, when exporting to the US market (while the average import duty for cheese in the WTO system is around 11%). The percentage above is applied on the FOB value (free on board), meaning the price of the good when it gets on board to ship or airline in the country of origin. Part of the aim of the TTIP agreement is to remove these duties and other barriers, encouraging international exchanges *(European Commission, Market Access database).*

3.3.2 Other trade barriers

Actually, tariffs represent a small part of the issue. According to the EU, the main trade barriers for international exchanges with the U.S. are related to the different **regulatory system**, especially regarding sanity, labelling requirements, and protection of name of origin *(European Commission, Trade).* The EU lists the **inadequate protection of Geographical indications (GIs)** as the main trade barrier in the Agricultural sector for European exports to the US. The difficulty in protecting food origin designation and limiting the use of European geographical indication for American products, are the main problems in the industry: the most affected products are cheese, meet and wine.

In 2006, a new *Wine Agreement* was signed: it guarantees the protection of certain wine names and the recognition of some European certifications, enforcing the special regime recognized for wines in the TRIPS agreement. On the other hand, there is no specific agreement to protect Geographical Indications of other imported food products. One of the central issues is that the US considers some P.D.O. and P.G.I. as "generic names" for a certain type of product. For instance, "Parmigiano-Reggiano" is a protected GI in the EU, while "Parmesan" refers generically to hard, aged cheese in the US.

The EU is particularly pushing on reaching an agreement on P.D.O. and P.G.I., which represent an important part of the agricultural economy (15.8 billion euro in 2012, excluding wines and spirits). For the EU, the GI system is a fundamental tool to increase consumer awareness of traditional food, protect and promote European heritage products. Instead, the U.S. is sceptic about the connection between geographical locations and quality, considering that Europeans' immigration transferred the knowledge of traditional methods of processing food into the U.S. territory, many years ago.

In the **U.S**., the protection of places of origin and methods is part of the intellectual property system, based on **trademarks** (used by companies, which own them) or certification marks (used by a different entity than the mark owner). Certification marks are difficult to obtain, and they need to be certified by an accredited testing organization *(F. B. Matthew, 2016).*

It is a completely different system: while the trademark's owner is usually a single company, in the GIs system more companies can use the same protected name, as long as they are part of the specific consortium (responsible for establishing the requirements for each GI and verifying that members meet them). *A*ccording to the American intellectual property system, trademarks have a prime position and guarantee a higher protection than GIs. In fact, new trademarks have the priority over already-existing GIs with the same name. On the other hand, the **EU** considers GIs as a *sui generis system* and guarantees **priority of Geographical Indications** over the trademarks, preventing the registration of a new trademark, if it can conflict with an already-existing GI. This rule also allows the invalidation of a pre-existing trademark over a new GI.

Peculiar characteristics of the two markets can explain a **different system of protecting names** of origin. The U.S. is characterized by large corporations, which can afford the cost of trademark registration and protection against abuses of other parties. The European market instead, is very fragmented: producers and manufacturers are usually small and medium enterprises, which do not have enough resources for such expenses *(F. B. Matthew, 2016).*

Following the approach of the CETA agreement with Canada, the EU aims to obtain the **protection** of a short list of around **200 food Geographical Indications (41 from Italy)** in the U.S.. In the European draft of TTIP, there is a clear reference to this issue: "*The Parties shall cooperate in matters related to geographical indications*". Reinforcing art 22-24 of the TRIPS Agreement, the draft prohibits the use of GIs names, a translation or an evocation of the name, or the name accompanied by expressions such "type", "style", "kind", for products not related to that geographical area. The draft also proposes to find some ad hoc measures for GI names that have acquired a generic meaning in the US market.

The GI issue represents a key interest for the EU in the TTIP negotiations, because the cost of registration in a **trademark regime** would be **prohibitive** for most European companies. In addition, according to the U.S. regulation, trademark holders have the responsibility to control and protect their trademark against abuses of other parties; instead, small European associations have not the financial resources to handle this system. Because of all these reasons and considering that, in some cases, similar names of GIs are already registered as trademarks, reaching a common agreement in the protection of Geographical Indication is fundamental for the EU, even though it will be very challenging.

3.3.3 Food safety

Food safety is another key issue in the TTIP negotiations. The bigger concern is that European strict safety and quality rules will be sacrificed for economic growth. While **European** food regulation is based on the precautionary principle of *ex antes* verification (companies have to provide scientific proves that the product is not harmful before it can be placed in the market), the **United States** relies on an *ex-post* principle (no product is considered harmful as long as scientific tests demonstrate that).

In addition, many substances used in the intensive American farming system, such as hormones, antibiotics and anabolic steroids, are **banned in the EU**. Finally, GMOs are a common and accepted reality in the US, with more than 70 million hectares of GMO crops. The EU instead, leaves freedom regarding this topic: some countries use GMO practices and it is legal to sell GMO products in the market, however, in other EU members (like Italy) GMOs are illegal. The common fear is that through the TTIP, all American products will freely arrive to the EU market, **reducing the quality standard of European food** *(L. Cavestri, 2015).*

3.4 U.S. regulation on food

In the U.S., generic food nutrition labelling is required for most imported prepared food, while it is voluntary for raw products, such as fruit and vegetables. As a general rule, the information on the packaging must be truthful and in English *(FDA, Human Food).* In addition, *t*he EU and other countries have long asked for mandatory **labelling**, informing about the presence of GM ingredients in food products. Around 2009, when the largest supplier of natural food in the U.S. started requiring verification and labelling in order to recognize its products as GMO free, voluntary labelling for non-GMO food began to be introduce in the U.S. market. In July 2016, the U.S. congress established national standards for labelling food with GMO ingredients. However, it is expected to take some years before these standards start to be fully in effect *(C. Funk & B. Kennedy, 2016).*

In the last few years, new rules about food import have been introduced in the U.S., regarding foreign suppliers and the documentation needed in order to export food into the U.S. market. In the next paragraphs, I am going to analyze the main rules an Italian company should know when exporting food into the U.S..

3.4.1 Specific rules & documentation needed to export into the U.S.

All goods imported into the U.S. must be declared to the U.S. **Customs and Border Protection** (CBP) and imported food for commercial purposes need to be approved by CBP at the U.S. port of entry. Almost 20% of the total imported products are foods: there are different requirements to meet according to the type of food, country of origin, and specific regulation restrictions. Most importers choose to hire licensed representatives, called *custom brokers*, who help them in managing the entry of foreign food items into the U.S. *(CBP, Importing food for commercial use).*

Imported food must meet the same requirements as domestically-produced food and it is subject to the **Food and Drugs Administration** (FDA) inspection at the port of entry. The Food and Drug Administration regulates a wide range of food and non-food products, and determine the accessibility of imported food products into the United States. If the shipment violates the U.S. regulation, the entrance will be detained. In general, products are refused entry if they appear to be contaminated or not safe, if the labels contain false

information or if its sale is forbidden or restricted in the US. In this case, the shipment must be destroyed or exported within 90 days *(FDA, Import Basics).*

According to the *Public Health Security and Bioterrorism Preparedness and Response Act* of 2002, all food and beverages imported into the U.S. for commercial use, require a prior notice (PN). No food shipment will be allow to enter the U.S. without proof of prior notice filed with FDA. Foreign manufacturers must register online before their goods can be admitted. In fact, foods can be imported into the United States without FDA's prior sanction, only if the facilities which produce, store, and handle the products, are registered with FDA, and they provide a prior notice of incoming shipments. In this way, FDA and the Customs and Border Protection, can target inspection more effectively, in order to guarantee safety and prevent food contamination. Moreover, if the imported products contain meat, egg, milk, poultry, or other animal origin products, they may require some specific permits, health certificates or other certifications from the country of origin. The US **Department of Agriculture** regulates this last subject.

In order to file a prior notice, it is necessary to register the company online at www.fda.gov and create a new "web entry": companies have to provide information about the entry type, the port of arrival, the date of arrival, the importer details and the mode of transportation. After that, it is possible to create a prior notice for each type of food in the shipment. The exporting company has to provide all the information regarding the goods: country of origin, if the items have been refused entry by other countries and specific product information (product code, production identifiers, quantity and packaging details). Companies must give other details related to the supply chain, specifying the manufacturer, grower, shipper, and the owner of the food. Finally, information about the ultimate consignee and holding facilities in the U.S. have to be inserted. When all prior notices for a specific shipment are completed, it is possible to submit the web entry, no more than 30 days before the arrival of the shipment: once submitted, it is not possible to modify it any more. APPENDIX H shows a sample of prior notice interface *(FDA, Import Basics).*

3.4.2 Foreign Supplier Verification

The **Food and Safety Modernization act (FSMA**), signed by President Obama in 2011, is the base of the current food controls in the US. It enhances the protection of public health, ensuring that imported foods meet the same safety requirement as domestic-produced food. A new national law regarding food safety entered into force in May 2017. It is known as the **Foreign Supplier Verification program (FSVP**) and it states that all foreign products for human and animal alimentation have to undergo a preventive control, before being sold into the US market. In particular, American importers will have the responsibility to verify (directly or through a third party), that their foreign suppliers, comply with all established quality and safety requirements for consumers' health. If there is no U.S importer of goods at the time of entrance, the foreign owner or agent has the responsibility of meeting FSVP requirements. . In addition, each plant for the production, packaging or storage of food in the U.S. had to provide a Food Protection Plan by May 2017 (ICE, 2016).

According to the FSVP, importers need to perform an analysis regarding potential biological (disease-causing bacteria), chemical (additives, toxicities, pesticide residues…) and physical hazards of food. They have to verify through sampling of food, annual audits and other activities, that these hazards mentioned have been minimized. They also have to evaluate the risk of the foreign supplier, based on its food safety practices and safety performance history. Finally, they are in charge of taking corrective actions, if necessary *(FDA, Human Food).*

FDA is trying to focus on preventing food safety issues: at the end of 2016, it launched the **Voluntary Qualified Importer Program**, aimed to protect better public health and ensuring safety and security of the food supply. The importers, who decide to be part of this program, have to maintain a high level of controls of their facilities and of the products they import. On the other hand, they will receive some benefits related to faster and easier food entry into the United States for all food products approved in the Voluntary Qualified application. Only food importers (defined as people who are responsible to bring food from a foreign country into the US territory), are eligible to participate at the

program. They include manufacturers, owners, consignee and they can be located inside or outside the U.S. *(FDA, Human Food).*

Conclusion chapter 3:

Opposite interests, differences in the economic reality and cultural background are the main issues in the negotiations of a bilateral trade agreement between the U.S. and the EU. The agri-food industry was the center of the TTIP debate, and the agricultural lobbies in the EU played a central role during the first negotiations. On average, import duties are already low, but they vary a lot depending on the product, reaching more than 100% for some goods. The aim of reaching an agreement on TTIP is to encourage free trade exchanges, providing a harmonized regulatory system and lowering non-tariff barriers.

The agrifood sector and the Geographical Indication system is a key pillar for the EU economy. Considering the freedom international law leaves in this topic, the same protection is not recognized in the U.S., whose regulatory system is based on trademarks. Consequently, American products evoking European Indications can be sold in the market, misleading the consumers and damaging EU export. This issue represents the number one trade barrier for European food export. Through TTIP negotiations, the EU has been trying to extend the protection of GIs to the US, but no deal has been reached yet. Since Italy is the first country for number of Geographical Indications registered, this lack of protection facilitate the imitation of Italian products and damage Italian export. I will deepen this topic in CHAPTER 4.

Finally, foreign suppliers have to follow the new U.S. regulation regarding the admission of foreign goods and food products. Foreign companies involved in the exchange need to register online and send a prior notice to FDA before the shipment can be accepted.

4. Imitation and Italian sounding

The imitation of Italian food is a global phenomenon, in the last decade it has increased dramatically. It is a big issue in the U.S. market, where Italian exporters have to compete against Italian sounding products, often produced by descendants of Italian immigrants, who usually sell an Americanized version of Italian product as it was traditional.

4.1 Country-of-Origin Effect

Many studies demonstrates that the country of origin has an influence on the product evaluation, regarding consumers' perception of quality and willingness to pay. This phenomenon is called **Country-of-Origin effect.** When a negative Country-of-Origin image exists, emphasizing the source of origin in foreign markets can have a negative impact on sales: in this case the marketing campaign should be based on pointing out some positive attributes and unique characteristics of the specific product. On the other hand, when a favorable image is related to a certain source, companies try to exploit this advantage, highlighting the foreign origin of the good in their marketing strategy. In addition**,** consumers are usually willing to pay a **premium price** for products with a favorable country image *(Hill, Charles, 2015)*.

Specific characteristics of the country, such as the quality of raw materials, the experience in processing them and the internal competition, influence significantly the perception of quality of the final product. In a highly competitive marketplace, where consumers face the availability of many different items, the origin of the product can really make the difference in final sales and profit; in some cases, it is more important than the brand name.

All **Italian food** products usually benefit from a **positive Country-of-Origin effect** in foreign markets. Italian food is known and appreciated all around the world as unique, traditional, high quality, healthy and tasty heritage food. This strong positioning and consumers' perception of "Made in Italy" gives a great advantage to Italian products abroad. However, at the same time, it attracts imitation practices: local companies started exploiting the positive image of Italian products, producing and selling their own Italian food. Therefore, a parallel economy, based on the imitation of Italian products, has grown all around the

world, over the years, acquiring market share and damaging Italian exports. Taking advantage of the Italian evocation and benefiting from a favorable country-of-origin image, local companies position their fake Italian products on a high price range, but on average still 30% lower than the original product *(Assiocamere Estero).*

4.2 Imitation of Italian food products abroad

In general, fake Italian food can be divided into three main categories: counterfeiting food, imitation of Italian products using Italian sounding practices and fake recipes. The following paragraphs will analyse all of them.

4.2.1 Counterfeiting practices

Regarding the first category, **counterfeiting food** is the result of illegal falsification practices: since the label provides false information on the characteristics of the product, it is punishable by law almost all over the world. In foreign markets, the most common of these violations is the false declaration of origin of the products. The label can provide false information regarding the producer, the manufacturer or the origin of raw materials. Other than the origin, false information can concern other topics, such as the brand name (in order to take advantage of the reputation of that specific brand), the commodity identity (attributing some characteristics that the products does not actually have), or the falsification of the expiring date. Considering the huge amount of counterfeiting practices in the food industry, today it is common to refer to the whole phenomenon as **Agro-piracy** *(G. Ballarini, P. Petroni, 2008).*

4.2.2 Imitation practices: Italian sounding

Other than illegal counterfeiting practices, providing false information on the label, imitation practices, usually considered legal in most extra-EU countries, have to be taken in account. Imitations of Italian food abroad are usually related to the **Italian sounding** phenomenon: it consists of an evocation of Italy through images, signs, origin designations in the packaging, even though the product is produced and manufactured abroad. The label provides misleading information, displaying writing as follows: “product of Italy”,

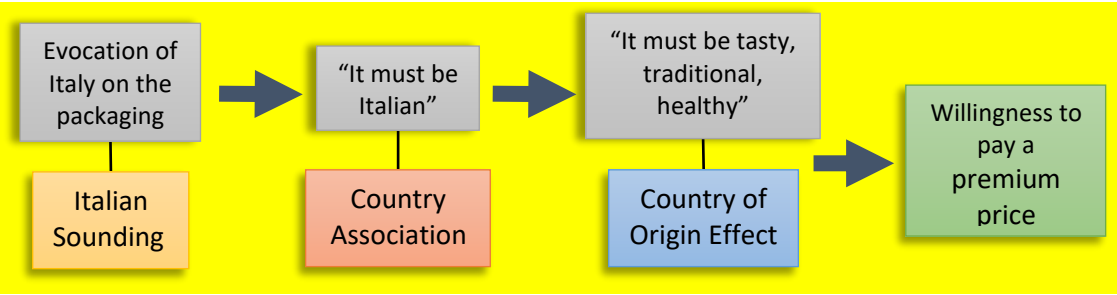
"Italian type", "Italian recipe", "Italian style". In addition, the presence of Italian words (product name, brand name or random words), Italian monuments or pictures of Italy as well as the Italian flag in the package, increase the Italian sounding effect.

CHART 16: Parramo, Italian sounding cheese Made in Holland (Source: Picture from Sprouts Markets, Atlanta)

CHART 16 shows an example of this phenomenon: other than having an Italian sounding name (Parramo), colors on the packaging remind the Italian flag. At the top, it displays an Italian sentence saying "*Il gusto di un formaggio pieno di sapore e di carattere*" (The flavor of a cheese full of taste and character). All these details, especially the last one, can be associated with an Italian product; however, it comes from Holland.

This phenomenon exploits the following consumers' unconscious mental process: firstly, since the packaging shows Italian elements, the product must be Italian (*country association*). Secondly, since the product is Italian, it must be tasty, healthy, traditional (*country-of-origin effect*). Finally, it is legitimate to pay a premium price for an authentic product with a positive country-of-origin image *(G. Ballarini, P. Petroni, 2008).*

CHART 17: Relationship between Italian sounding products and premium price asked for them (Source: original elaboration)



Italian sounding is particularly common for imitation of typical Italian products, especially Geographical Indications. This imitation practice is considered legal in most countries, since the packaging does not provide false information (it does not claim to be "Made in Italy"). However, according to the EU regulation it is illegal, because it misleads the consumers, suggesting a false perception of the reality. As already mentioned, although art.22 of TRIPS agreement claims that misleading the customers is not permitted, each country can use different means to enforce this general rule.

The Italian sounding phenomenon in the agri-food industry is reaching dramatic figures, with a negative effect on consumers (who ignore the real characteristics of the product), on Italian companies (it is difficult to defend and promote authentic food) and on the country of origin (for subtraction of tax revenues).

4.2.3 Imitation practices: culinary false

Another common imitation practice abroad is the introduction of **false Italian recipes** (the *culinary false*). It can be based on inventing completely new recipes and selling them as original, or on using fake Italian products in traditional recipes. Chicken Parmesan (Parmigiana di pollo), Pasta and meatballs, Mac & Cheese (Maccheroni al formaggio) and Alfredo sauce are the most common examples of fake Italian recipes, considered super traditional by Americans. Alfredo sauce consists of a butter and cheese cream, actually originated in a restaurant in Rome, but it became popular in the U.S., where it is sold in large-scale retail channels.

Although the problem of culinary false usually is not a threat for consumers' health, and it is not always synonym of low quality, it does threaten the **identity** of traditional Italian food. In fact, as the results of the survey confirm (CHAPTER 5), some Americans believe that the recipes mentioned above are authentic Italian dishes. I directly experienced the upset of some people after they discovered that Alfredo sauce or chicken Parmesan do not exist in Italy: for them these recipes represented typical examples of traditional Italian food. Authentic food is not only related to original raw materials and ingredients, but it also represents a cultural value. In some countries, like Italy, the culinary sensitivity for authentic food has been developed over the decades. On the other hand, the capability

of the foreign consumers to appreciate, recognize and choose authentic Italian food against imitations does not have to be taken for granted *(G. Ballarini, P. Petroni, 2008).*

The risk of identifying false Italian recipes and products as traditional and representative of our culture is high, especially abroad. In China, for instance, fake Italian food arrived before Italian imported products; consequently, consumers have a wrong perception of what is traditional and authentic Italian. Other than damaging Italian export, and the image of Italian products, these practices can threaten the survival of traditional culinary recipes.

4.2.4 The value of fake Italian food products

According to *Federalimentare*, the imitation practices of Italian food and beverage products around the world is estimated to be worth **60 billion euro** every year, which represents a missed gain on export for Italian companies. The total revenues related to counterfeited items (illegal practice) in the agribusiness sector, accounts for 6 billion euro, whereas the Italian Sounding phenomenon is worth 54 billion euro (CHART 18). Revenues related to imitation products correspond to 50% of the total turnover of the Italian agrifood industry (132 billion euro) and they almost double the total revenues of Italian exports in this sector (38 billion euro). On average, around the world, only one Italian product out of three is original: if the imitation phenomenon of Italian food abroad stopped and original Italian products substituted them, Italian export could triple**.**

CHART 18: Data regarding counterfeiting practices of Italian food and Italian sounding around the world, 2016 (Source: Federalimentare)

€	UE	ASIA OCEANIA	NORTH/CENTRE AMERICA	SOUTH AMERICA	TOTAL
COUNTERFEITING	1 Bln	1 Bln	3 Bln	1 Bln	**6 Bln**
ITALIAN SOUNDING	21 Bln	4 Bln	24 Bln	5 Bln	**54 Bln**
TOTAL	*22 Bln*	*5 Bln*	*27 Bln*	*6 Bln*	***60 Bln***

It is not necessary to go overseas in order to find Italian imitations: the total revenues of fake Italian products in the **EU** account for $22 billion, more than one third of the total. It is particularly widespread in the countries with a lower tradition and sensitivity to typical

products related to origin designation (Central and Northern Europe). In fact, most PDO/PGI products come from the southern countries.

In **North and Center America** (Canada, the US and Mexico), the total business related to Italian Sounding reaches 24 billion euro every year. Summing 3 billion euro of counterfeited products, the total turnover of Italian food imitations accounts for 27 billion euro, representing almost half of the global phenomenon. Italian Sounding is particularly rooted in **the U.S**., for historical reasons: a typical destination of Italian immigrants in the past. Many Italian sounding practices are related to businesses started by Italian immigrants during the 20th century. They began to produce and sell very similar products to the ones they used to have at home, using the same Italian names. Then, under the same brand name, they started adding new items, customized for the American markets. After that, their descendants continued to use the family Italian brand name, even though the products were not related to the original ones any more.

Italian sounding food produced abroad benefit from a competitive advantage based on a lower production cost (they do not have to comply with the strict EU regulation), minimal transportation costs and high market placing price, since they exploit the Italian positive country of origin image. These products usually does not comply with quality standards and controls requested to Italian companies. In general, imitation products cause a **loss of market space and visibility** for real "Made in Italy" abroad.

Other than the economic damage, it causes a **reputational damage**, regarding quality and safety of the products, which affects the credibility and the general image of the entire Made in Italy. There is a real risk that foreign consumers identify fake products, recipes and tastes as "Made in Italy" and they are not able to appreciate traditional and unique Italian food *(Federalimentare, 2016)*.

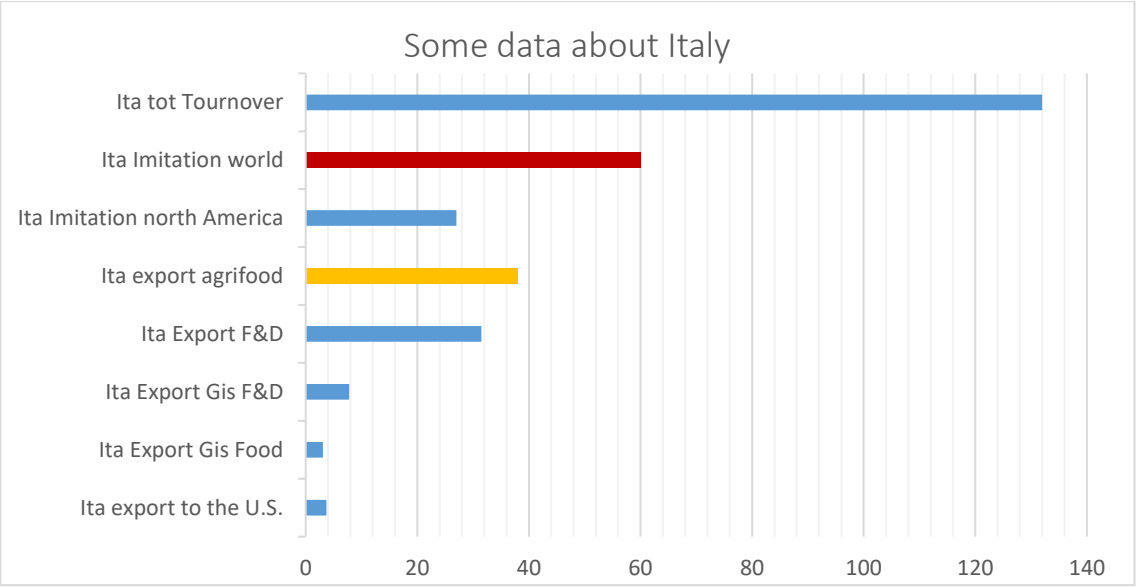
CHART 19 summarizes some data regarding the Italian food industry: it is impressive to notice that the turnover related to imitation of Italian products, is far higher than the total Italian export.

CHART 19: Summary of the Italian agrifood sector and Italian imitation practices. Values expressed in billion euro.

a) Data

Value considered	Turnover (bn €)
Turnover Italian agrifood sector	132
Imitations of Italian food in the world	60
Imitations of Italian food in North America	27
Italian export agrifood sector	38
Italian Export F&D	31.5
Italian export Gis F&D	7.8
Italian export Gis Food	3.1

b) Graph



4.3 Italian sounding in the U.S. market

As explained in CHAPTER 2, the food industry reaches the final consumers through two main channels: retailers and food service places. Imitation of Italian products and recipes can be found in both.

Even though there are plenty of Italian restaurants in the U.S., it is not easy to find authentic food: usually, only in expensive places it is possible to find good Italian food.

However, in service places, consumers do not have a direct control of the products they eat, since they are served a ready-to-eat dish. I am going to focus this analysis on the retail side, where consumers have to make decisions on what to buy among a huge amount of products. I am going to provide some examples of Italian sounding food products I saw in different grocery stores in Atlanta. Since the United States is a big and diverse country, each area has its peculiarity: I do not pretend to give a complete and detailed explanation of the complex situation in the U.S. market, but I want to provide some examples of what consumers can find when they go grocery shopping in an average American city. Most grocery stores I analyzed are chains that cover the whole country. Regarding the products observed, I consider only the food side (not wines and other beverages), with a particular focus on cheeses, the most imitated products. The brands chosen are completely random, and I do not want advertise nor damage any of them My work has only a research purpose: showing the Italian sounding phenomenon in the U.S. market.

Walking in the **grocery stores** in the U.S., two different kinds of Italian food products can be observed: common packaged items –such as pasta and sauces-, and products related to Origin Designations (cheeses, cured meat, vinegar, oil). As specified above, Italian sounding practices can be related to colors and images on the packaging, as well as to the brand name and/or to the product name. It can be noticed that the product names used for American products, often recall Italian PDO/PGI, misleading consumers (such as Parmesan cheese). In addition, sometimes other random Italian words or whole sentences are added on the packaging, such as “nonna”, “Pizzeria”, “gusto”.

CHART 20 shows some examples of Italian sounding practices: in picture (a), other than the Italian brand name (Frigo), the packaging includes the Italian flag and an evocation of some PDO cheeses: “Parmesan”, “Asiago” and “Romano”. In the U.S. market is very common to find three grated cheeses together, sold as an Italian traditional product, even though nobody in Italy would probably buy it. In picture (b), the same strategy of using the Italian flag and Italian brand names (Classico and Mama Francesca) can be seen for other products. Picture (c), shows another common practice of emphasizing the relationship with Italy through the words “style”, “type”, “recipe”. The last three pictures (d, e, f) show cured meat made in the U.S. with Italian brand names (Ciao, La Quercia) or names that evoke Italy (Columbus). All the product names (Pepperoni, Salami and

Prosciutto) refer to Italy as well. In particular, the packaging of Columbus, highlights in capital letters and in a big font size that the product is an “Italian dry Salami”; on the other hand, it specifies only in a very small font that it is made in the U.S. (I underlined it in red). La Quercia instead, claims to be “American made and American inspired cured meat”.

CHART 20: Examples of Italian sounding products: “grated parmesan” (a, b, c), and cured meat (d, e, f). Source: picture from Walmart and Sprouts Markets, Atlanta

a)


b)


c)


d)


e)


f)


4.3.1 Pasta and sauces

According to *Federalimentare*, 98% of pasta and Italian sauces in U.S. supermarkets are imitations and examples of Italian sounding. I want to underline two main issues regarding the imitation of non-PDO/PGI: on one hand, American brands use **Italian sounding names** in order to seem more authentic and traditional; on the other hand, the products sold in the market, are usually **customized for U.S. consumers**. Both American and Italian brands often sell a wide range of products which, for ingredients or size, cannot be found in Italy.

CHART 21: Italian sounding sauces (Sources: Ragù and Prego corporate website, pictures taken in grocery stores in Atlanta)

Classico, "Italian-inspired pasta sauces for more than 25 years", **Prego** (a Campbell Soup Company sauce brand) and **Ragù,** "Home-inspired sauces" (part of Mizkak Group), are among the most popular American brand of tomato sauce. All of them evokes Italy through an Italian brand name. In addition, they offer a wide range of sauces, often advertised as "Classic Italian recipe", even though they do not exist in Italy, such as "three cheese sauce", "six cheese sauce", "double cheddar sauce", "mini meatball sauce", "light parmesan Alfredo sauce", "roasted garlic parmesan" and of course the "Classic Alfredo" (CHART 21).

The other issue is related to the authenticity of the recipes of **Italian brands,** which sell their items overseas. In fact, companies known to be traditional Italian brands, like Barilla and Bertolli, adapted some products for the American market. As I personally observed in the most popular grocery stores, like Publix, Kroger and Walmart, they usually offer more complex sauces and bigger sauce packs than in the Italian market. Even the basic traditional sauce (Tomato and basil) tastes different because more ingredients and sugar are usually added. In addition, they introduced new recipes, in line with the American market: like the Alfredo Sauce version of Barilla, or Carbonara, Alfredo Sauce light, Mashroom Alfredo and Five Cheese sauce of Bertolli (CHART 22).

CHART 22: Examples of sauces of traditional Italian brands in the American market (Source: pictures from Kroger and Publix in Atlanta).

Regarding pasta products and frozen items, **Ronzoni** "inspired by our Italian heritage and made for Americans" and **DiGiorno** (part of Nestlé group) are other examples of foreign brands which exploit Italian positive country-of-origin effect, using an Italian brand name.

CHART 23: Examples of Italian sounding pasta and pizza products (Source: DiGiorno corporate website and picture from Kroger in Atlanta)

Italian large companies, selling non-PDO/PGI relate products (especially in the pasta and confectionary sector), tend to locate their production overseas to serve the American market, opening a local branch. Most multinational companies, such as Barilla, Galbani and Giovanni Rana, adopted this strategy. They often use American raw materials: the product results to be completely "made in U.S.", even though products are sold with the same Italian brand name. An issue related to Italian authenticity and tradition came to my mind: if traditional Italian brands produce in the U.S., using local raw materials and sometimes they also come up with new recipes for American customers, which is the border between an authentic Italian product and an American imitation?

It is difficult to judge: each company is free to decide its own marketing strategy in order to be successful in foreign markets and attract local customers. Some of them may choose a positioning based on quality, other may prefer competing on prices, lowering standards of raw materials, compared to the products sold at home. However, some traditional products, especially Geographical Indications, base their peculiar characteristics on a close relationship with a specific geographic area. Consequently, they are considered authentic only if they are produced and manufactured in a specific place, following specific rules fixed by consortia. I decide to focus my analysis on this category of products, which can be authentic only if they are imported from Italy.

4.2.2 Italian PDO Imitations

As I explained in the previous chapters, in the U.S. Origin Designations are protected through trademarks and the Geographical Indication regime is not recognized as a *suis generis* regulation. According to the European Parliament, in the U.S. there are **three types of fake related to GIs**: copies of traditional products that obtained a trademark, copies without a registered trademark and imitations based on a similar sounding *(L. Cavestri, 2015).*

According to *Coldiretti*, PDO cheeses are the **most imitated** Italian food products around the world: **Parmigiano-Reggiano** ranks first, followed by Grana Padano, Gorgonzola, Asiago, Pecorino Romano, Provolone and Fontina. Other imitations are related to ham (Prosciutto di Parma and Prosciutto San Daniele), wine, olive oil and vinegar. CHART 24 gives some examples of the most common imitations of Italian PDOs. The diary sector is the most affected by Italian Sounding practices, because of the perishable nature of the goods, which makes the transportation overseas more complicated, consequently, finding original products is more difficult.

CHART 24: The most common imitations of Italian food in the world (Source: G. Ballarini, P. Petroni, 2008)

Parmigiano Reggiano	Parmesao (Brasile) - Regianito (Argentina) - Parmesan (Belgio, Giappone, Usa, Canada, Australia) - Parmesan cheese (USA) - Parmigianino (USA) - Reggiano e Parmesano (Centro America)
Prosciutto di Parma	Parma Ham (USA)
Prosciutto di San Daniele	Daniele Prosciutto & Company (USA)
Grana Padano	Danish Grana
Gorgonzola	Tinboonzola (AUSTRALIA) - Cambozola (Germania, Austria, Belgio)
Asiago	Asiago del Wisconsin (USA)
Ricotta	Ricotta australiana
Olio d'oliva toscano	Olio d'oliva prodotto dalla Oakville Grocery, in Napa Valley in California (USA)

In 2007, only 2% of "Italian type" cheese consumption in the U.S. was based on imported Italian cheese, while the rest was locally produced. The annual production of Italian cheese imitations in the US is close to 2.28 billion kilograms, exceeding the production of American cheese. In general, almost **nine Italian cheeses out of ten** in the U.S. market,

are **imitations.** Two third of the production of imitated cheeses is realized in Wisconsin, California and New York State *(Source: G. Ballarini, P. Petroni, 2008)*.

American Parmesan cheese production reached 144 million kg, almost half of the Italian production of Parmigiano-Reggiano. As a consequence of this wide spread imitation, less than 14% of the total turnover of Parmigiano-Reggiano is originated by exports, compared to 22% for ham, more than 40% for olive oil and an average of 29% for the whole agrifood sector *(Coldiretti).*

I observed different categories of PDO/PGI products inside American grocery stores, in particular cured meat, vinegar and cheese. In the first case, I did not see many Italian products neither Italian sounding practices (except for Geona Salami). In the second case instead, I observed many Italian vinegars with the PGI logo (especially Balsamic Vinegar of Modena), while imitation or Italian sounding practices were limited. Finally, regarding cheeses, I noticed many imitations/evocations of Italian PDO everywhere. Due to their economic relevance for our economy (cheeses represent more than half of the total value and of the export of PDO/PGI Italian products) and since PDO Italian cheeses are also the most imitated food products in the world, I decided to focus my analysis on them.

4.3.3 Imitations of Italian PDO cheeses in American grocery stores

I personally observed the situation of PDO imitations and authentic imported products inside the most popular grocery stores in the U.S., considering supercenters, supermarkets, and natural food places (Walmart, Kroger, Publix, Trade's Joe, Whole foods market, Sprouts Farm Markets and Savi Provision). I observed that the proportion of GIs imitations and the probability to find original Italian products vary a lot depending on the type of grocery store chosen. Usually, original PDO/PGI are placed very close to imitation products, consequently, a non-expert or not-informed customer, probably do not notice the difference and choose the cheapest option. In general, in natural and more expensive stores, it is more common to find authentic products and it is easier to recognize them.

Considering that Italian companies can choose different export and distribution channels, **original PDO/PGI** can be sold with an Italian brand name (if the Italian company takes directly care of the export and distribution abroad) or with an American or multinational brand name (if the importer or distributor is responsible for the final packaging). **Imitation**

of PDO/PGI are usually sold through Italian Sounding practices (Italian brand name, Italian flag, Italian monuments) and often by the same large companies, which also commercialize original PDO/PGI products. Consequently, specific brands are not synonym of authenticity, since they usually sell both authentic and imitation products.

Some companies emphasize their American tradition but close connection to Italian recipes, using Italian brand and product names. CHART 25 shows an example: Bel Gioioso displays both the Italian and American flag on the package, even though the products have no relation at all with the Italian territory. In picture (b), all four products violate Italian Origin Designations: Parmesan and Romano evoke Parmigiano-Reggiano and Pecorino Romano, while Asiago refers directly to the Italian PDO. Finally, both brand names (Bel Gioioso and Mauro & Gianni) are examples of Italian sounding practices.

CHART 25: Bel Gioioso products: Cigliegine and Bocconcini (a), Asiago Fresco and Romano (b). Source: Sprouts Markets

a) 

b) 

Other than Parmesan (which I am going to analyze below), one of the most imitated cheeses in the U.S. market is **Gorgonzola**. Different versions of the name can be found, from a straight copy of the PDO name, made in Wisconsin (and absolutely illegal in the EU), to more creative names, such as Cambozola from Germany and Amagorg. In addition, the first picture in CHART 26, shows a common blue cheese with an Italian brand name (Stella) and the Italian flag on the box, despite the presence of the logo "Wisconsin Cheese": CHART 26 (a) and (b). These are typical Italian sounding practices, which do not violate American law, since they all specify they are made in Wiconsin, or imported from other countries.

CHART 26: Gorgonzola imitations

a) Gorgonzola made in Wisconsin (Pictures from Whole Food, Kroger and Trader Joe's Atlanta)

b) "Cambozola", "Amagorg" and other imitations of Gorgonzola (Pictures from WholeFood and Trader Joe's and Walmart, Atlanta)

The same imitation practices can be observed for Asiago and Fontina cheese (CHART 27). Most of them come from Wisconsin, even though they use part or the complete PDO name. The first picture of CHART 27(a) shows a cheese with an "Asiago flavor" on the packaging.

CHART 27: Imitations of other PDO cheeses

a) Asiago made in Wisconsin (Source: Pictures from Kroger, Trader Joe's Atlanta)

b) Different brand names of Fontina made in Wisconsin (Source: Pictures from Kroger, Trader Joe's Atlanta)

I kept the most imitated food product in the world at the end (Parmigiano-Reggiano) in order to make a deeper analysis on it. Different American versions of Parmesan can be found in the U.S. market: few examples can be seen in CHART 28. Letter (c) shows two brands exploiting the Italian sounding effect: DiGiorno and Stella. This last one displays an Italian flag on the packaging, making the association of Italy clear, even though, once again a little logo at the bottom says “Wisconsin cheese”.

CHART 28: Examples of evocation of Parmigiano-Reggiano: pieces (a, b) and grated (c). (Pictures from Sprouts Markets, Trader Joe’s and Walmart in Atlanta)

a)

b)

c)

As said above, it is very common to find an authentic PDO (certified by the EU logo), and an imitation (with a similar name but made elsewhere), with the same brand. Cello for

example, sells “artisan Parmesan” made in Wisconsin, as well as “Reggianito” imported from Uruguay and authentic Parmigiano-Reggiano from Italy, certified with the PDO logo. (CHART 29). They are placed close to each others and they look almost the same, a part from some little differences in the small logos (which probably the average American consumer do not notice) and a bigger difference on price. In fact, while the Domestic Artisan Parmesan 12 months (made in Wisconsin) and the Parmesan Reggianito cost $9.99/lb ($22.05/Kg), Parmigiano-Reggiano PDO 24months costs $15.22/lb ($33.6/Kg). On average, American parmesan cheese can be even cheaper than Cello’s American option: $5.99/lb ($13.22/Kg), as CHART 29 (b) shows. Considering that, it is easy to understand that only knowledgeable consumers that are willing to pay a premium price for quality and that have time to make this considerations when they grocery shop, will choose the authentic one. However, as I am going to show in CHAPTER 5, many American consumers have never heard about Parmigiano-Reggiano and Geographical Indications at all.

CHART 29: Cello’s Parmesan made in Wisconsin and “Reggianito” from Uruguay (a); Cello’s authentic PDO Parmiggiano-Reggiano and Zanetti PDO Grana Padano (b) (Pictures from Sprouts Markets, Atlanta)

a) 

b) 

Sometimes it is hard to understand if the cheese we want to buy is an authentic PDO or an imitation. The general rule is that PDO/PGI products should have the EU logo in the packaging. However, sometimes cheeses and cured meat are sliced and wrap in the U.S.

by importers or distributors. Consequently, may it be possible that not all the pieces have the PDO logo? As CHART 30 shows, some cheeses display another PDO logo: is it authentic? Others do not have a logo at all in the packaging (CHART 31), they only display the PDO name and they claim to be imported from Italy. In the crust of the last one (c), it is possible to see the last letters of the brand "Reggiano", which should be a proof of the authenticity of the cheese. However, when I first saw these products, especially Grana Padano Parmesan, showed in picture (b), I thought it was an imitation with no doubt. In fact, no Italian would put the Pisa Tower (a monument of Tuscany) as symbol of a traditional cheese from the northern part of Italy. In addition, no Italian would refer to Grana Padano adding the word "Parmesan", since it is the translation of "Parmigiano", which is different cheese. So, are these products authentic PDO from Italy? It is difficult to answer all these questions, but I want to point out some considerations.

Firstly, since I am born and raised in Italy, I have a higher sensitivity on our traditional food than the average American does. Then, I spent much time inside different grocery stores in the U.S., focused on observing Italian authentic food and its imitation: I should be able to recognize authentic products and imitation better than most Americans. However, if understanding the real origin and authenticity of these products was so difficult and confusing for me, how can American consumers (known not to have a high culinary sensitivity and to be always in a rush), figure this out? This confusion and difficulty in finding authentic food penalizes Italian products.

CHART 30: PDO and PDO imitations are sold under the same brand name. Publix Deli American Parmesan cheese and Italian Parmigiano-Reggiano (Source: pictures from Publix)

CHART 31: Parmesan cheese (Source: Picture from Trader Joe's)

Importers and distributors have a key role in promoting the authenticity of Italian products abroad, through the packaging. However, I believe retailers have the most important role of organizing products inside the supermarket and guaranteeing the right visibility and sufficient space on the shelf. American grocery stores are usually very big and full of different products: many versions, brands and prices of the same food can be found. As said above, American consumers are usually on a rush and the do not have much time to spend on grocery shopping. Consequently, it is important to capture their attention: the products should be visible, well organized according to their origin. A higher visibility and better place on the shelf correspond to a higher allowance to pay to the retailers. In my opinion, this is a cost Italian companies should be willing to pay, in order to increase consumers' awareness and sales. In fact,

One of the main problem I noticed inside the grocery stores was related to the organization of the PDO type products. Authentic Italian PDO cheeses were usually placed in the middle of American cheeses with the same name, without emphasizing any difference. CHART 32 (a) shows Zanetti Grana Padano and Cello Parmigiano-Reggiano,

with the PDO logo, placed together with other cheeses and cured meat, with no distinction. Pictures (b) and (c) give other examples where authentic imported cheeses and American imitations are placed together. Personally, I often felt I hardly had to look for Italian cheeses, in order to find them among the huge variety of items in the American stores. However, if the goal is to reach more people and attract new customers, it should be the opposite: people should be attracted by the product, it should be easy to find and it should differentiate from imitations.

CHART 32: Organization of cheese inside the retail channels: authentic Grana Padano and Parmigiano-Reggiano placed together with American imitations (a), Boar's Head Italian Parmigiano-Reggiano and American Asiago (b), PDO Pecorino Romano close to imitations of other Italian cheeses (c). Source: Pictures from Publix, Kroger, Sprouts Markets, Atlanta

a) 

b) 

c) 

In few higher quality supermarkets (Whole Food and Savi Provision), known to sell natural and traditional products, I noticed a different organization of traditional cheeses. They were divided according to the place of origin, which was emphasized through big labels. It was much more clear and easier to identify Italian PDOs and imitations (CHART 33).

CH*ART 33: Organization of cheeses on the shelf in Savi Provision*

Conclusion chapter 4

Exploiting the positive country-of-origin effect of Italy, imitation practices in the food industry have been reaching a value of $60 billion a year, almost twice the value of Italian export. North and Central America represents alone $27 billion. The main problem is related to the Italian sounding phenomenon: many products have Italian names or evoke Italy on the packaging, even though they are not related at all with this country. In the U.S. grocery stores, Italian sounding products are very common, in particular, pasta, pasta sauces, cured meat and dairy products. Geographical Indications, especially PDO cheeses, are the most imitated products in the sector: in the US market, almost 9 Italian cheese out of 10 are imitations and Parmigiano-Reggiano is the most imitated PDO/PGI product in the world. Fighting imitations of Italian food is important not only for economic reasons, but also in order to preserve our traditional culinary identity.

Authentic imported PDOs and American imitations are usually placed close on the shelf and the same brands sell both: consequently, distinguishing the difference is often really hard and time consuming. An agreement to align the U.S. and EU regulation on Geographical Indications and imitation practices would be necessary to solve part of the problem.

5. Survey on Italian food products in the U.S. market

In this chapter, I want to analyze the characteristics of the food market from the American consumers' perspective. The supply of imitation products is sustained by a strong demand: if selling Italian sounding products was not profitable, this practice would not be so developed in the market. I decided to conduct a **survey** in order to understand the key issues related to imitation of Italian food from the consumers' point of view.
Considering that Italian-sounding practices cause an economic and reputational damage to the whole Made in Italy system, the questionnaire **long-term objective** is to understand what can be done in order to **fight against imitations** of Italian products that consumers find in retail stores in the American market, with a particular focus on Geographical Indications of cheese. The final aim is to understand how it is possible to increase consumers' awareness of authentic Italian food and raise Italian exports of traditional food to the U.S..

The specific **research purpose** of the questionnaire is to understand the key issues of the American market, regarding Italian-sounding products, in particular **why American customers buy Italian imitations**, especially in the cheese sector, with a specific focus on Parmesan. Do consumers think they are buying authentic Italian products when they buy imitations? Do they appreciate and are they interested in authentic Italian food, or is it the same to buy an American imitation? Are they aware of the Italian sounding phenomenon? How do they make sure a product comes from Italy? Which are the discrimination factors to consider a food product authentic? Which Italian food do they usually buy? Is there any product they buy thinking it is Italian even though it is not? Can they distinguish between American Parmesan cheese and Parmigiano-Reggiano PDO? Are they interested in trying authentic Parmigiano-Reggiano? Are they willing to pay a premium price for authentic Italian food?

Answering these questions, the survey analyzes the following topics: consumers' <u>perception</u> of Italian food, their interest in <u>authentic Italian products</u>, their <u>shopping habit</u> regarding some traditional PDOs, their <u>awareness of the Italian sounding</u> phenomenon and of the existence of Geographical Indications and their willingness to <u>pay a premium</u>

for authentic imported food. The last part of the survey, I am going to focus on Italian cheese and, in particular, on Parmigiano-Reggiano.

5.1 Survey structure

I based the structure of the survey and the type of questions used, on the literature, especially considering "*Questionnaire design: how to plan, structure and write survey material for effective market research*", 2013 by Brace Ian.

5.1.1 Sample definition and data collection

The sample of consumers interviewed are **Millennials**: people reaching their adulthood in the early 21st century. They were born between 80's and 90's and they are usually children of baby boomers. I decided to focus my study on them because, as seen in CHAPTER 2, they are leading some new trends and they will be the consumers of the future. Consequently, an analysis on this age group is important to understand the future opportunities of the market. I considered people from 17 to 34 years old, dividing them into two categories: younger (17-24) and older (25-34) millennials. The first group represents, on average, the college age in the U.S.

The sample is based in **Atlanta**, the most important economic center in the South East of the United States, which experienced a dramatic economic growth, development and increase in population in the last few decades. I do not pretend that this sample represents the peculiarities of the whole country, but it is an example of a growing and multicultural city in the U.S.

I created an online survey using **Qualtrics**, through the license of Georgia State University, which I attended for the fall and spring semester of this academic year. Regarding the collection of data, I posted the link of the survey in different facebook groups, related to different colleges and sport activities in Atlanta. In addition, some colleagues helped me, posting it on other web pages, and some professors shared it with their bachelor, master and PHD students. I also reached some people directly by email and I personally delivered some questionnaires on campus, and during other events. Because of the channels used and the age group chosen, I expect most respondents to be related to the university in

some way (current students at different levels, alumni, employees). Before proceeding with Data collection, I tested the clarity and the logic of the questions through the distribution of a pilot survey to about 10 people. After some slight adjustments, I started delivering the final version on March 29th and I close the survey on May 15th .

The total survey started were almost 200, however some of them were incomplete: the survey takes 10 minutes on average and probably, according to time availability and willingness to dedicate time on it, it was too long for many people. I did not consider incomplete answers, neither some responses related to different age groups respect the one targeted for the survey. I collected 120 completed responses of the chosen target: 40 of them in person, and the other 80 through online channels.

Half interviewed are young millennials (19-24 Years old) and the other half represents old millennials (25-34 years). However, results show that the difference in age is not an important discrimination factor on different habits or opinions. In total, two out of three are from the U.S., while the others come from different parts of the world (Asia, Europe, South America, Middle East) and 20% of the total have some kind of Italian origins. Even though I tried to keep the gender distribution as balance as possible, most respondents are female (64%). In addition, 40% of the interviewed claimed to be a student, even though I believe that probably the actual figure is higher, because students in the U.S. usually have a part-time or full time job: it is possible that some of them marked only their work status.

5.1.2 Question types

In this survey, most questions are **pre-coded:** the respondent has to choose among a given number of options. This strategy helps the respondent to focus on the information needed and makes data collection and analysis of the results easier. There are also few **open-ended** questions (the range of answer is not suggested), where respondents are supposed to answer in their own words. I used this type of questions to ask an explanation of a previous pre-closed question.

Ex. Are you interested in buying authentic Italian food? --> pre-coded question

- *Extremely interested*
- *Very interested*
- *Moderately interested*
- *Slightly interested*
- *Not interested at all*

Why? --> open-end question

For most pre-coded questions, I used **rating scales**, in order to help the respondents to express their opinions and feeling, and to obtain a measure of their attitudes. As the literature suggests, the most used scale is based on 5 points, because it gives sufficient discrimination among answers, it is easy to understand for respondents and data are easy to collect and analyze. In attitude questions (where respondents have to express their feelings or opinion regarding a certain topic), I usually used the **Linkert** scale, in order to understand how strongly they agree/disagree with a certain statement (ex.1). In other cases instead, I asked them to rate the level of importance of a certain characteristic. Finally, in behavioral questions (usually related to memories), respondents are asked to rate the frequency of a specific action (ex. 2).

*(Ex 1) Which of the following **characteristics** do you usually associate to **Italian food products**? Express your level of agreement for the following statements*

- *Disagree strongly*
- *Disagree slightly*
- *Neither agree nor disagree*
- *Agree slightly*
- *Agree strongly*

(Ex.2) Do you usually buy Italian food?

- *Yes, I buy it often*
- *Yes, I buy it sometimes*
- *I buy it rarely*
- *No, I never buy it*

Despite the advantages listed above, research studies in sociology and respondents behavior show that the agree/disagree scale have some bias. In particular, respondents tend to avoid extreme answers (central tendency), they tend to agree with the questions (acquiescence), to choose the left answer in a horizontal scale (order effect) and they can be tempted of ticking boxes straight down (pattern answering). In order to compensate

the acquiescence and order effect, I graded the scale from strong disagreement (left side), to strong agreement (right side).

5.1.3 Questionnaire Structure

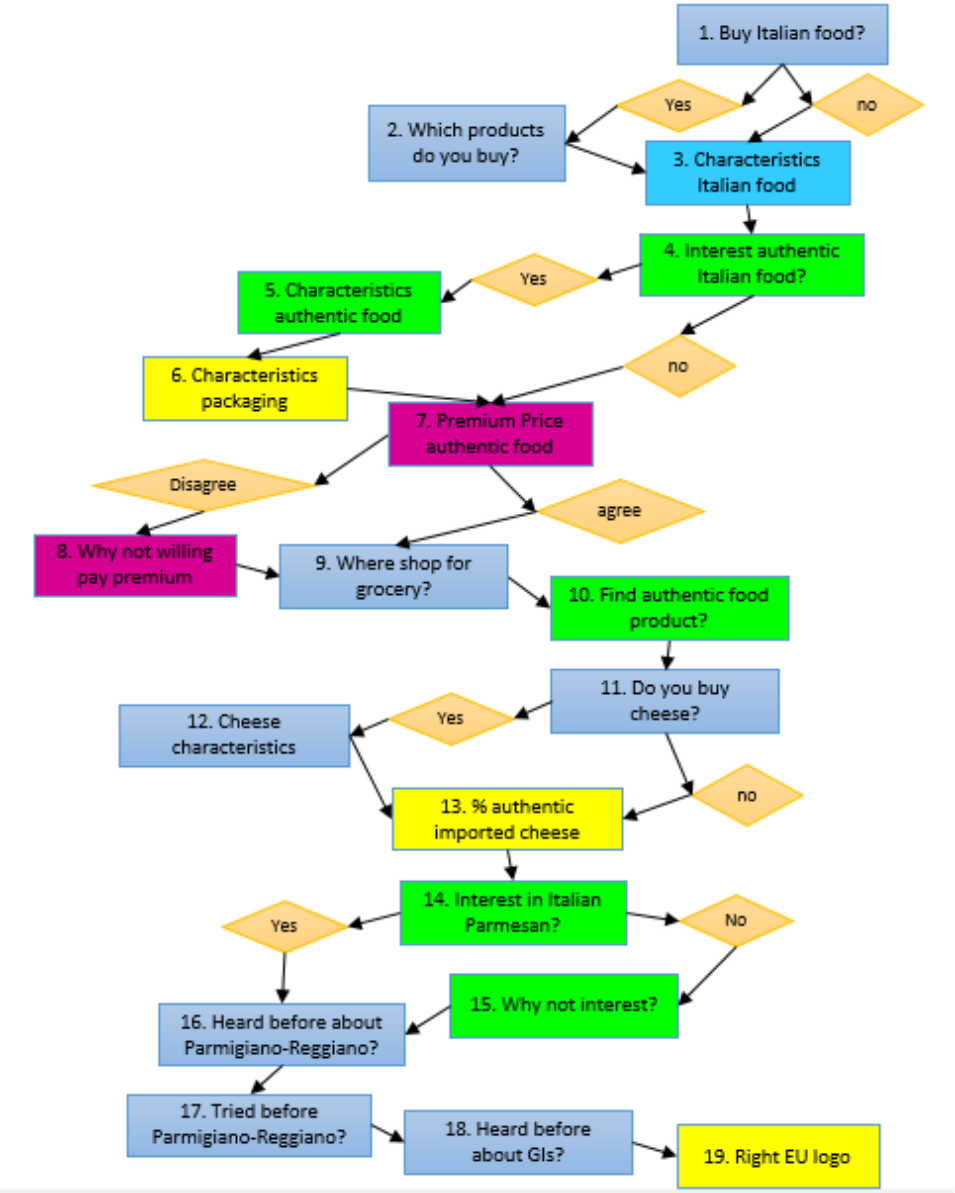
According to the literature, the questionnaire design is intended to facilitate the dialogue and to build a conversation with the respondent (Brace Ian, 2013). The survey I used is divided in three main sections, going from **general to specific**: it starts asking questions about Italian food, then the topic is narrowed to Italian cheese and finally, it focuses on one specific cheese: Parmigiano-Reggiano.

In addition, it starts with **behavioral questions** and ends with attitude ones. The first ones are related to a past or current behavior and they are usually based on memories, consequently they do not require a specific effort nor mental elaboration. They are useful to introduce a new topic, helping the respondent to contextualize and visualize the products, recalling a personal experience. They prepare the path for **attitude questions**, where respondents are asked to express their feelings, emotions or their opinions regarding a certain topic. They usually require more effort, since the respondent is asked to think about something he/she probably had never thought before. In this survey, each section starts with at least one behavioral question, related respectively to respondents' purchase choice of Italian food, cheese and Parmigiano-Reggiano. Whereas, the majority of the other questions are attitude-type. Finally, **sensitive questions**, which include personal information, or topics that people do not like to share with others, should be asked after a certain relationship of trust has been created with the respondent. For this reason, I placed demographic questions, which include some sensitive information (such as the annual income), at the end.

Moreover, the order of the questions has been carefully studied, in order to avoid the "**primary effect**": the influence of some information given in prior questions, which can influence the response to the following questions. For instance, the explanation of Parmigiano-Reggiano and Geographical Indications is given only in the last part of the questionnaire, not to influence the respondents' choice related on their awareness of imitations.

Finally, a **funnel** strategy is used: according to the answers given, different questions will be asked in the following parts. This strategy permits to reach the right target for specific questions, collecting only needed data. Narrowing the path of the avoids wasting respondents' time and dealing with a huge amount of useless data. For instance, if the respondent is not interested in authentic food products, knowing his opinion regarding the most important characteristics of authenticity is probably not valuable for the study. The whole survey can be seen in APPENDIX I, and it is based on the logic displayed on CHART 34.

CHART 34: Structure of the survey: "Italian Food in the U.S. Market"



As a consequence of the funnel strategy, the total number of answers collected is different according to the questions we want to analyze. In fact, some questions were displayed to the respondent only if he/she answered in a certain way previously. For instance, among the 120 responses collected, five people claimed to not to be interested at all in authenticity. Consequently, they did not have the chance to answer the question related to the characteristics they look for when they want to buy authentic food. Moreover, when I use cross tables to compare results of different questions, the lowest number of total responses is the total number displayed in the cross table.

5.2 Content of the survey and results

In the next paragraphs, I will explain in details the content of the survey and the results obtained. Other than considering single answers, I think it is interested to study the relationship between some trends and some demographic characteristics. In particular, I am going to deepen the influence of age, annual wage and Italian origins on some respondents' answers. The results of the survey can be seen in APPENDIX J.

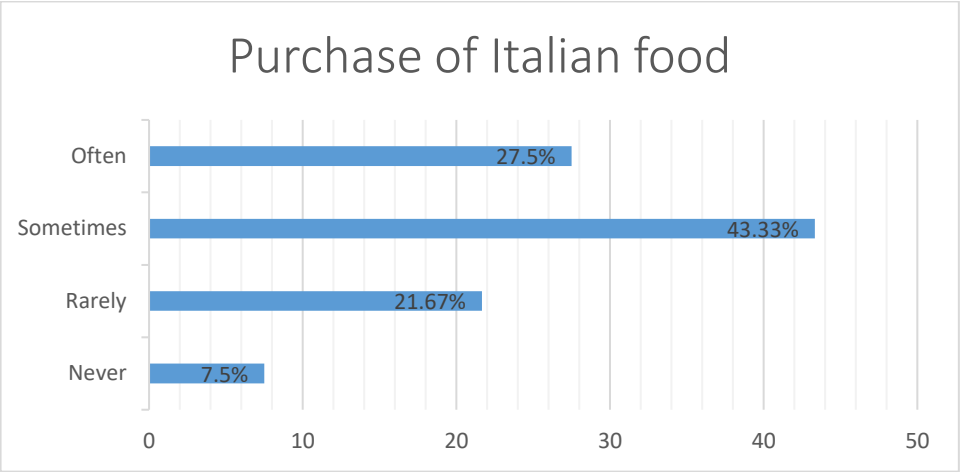
5.2.1 Shopping habits: products

The survey starts with some questions related to consumers' shopping habits. Firstly, they are asked how often they buy Italian food (Q1) and, only if they do it at least rarely, they are asked which traditional Italian products they usually purchase (Q2). These behavioral questions test both consumers' shopping habits and their knowledge of some PDO products: the list includes pasta, tomato sauce, extra virgin olive oil, balsamic vinegar, some cured meats and seven PDO cheeses.

As shown in CHART 35, More than 27% of the interviewed buys Italian food often and more than 70% purchases it at least sometimes (sum of people who buy it sometimes and often).

Regarding specific products, the most eaten Italian food is pasta: 70% of the total buy it often, and more than 95% purchase it at least sometimes. Tomato sauce (more than half of respondents buy it often and about 90% do it at least sometimes) and extra virgin olive oil (55% buy it often and almost 80% buy it at least sometimes) follow the rank.

CHART 35: Frequency of purchase of Italian food products



In addition, almost 70% of the interviewed claim to buy balsamic vinegar at least sometimes. As far as cheeses are concerned, mozzarella and Parmigiano seem to be the most eaten ones: respectively, 50% and more than 40% of the respondents affirm to buy them often. More than half of the interviewed claimed to buy Provolone at least sometimes (24% do it often) and more than 40% purchase Asiago cheese at least sometimes. On the other hand, other Italian cheeses and cured meat do not seem to be very popular among Millennials (CHART 36).

CHART 36: Shopping habits related to specific Italian food

These data refer to products considered Italian by respondents, without distinguishing between authentic food and Italian sounding practices. Analyzing the following answers,

it is possible to estimate the percentage of people that are probably buying imitations, thinking they are authentic imported from Italy. In particular, I used the word "Parmigiano", as the Italian translation of Parmesan, in order to capture all people who think they are buying an Italian product when they choose "Parmesan cheese", even though some of them are victims of the Italian sounding phenomenon.

In addition, I left respondents free space to write "other sauces" and "other cheeses" if they knew some products that they consider Italian and which were not listed. In this way, I want to test their knowledge of traditional Italian food. Thirteen people (almost 10% of the total), wrote they often buy Alfredo sauce; two people affirmed they buy Gouda (a Dutch cheese) and two others purchase Cheddar (originally from England). These responses show the confusion American consumers have on Italian food, and their low level of awareness regarding authentic products. Probably more people think the same, but while filling a survey, in many cases, respondents prefer not to complete the "other" option, for laziness, since a greater metal effort is required.

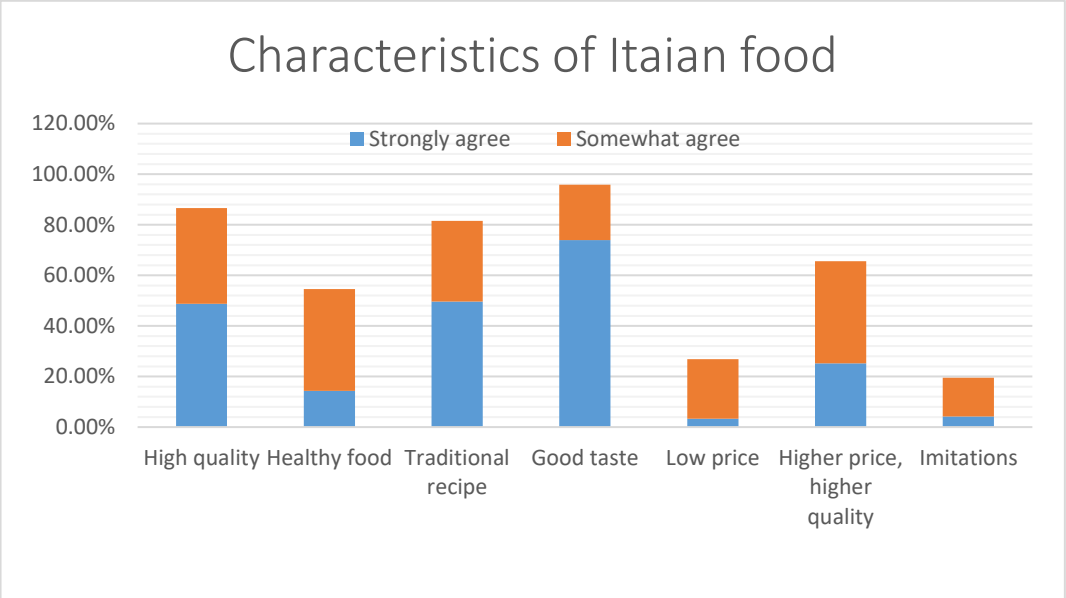
5.2.2 Perception of Italian Food

In order to test consumers' **perception of Italian food products**, I asked their level of agreement on some characteristics associated to Italian food, regarding quality, health, tradition, taste, price and imitation practices (Q3).

The first three characteristics that Americans associate with Italian products are good taste, high quality and traditional recipe. 96% of respondents think Italian food has a **good taste** (74% of respondents strongly agree and 22% somewhat agree); more than eight out of ten associate it with **health and traditional recipes**: 49% of the total strongly agree with both expressions, while around 35% somewhat agree. A lower 14% strongly believe Italian food is **healthy**, while 40% of respondents somewhat agree with this expression. Finally, 65% believe a higher price of Italian food is related to a higher quality (25% strongly agree, while 40% somewhat agree on that), (CHART 37).

Some respondents identified some characteristics different from the ones listed above: Italian food is also perceived as fresh, carb heavy and made of basic ingredients.

CHART 37: Perception of Italian food in the U.S. market



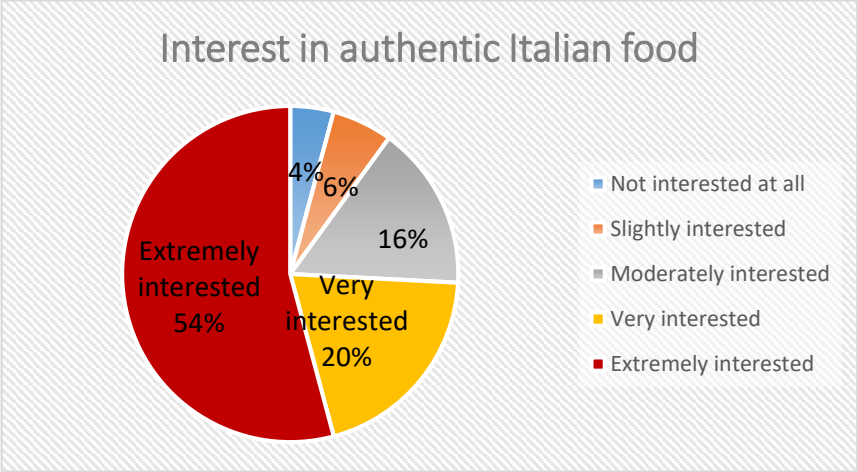
5.2.3 Authenticity

There are different definitions of authenticity. According to the official definition of Collins dictionary, authentic means "conforming to an original style and method; not a false imitation". The Oxford dictionary, on the other hand, defines it as "of undisputed origin, made or done in the traditional or original way, or in a way that faithfully resembles an original". However, everyone has a different concept of authentic food. For instance, regarding Geographical Indication, according to the EU, authentic products must be grown and processed in the designated geographical area, following very strict rules, because the geographical location influences quality and taste of the product. On the other hand, in the U.S., people argue that it is possible to obtain the same products even though it is produced and processed in another part of the world, as long as the same traditional process is followed.

In order to understand why American customers buy imitations of Italian products (research objective), it is fundamental to know the real **interest they have in authentic products** (Q4) and what **"authenticity"** means for them: which characteristics an Italian product must have to be considered authentic (Q5).

According to the results of the survey, Millennials are generally interested in buying authentic Italian food. In this case, I defined "authentic" as "imported from Italy, and characterized by an original recipe, not an imitation". 108 respondents out of 120 expressed their interest in authentic Italian food (claimed to be extremely, very or moderately interested), representing 90% of the total. Most of them (89 out of 120) claimed to be extremely or very interested, representing almost 75% of the total (CHART 38).

*CHART 38: Result of question 4: "Are you interested in buying authentic Italian food? *authentic = original recipe, imported from Italy, not false or imitation"*



People with **Italian origins are more likely to have an interest** in authentic Italian food: 92% of them are extremely interested, against 44% of respondents without Italian origins. 68% of people without Italian origins are either very or extremely interested on Italian food, compared to more than 95% of respondents with Italian origins (CHART 39, APPENDIX K1).

Instead, considering different age groups, **younger millennials seem to be slightly more interested in authentic food**: 62% of them claimed to be extremely interested, compared to 45% of older millennials (CHART 40, APPENDIX K2)

CHART 39: Percentage of respondents interested in authenticity depending on their origin

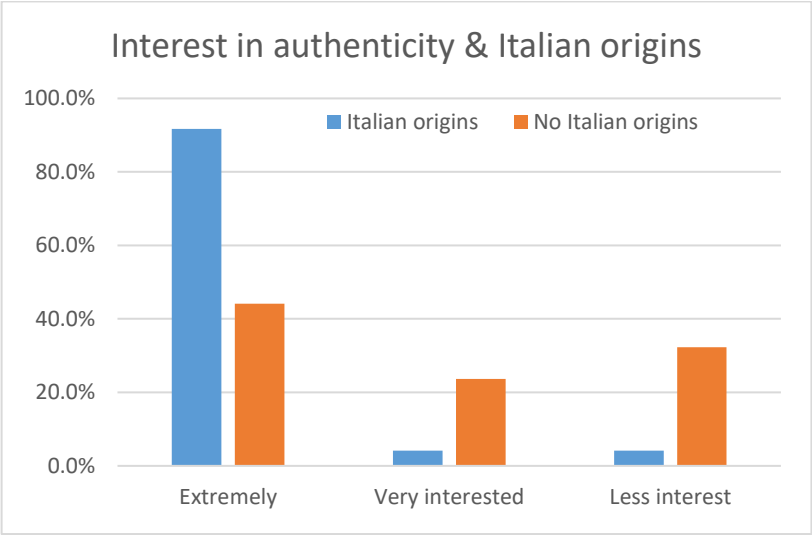
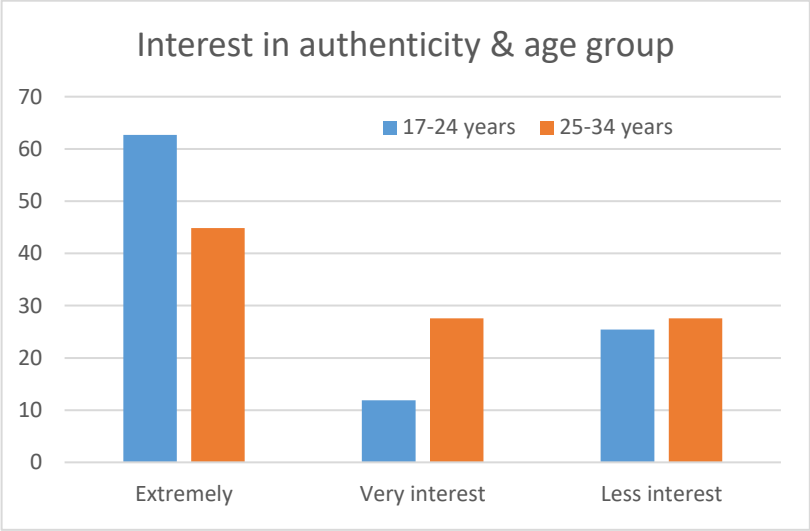
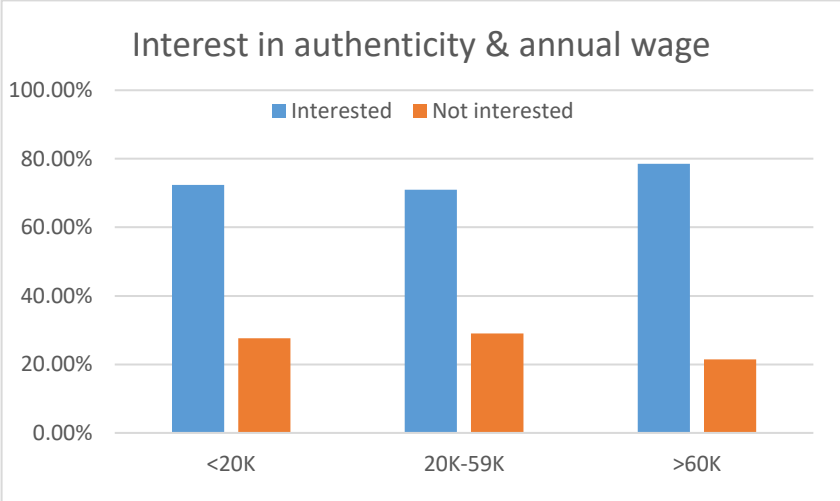


CHART 40: Percentage of respondents interested in authenticity depending on their age



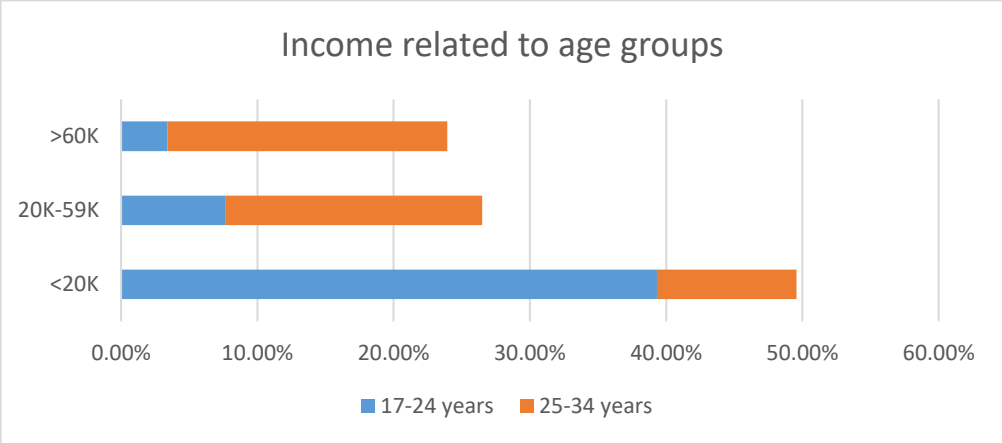
Finally, in general, the **interest in authenticity does not seem to be related to the annual wage of respondents**. As CHART 41 shows, about 70% of all age groups is interested in authenticity (it includes extremely and very interested), and the rest is not (it includes moderately, slightly interested and not interested at all).

CHART 41: Percentage of respondents interested in authenticity for each income bracket (data on APPENDIX L2)



Since this study is based on millennials, the lowest income bracket is the most representative of the population: the vast majority of younger millennials stays in the lower income bracket, while older millennials are spread throughout the three categories (CHART 42).

CHART 42: Income brackets related age groups (data on APPENDIX L1)

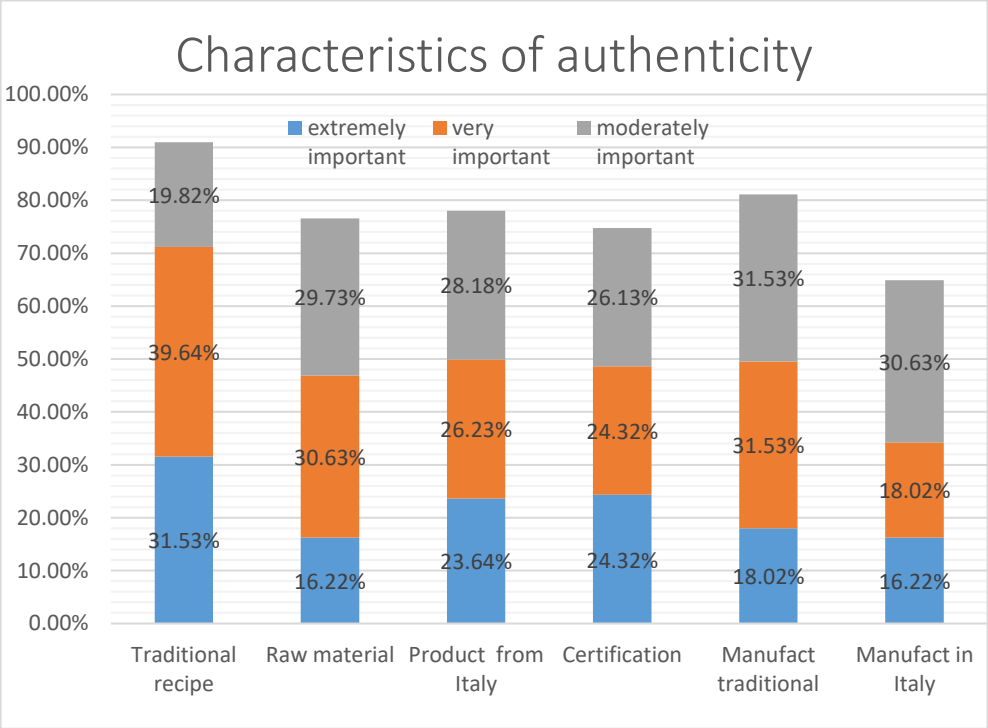


Furthermore, in the open question related to the reason why respondents answered in that way, I collected some interesting information. Many people like Italian food and authentic food in general; others think they probably have never tasted authentic Italian food, but they would be very interested in trying it. Some of them expressed their

concerns regarding the expensive price that characterizes Italian food and the difficulty in finding authentic products in the market (APPENDIX J, QID23)

Regarding the most important characteristics Italian food should have, in order to be considered authentic, seven out of ten respondents agree that a **traditional recipe** is fundamental: it is extremely important for 35 respondents (31% of the total) and very important for 44 of them (40%). Half of respondents classify the **origin of the product,** the **certification** of an institutional authority and a **traditional manufacturing process** as extremely or very important for authenticity. In particular, almost one respondent out of four considers Italian origins and a formal certification of the product as extremely important. Instead, most respondents do not give much importance to the origin of raw materials and the place where the manufacturing process occurs: only 16% of them identify those characteristics as extremely important (CHART 43).

CHART 43: The most important characteristics of Italian authenticity for American customers.



5.2.4 Italian Sounding

If respondents show an interest in authenticity, a key question, related to the Italian sounding phenomenon is asked: they have to identify the most important characteristics of the packaging they usually focus in order to understand that a product is authentic Italian (Q6). The list provided, other than real discrimination factors, included different Italian sounding practices, such as the presence of the Italian flag, an Italian product name or the writings "Italian Recipe", "Italian Type".

The official characteristic of the packaging, which guarantee that a product is authentic Italian, made with Italian raw materials, is the label saying "Made in Italy". Other labels can display "Imported from Italy" or "Product of Italy": in these cases, the product usually comes from Italy, even though the raw materials can be imported (such as the olive oil is manufactured in Italy, but the olive can come from another county). PDO and PGI products are authentic only if the raw materials and the whole process come from a specific Italian geographic area, consequently, only the label saying "Made in Italy" and the EU logos guarantee that the products are authentic. All the other options in the list are examples of Italian sounding practices, and they are not related to authentic products at all.

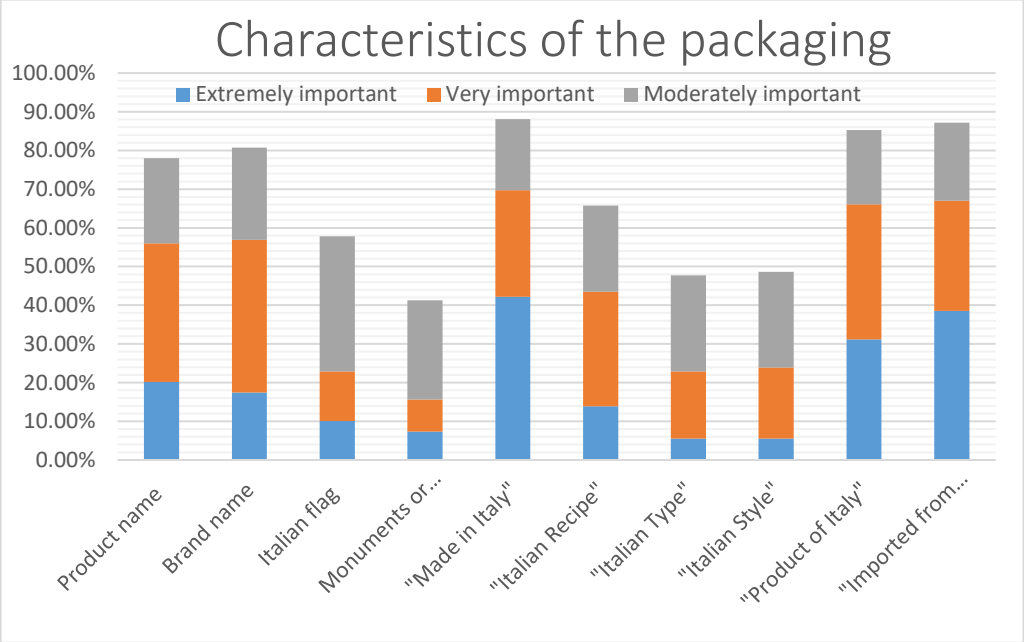
According to the survey, in most cases, respondents identified the right discrimination criterion: 70% of them chose the presence of the **"*Made in***" label as extremely (42%) or very important (28%), in order to understand if a product actually comes from Italy. The others (30%) do not give enough importance to this detail. In addition, more than three-in-five respondents think the writing "***Imported from***" and "***Product of***" are very or extremely important to recognize an authentic product.

Some common Italian sounding practices influence the purchasing choice of authentic food: more than half of the interviewed ranked the Italian **product name and brand name** as very or extremely important discrimination factors. If the survey gives a true representation of the population, it means that, when Millennials buy a product with an Italian name, in half of the cases, they think it comes from Italy. Instead, as I underlined in CHAPTER 4, many American brands exploit this strategy to attract American customers.

In addition, for more than two respondents out of five, the presence of "***Italian recipe***" is another very important characteristic. On the other hand, almost 25% of the interviewed consider the presence of the **Italian flag** on the packaging or the evocation of Italy through

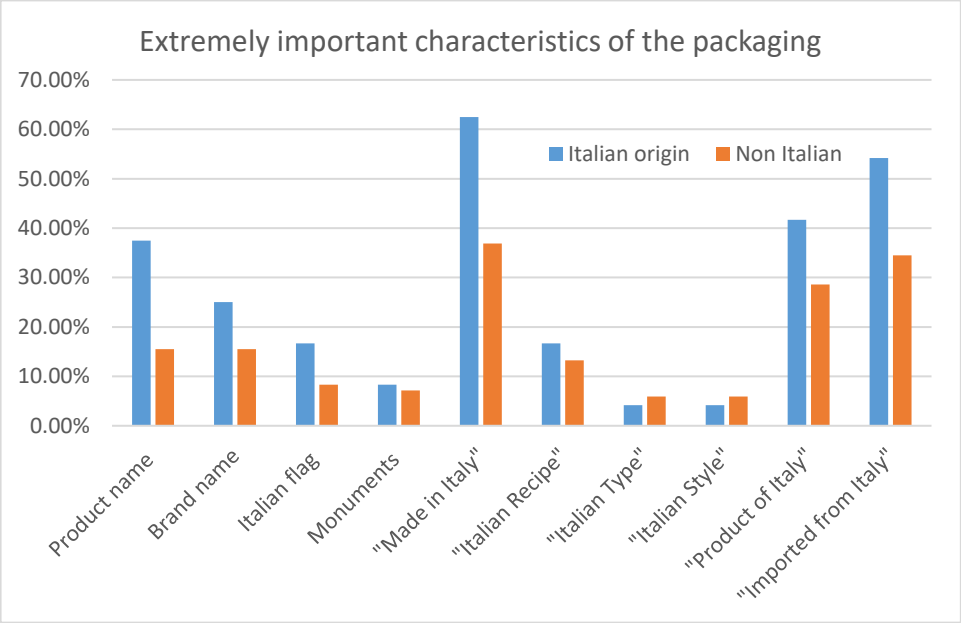
"***Italian Style/Italian Type***" writings, as important criteria. Finally, 15% of them, claimed to be very influenced by Italian monuments or images on the packaging of the products (CHART 44).

CHART 44: Importance of some characteristics of the packaging, in order to identify an authentic product from Italy



Analyzing the cross tables, it can be noticed that the age group and the financial situation of the respondents do not have a specific influence on the awareness of imitations (APPENDIX M1). On the other hand, **Italian origins are positively related to a greater capability to distinguish authentic products**. As CHART 44 shows, 62% of respondents with Italian origins recognized the "Made in" label as an extremely important characteristic to identify an authentic product, compared to 37% of people without Italian origins. In addition, they give great importance to "Product of Italy" and "Imported from Italy": respectively 42% and 54% of them said it was extremely important, against 28% and 34% of non-Italians. Even though they tend to identify the right characteristics of the packaging to recognize an authentic product, they do not seem to have a great awareness of all Italian sounding practices. For instance, 37% of them consider the Italian product name as extremely important to recognize an authentic Italian product, compared to 15% of respondents with no Italian origin (CHART 45, APPENDIX M).

CHART 45: Percentage of people, depending on their Italian origin, who consider those characteristics important to determine a product comes from Italy

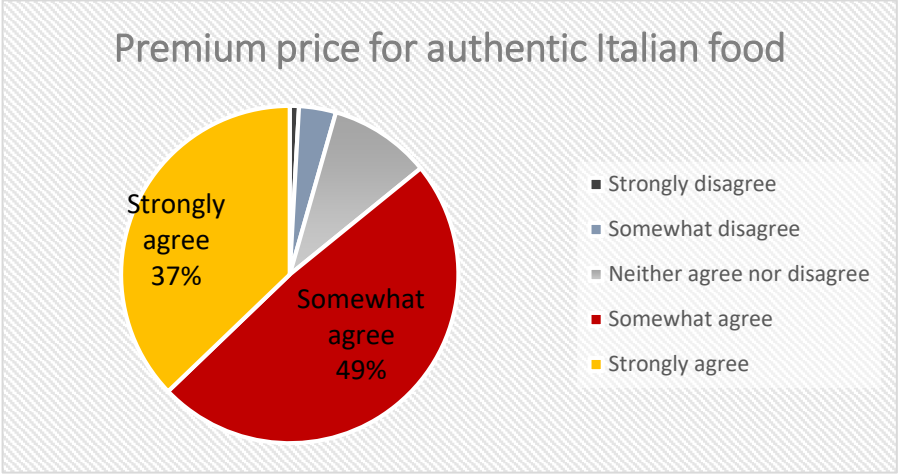


5.2.5 Premium Price

Once identified people interested in original Italian food, and understood their concept of authenticity, the next step is to investigate their willingness to pay a premium for it (Q7). If the respondent claimed he/she is not willing to pay it, he was asked why (Q8).

In addition, respondents, who were at least slightly interested on Italian authentic food (113), were asked their level of agreement on paying a premium price for it: 37% of them strongly agree and 49% somewhat agree. Consequently, 85% of them, and 80% of the total interviewed (120), are willing to pay some kind of premium price to eat authentic Italian food (CHART 46). Budget problem or a lack of interest in Italian dishes are the main causes of not being willing to pay a premium for authentic Italian food.

CHART 46: Willingness to pay a premium price for authentic Italian food (people that are at least slightly interested in authentic food)



Considering different demographic characteristics, about 85% of lower income respondents are willing to pay a premium for authentic food: 35% of them strongly agree on that, while 50% somewhat agree. A similar result can be seen for middle-income consumers (42% strongly agree and 42% somewhat agree), as well as for higher-income respondents (36% strongly agree and 48% somewhat agree). Consequently, results show that, in general, the **income does not influence the willingness to pay** a premium for authenticity among Millennials (CHART 47, APPENDIX M2).

CHART 47: Level of agreement on paying a premium for authenticity depending on the annual income

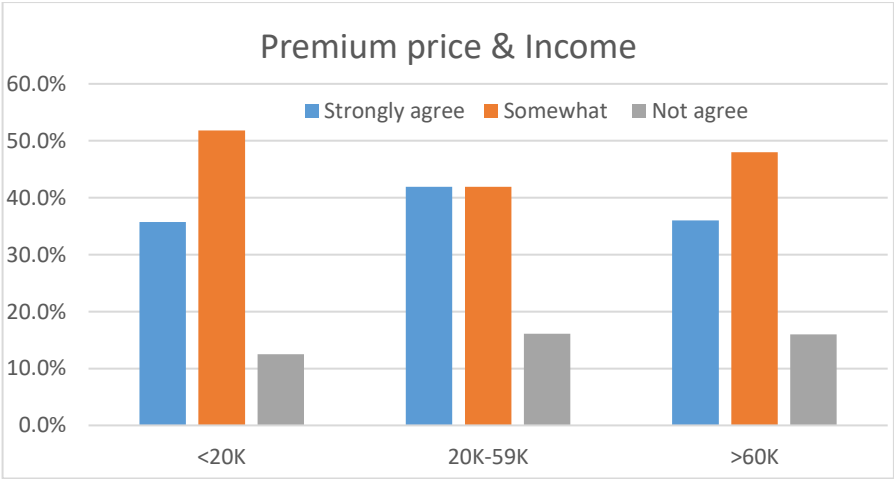
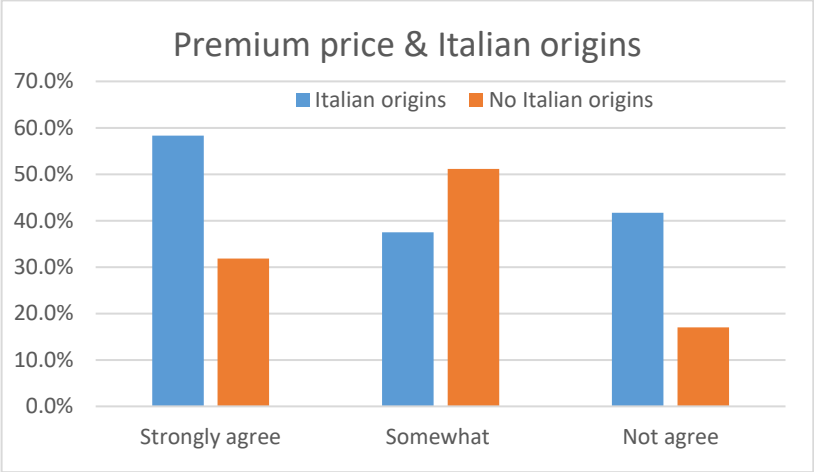


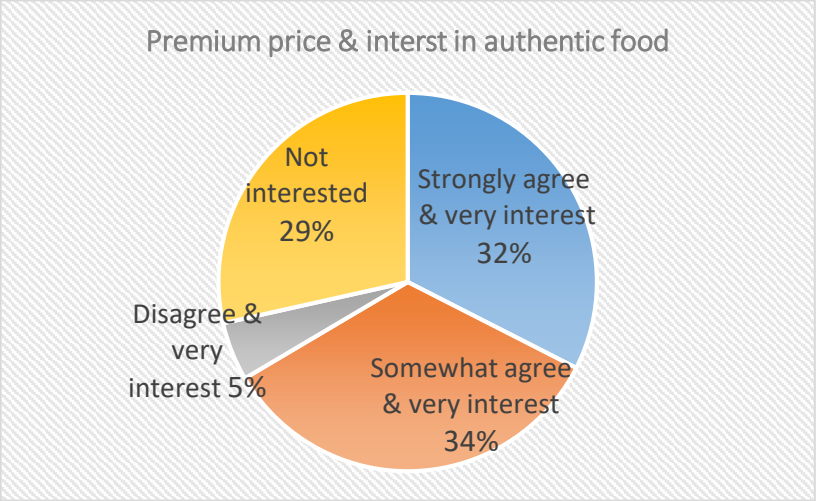
CHART 48: Level of agreement on paying a premium for authenticity depending on Italian origins



On the other hand, respondents with **Italian origins are more willing to pay a premium price** for Italian food: 58% strongly agree on that, compared to 32% of people without Italian origins. More than 95% agree on paying a premium price (counting both respondents who strongly and somewhat agree on that), compared to 83% of people without Italian origins (CHART 48, APPENDIX M2).

Moreover, it is interesting to know, among people **very interested in authenticity**, how many are willing to pay a premium price for that. Through the cross analysis I obtained the following results: among people very or extremely interested in authentic Italian food, 32% strongly agree on paying a premium price for that and 34% somewhat agree on that. Consequently, more than 65% of the respondents are both interested in authentic Italian food and willing to pay some kind of premium for that (CHART 49). People not interested include respondents who are moderately, slightly interested and not interested at all in authentic food.

CHART 49: Relationship between interest in buying authentic food and willingness to pay a premium price for it



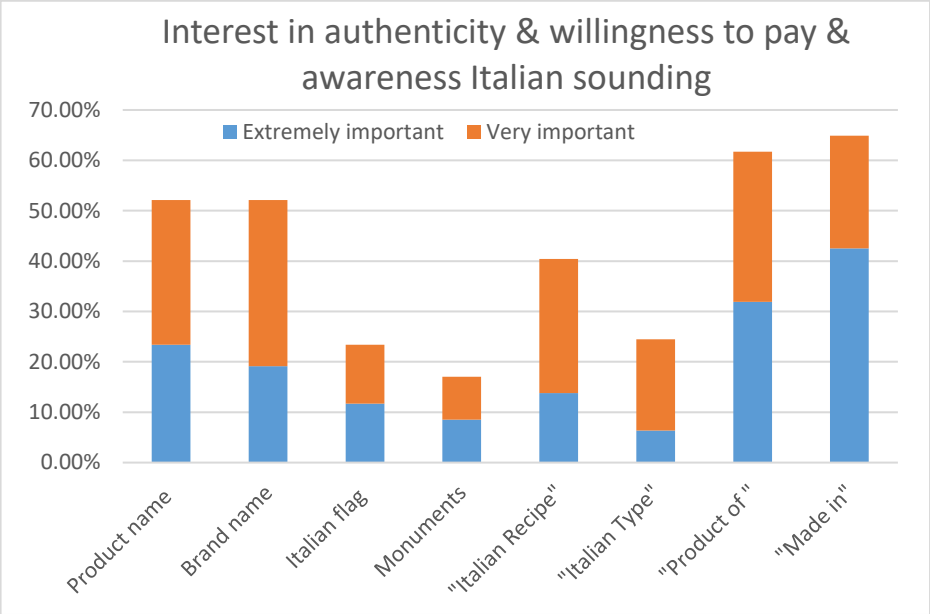
Finally, I wanted to find out how many people are **not aware that they are buying Italian imitations**. Considering only respondents that are very or extremely interested in buying authentic Italian food (86), I tried to find out how many of them are both willing to pay a premium for that (strongly or somewhat agree), and are victims of Italian sounding practices. These people represent potential customers of Italian products, who want to buy authentic food, are willing to pay a higher price for it but, in most cases, they are not aware they purchase American imitations. In fact, in order to identify an Italian product, they are influenced by some characteristics of the packaging that are not real discrimination factors.

Chart 50 shows the percentage of people (among the 86 respondents interested in authentic Italian food), that agree on paying a premium for authenticity and, at the same time, consider specific characteristics of the packaging extremely or very important, in order to identify an authentic product and, they.

More than half consider some Italian-sounding practices as important discrimination factors to identify Italian food. In particular, more than 60% of them consider Italian product names as extremely (27.5%) or very important (34%). In addition, over 60% think Italian brand names are extremely or very important. 40% consider the label saying "Italian Recipe" as extremely or very important and more than 20% give great importance

to the “Italian Type” label and the products displaying Italian flags on the packaging (CHART 50, APPENDIX N).

CHART 50: Cross analysis: interest in authenticity willingness to pay & awareness of Italian sounding



5.2.6 Shopping habits: place

Q9 and Q10 are related to the kind of retailers consumers usually use for grocery shopping and ask if it is possible to find Italian products in these places. Results show that more than 80% of respondents often or always grocery shop in big retail chains, such as Kroger or Walmart: lower and middle-income Millennials are more likely to shop in these channels (more than 80% of the total do it often), compared to higher-income millennials (less than 70%), (APPENDIX O1). In addition, almost half of interviewed often go to natural food stores, like Wholefood or Farmer markets (CHART 51). Considering the higher price of these retail channels, this trend is more common for higher income consumers: 68% of them often shop there, compared to 43% of lower income respondents (APPENDIX O1). This result is in line with the new trends of looking for healthy and natural food, highlighted in CHAPTER 2.

More than 60% of respondents find authentic Italian foods where they usually grocery shop, while the rest claim they usually do not. Using the cross data analysis, it can be noticed that almost 22% of the total interviewed (26 people out of 120), are particularly interested in buying authentic food, willing to pay a premium for that, but they cannot find Italian food where they usually grocery shop (APPENDIX O2). Some of them go to different retail stores when they want to buy Italian food, especially to Farmer Markets, Italian specialty stores, world markets or they shop online.

CHART 51: Grocery shopping place

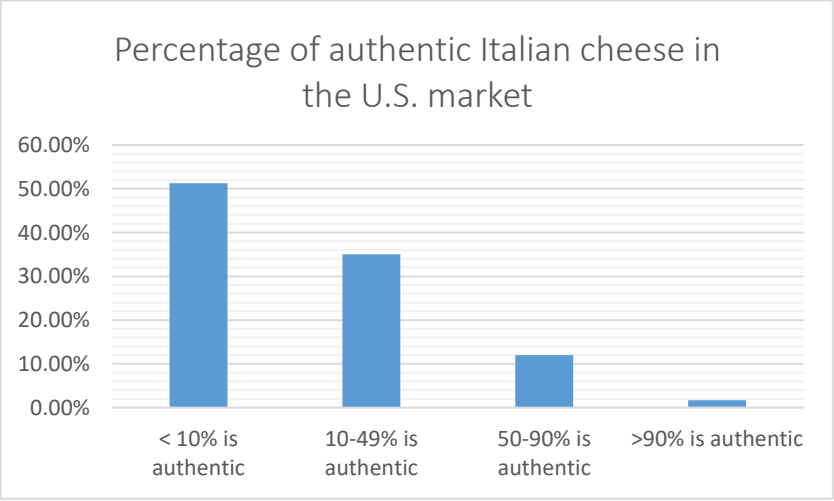
5.2.7 PARMIGIANO-REGGIANO and GIs

The second part of the survey is based on **Italian cheese,** in particular on **Parmigiano-Reggiano**. I decided to choose a specific product because it is easier for respondents to think about their attitude and past behavior limiting the focus on one item. I specifically chose Parmigiano-Reggiano for different reasons: firstly, its relevance in the PDO category (it is the second most exported Italian PDO, after Grana-Padano); secondly its relevance regarding imitation practices worldwide (it is the most imitated PDO in the world). Finally, its imitation is very common in the US market, with a wide range of American parmesan

cheese available: in fact, nine over ten Parmesan cheeses are imitations. Following the same structure as in the previous section, the second part of the survey starts with behavioral questions related to the purchase of cheese: how often do they buy cheese? (Q11) What influence the most their choice of cheese? (Q12). In this section, other than understanding the interest in authentic Parmesan cheese, I wanted to test consumers' awareness of imitations and Italian sounding practices as well as their knowledge of Geographical Indications

With the aim of testing respondents' a**wareness of imitations,** I asked their opinion regarding the percentage of **authentic** imported Italian cheese in the U.S. market (Q13). More than half of respondents correctly answered that less than 10% of the total Italian type **cheese** available in the U.S. market is authentic. Many people seem to be aware of some Italian sounding practices and conscious that many Italian products in the market are imitations (CHART 52).

CHART 52: Opinion regarding the percentage of authentic Italian cheese in the U.S.



Q11 is the starting point of the funnel strategy of this second part: most of the following questions are addressed only to cheese customers and others specifically to Parmesan cheese customers. Results show that more than half respondents buy cheese often and 25% buy it sometimes; only 5% of the total never buy cheese (CHART 53).

Among people that buy cheese at often, almost 60% **are interested** in buying "authentic Parmesan Cheese" from Italy (32% of the total) and another 33% might be interested on it (18% of the total) (Q14), CHART 53. In most cases, the lack of interest is due to the high

price of the product or to the equal importance given to domestic and foreign cheese, considering only the taste as discrimination factor.

CHART 53: Relation cheese purchase and interest in authentic Italian parmesan (percentage of people)

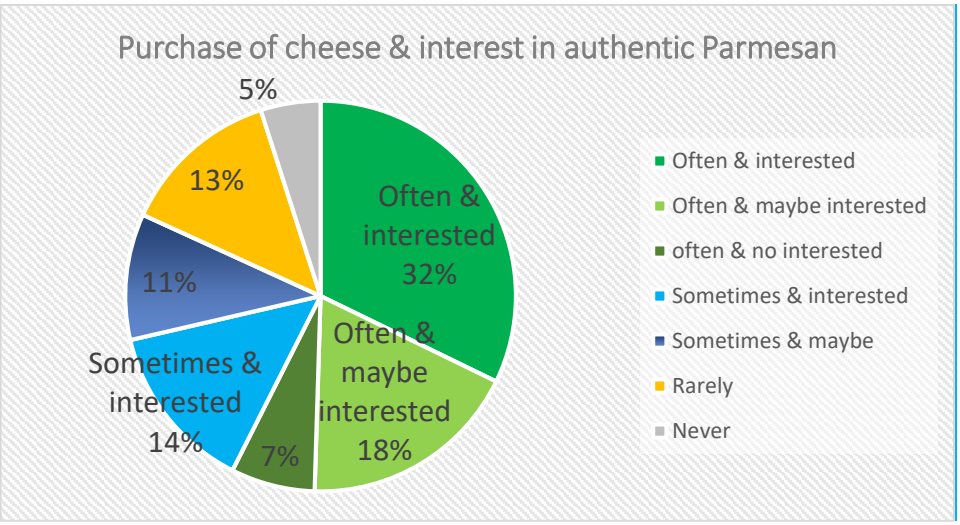
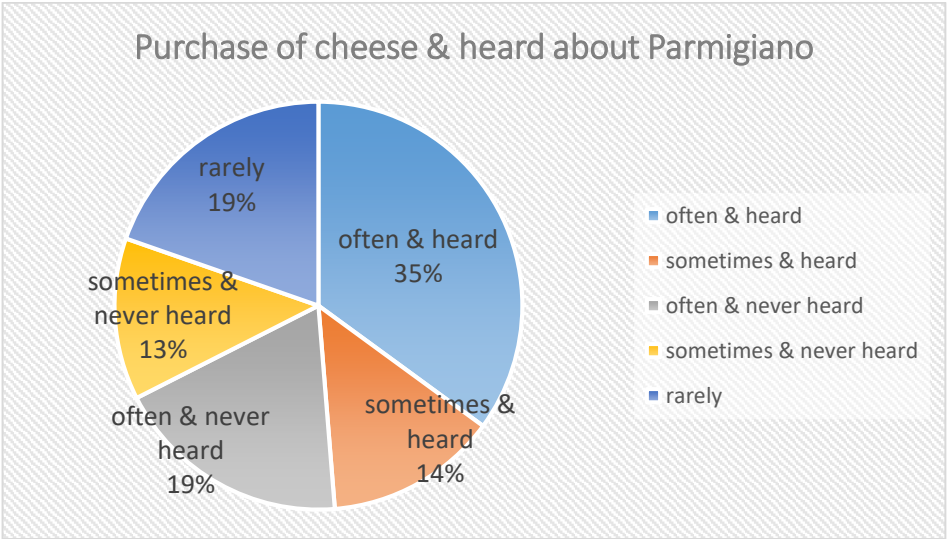


CHART 54: *Relation between people that purchase cheese and knowledge of Parmigiano-Reggiano,*



In addition, 32% of the respondents buy cheese often (19%) or sometimes (13%) but, at the same time, they have never heard about Parmiginao Reggiano before (CHART 54). More than 40% of respondents buy cheese often or sometimes and the have never tried or they do not know if they have ever tried authentic Parmigiano-Reggiano. This proof

once again the lack of awareness of American consumers and difficulty to find authentic Italian products. (APPENDIX P1).

In most questions, I decided to refer to Parmigiano-Reggiano as "**authentic imported Italian Parmesan cheese**" because of the feedback received in the pilot survey. Considering that some American consumers have never heard the name "Parmigiano-Reggiano", using it without a proper explanation, could have been confusing. On the other hand, I did not want to give them too much information at the beginning, in order to avoid increasing their awareness of imitation practices and influencing their following answers. Even though more than half interviewed had **heard about Parmigiano-Reggiano** before the survey, it is interesting to notice that a large minority (almost 40%) did not know the original product of the widespread American "parmesan" cheese (Q16). This shows once again the confusion and lack of awareness regarding Italian products in the U.S. market.

Considering **cross data analysis,** 45 respondents claim to buy Parmigiano often and 37 do it sometimes (Q2): together they represents almost 70% of total respondents. 51 of them claim to be interested in buying authentic imported Parmesan cheese from Italy, and 25 may be interested (Q14). Among these people interested in authenticity (and who buy Parmigiano at least sometimes), 9 have never heard about Parmigiano-Reggiano before (Q16), 7 claim they have never tried it before and other six are not sure if what they ate was authentic (Q17), APPENDIX P2.

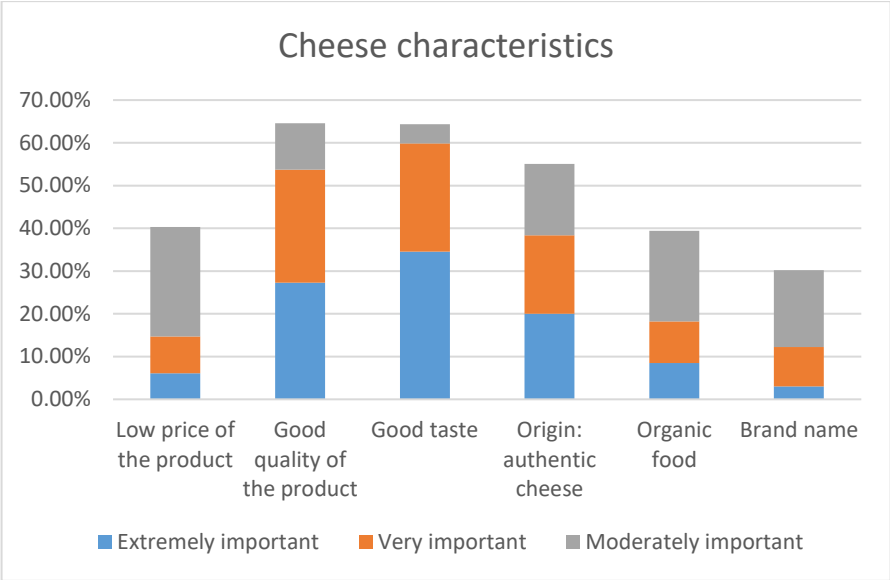
These data prove that American consumers who are interested in authenticity, often do not know Italian products and they think they are buying Italian food, even though it is an imitation. In this case, promotional activities, should be organized in order to boost consumers' awareness of authentic Italian food.

Q12 is useful to understand if cheese characteristics that American consumers are looking for, reflect Italian cheese, and especially, Parmigiano-Reggiano peculiarities. As CHART 55 shows, **good taste and good quality** are the most important drivers of cheese purchasing choice: respectively 35% and 27% of the respondents think they are extremely important and another 25% believe they are very important. The **origin** of the cheese, is extremely important for 20% of the interviewed and very important for 18%: the market should

appreciate authentic Italian cheeses: almost **40%** of the respondents consider the origin and authenticity of cheeses a very important factor.

Finally, after having briefly explained what **Geographical Indications** and Parmigiano-Reggiano DOP are, I directly asked respondents if they had heard about this topic before and I tested their capability of recognizing PDO/PGI products, asking to choose the right logo, among different certification logos. Almost 80% of people interviewed had never heard about GIs, however, more than half of the total recognized the right logo as symbol of PDO.

CHART 55: Characteristics considered important in the purchasing choice of cheese



Conclusion chapter 5

The results of the survey confirm many topics discussed in the previous chapters. Firstly, American consumers, in this case millennials, associate Italian food products to good taste, high quality and traditional recipes, confirming a positive country-of-origin effect.
In addition, even though some Millennials seem to be aware that Italian food imitations are widespread in the U.S. market, half of respondents consider some Italian sounding practices (especially Italian product names and Italian brand names), very important discrimination factors to distinguish Italian food.

There is some confusion regarding authentic Italian recipes and products among American consumers: for instance, some respondents think Alfredo is an Italian sauce and many people never heard about Parmigiano-Reggiano, even though they buy cheese often. As already discussed in CHAPTER 4, this lack of awareness can damage the whole "Made in" image and it can be a threat for the Italian culinary identity.

Despite these issues, the market seem to be very interested in authentic Italian food and willing to pay a premium for that (65% of people interviewed). American consumers probably need to learn more about the Italian culinary culture and they need to be educated on Italian taste. Italian private and public institutions sometimes organize very expensive gourmet events to promote Italian food abroad. However, I believe it is time to promote authentic food inside the grocery stores, organizing taste events addressed to a lower-budget target, who still appreciate authenticity and is usually willing to pay a small premium for that.

Since most millennials (80%) grocery shop in big retail chains, such as Kroger, Publix and Walmart, it is fundamental that Italian companies try to serve these retail channels, in order to reach new potential customers. As some of them said, in these places it is difficult to find authentic food, and, especially to distinguish between real and fake products.

CONCLUSION

The **agri-food** industry represents an important part of the Italian economy, whose traditional products are exported and appreciated all over the world; export accounts for 20% of the total turnover of the industry. The U.S. is a key market for Italian companies: it represents the first source of commercial surplus for Italy and it is the second importer of Italian food and beverage in the world. Italy is the first exporter of different types of food into the U.S., including cheeses, pasta and vinegar. Thanks to the Expo Milan effect and the depreciation of the euro, U.S. import of food boosted in the last two years.

Despite these encouraging figures, Italian food companies have to face different **challenges** when exporting into the U.S. market. Only the largest companies can afford the **high costs** of transportation, distribution, and legal issues related to operating overseas. Since most Italian companies are small or medium enterprises, they usually do not have the size, structure and productivity to compete in an international marketplace, especially in an extra EU country. In order to overcome these issues and gain more bargaining power throughout the international supply chain, more companies of the industry should try to collaborate, at least on export.

Among the issues related to the specific market, the **regulatory system** is considered the main trade barrier for food exchanges between the U.S. and the EU. The liberal regulation of the American market regarding substances admitted in food products (like hormones in meat) and the lack of protection of foreign Geographical Indications are the main concerns: they represented key issues during the TTIP negotiations. The U.S. system relies on trademarks and does not recognize foreign Geographical Indications. Consequently, even though European and Italian institutions try to fight against imitation practices abroad, the Italian sounding phenomenon has been reaching dramatic figures in this market, damaging potential Italian export. The most **imitated** products are Italian PDO cheeses: 90% of Italian style cheeses in the U.S. market are imitations.

Despite all the imitations available in the market, American consumers, especially Millennials, seem to be very **interested in authentic** Italian food and willing to pay a premium for it. However, it is usually difficult for them to distinguish between traditional

food and imitations. The Italian sounding phenomenon is a big issue in the American market: domestic companies often exploit the positive country-of-origin effect of Italian food, evoking Italy in products that have no relationship with this country, misleading consumers. Because of the lack of knowledge of American consumers and the widespread imitation of Italian food, it can be very difficult to find and recognize authentic products in the American market. More promotional activities and events should be organized inside American grocery stores, aimed at educating consumers, increasing their sensitivity and knowledge about traditional Italian products.

Other than being aware of these issues, it is important to consider some peculiarities of **American lifestyle**, which play an important role on consumers' purchasing choices. The American food culture, traditionally based on fast foods and ready meals, is completely different from the Italian culture of making its own meal with fresh ingredients. However, **new drivers of purchasing** choice have been developing in the last decade and Millennials are driving the change. An increasing interest in healthy, natural and organic food, characterizes the market, as well as the demand of **traditional recipes and homemade food**. These new value drivers have to be taken in account in the long-term strategy and they represent a good opportunity for Italian food products, known to be traditional and healthy.

In order to reach the right target of final customers, it is also important to find the best option of distribution channels available. Large supermarkets and supercenter chains lead the American retail market; however, new solutions have been developing recently, such as limited assortment stores, farmer markets and the online channel. When grocery shopping, American consumers usually face the issue of choosing among a **huge amount** of different products from all over the world. For this reason, it is important to obtain **good visibility on the shelf** for Italian products, in order to stimulate the interest of consumers and increase their knowledge of Italian culinary tradition. In fact, as said above, even though Americans usually like Italian food, they are interested in buying authentic products and willing to pay a premium price for them, they have some trouble in identifying traditional Italian recipes and food.

In conclusion, considering the size of the market, recent data regarding trade exchanges with Italy, the new trends, consumers' preferences and their interest in Italian food, the United States represent a good opportunity for Italian food manufacturers. However, they have to be aware that there are also some challenges, especially related to the different regulation system, in particular on Geographical Indications, and the Italian sounding phenomenon. In addition, the high competitive rivalry of the market, and the need of reaching internal economies of scale, in order to face high costs of exporting, are other issues to consider.

GLOSSARY

Coldiretti = Confederazione Nazionale Coltivatori Diretti

Federalimentare = Federazione Italiana dell'Industria Alimentare

FSMA = Food and Safety Modernization act

FDA = Food and Drug Administration

FSVP =Foreign Supplier Verification program

HHS = U.S. Department of Health and Human Services

FMI = Food Marketing Institute

FRC = Franchise Research Center

GI = Geographical Indications

ICE = Istituto Nazionale per il Commercio Estero

IOM = Institute of Medicine

NRC = National Research Council

PDO = Protected Origin Designation (DOP= Denominazione di Origine Protetta)

PGI = Protected Geographical Indication (IGP= Indicazione Geografica Protetta)

PN = prior notice

TSG =Traditional Specialities Guaranteed (STG = Specialità Tradizionale Tipica)

TTIP = Transatlantic Trade and Investment Partnership

USDA = U.S. Department of Agriculture

APPENDIX

APPENDIX A

Major exported products in the Italian F&B sector in the first half of 2016. Source: Federalimentare, elaboration from ISTAT data

PRODUCTS	Bln €	% incidence	% Variation June 2016/June 2015
Tot. Food&Drink Industry	*14.310,6*	*100,0*	*3,0*
Wine	2.815,4	19,7	3,3
Sweet and confecionary	1.633,9	11,4	4,1
Dairy	1.294,9	9,1	5,3
Pasta	1.166,7	8,2	-2,8
Processed Vegetables	1.088,2	7,6	-2,3
Oils and fats	1.071,0	7,5	8,8
Processed meats	733,5	5,0	4,4
Coffee	656,0	4,6	7,6
Processed Fruits	546,5	3,8	3,3
OTHERS	3.304,5	23,1	2,8

APPENDIX B

1) Italian EXPORT in the agribusiness sector, from the first three commercial partners: Germany, France and the United States. Values are expressed in million euro.
Source: original elaboration from InfoMercatiEsteri on ISTAT data.

Agrifood	ITALIAN EXPORT		(million euro)					
GERMANY	**2013**	**2014**	**2015**	**growth 2014-2**	**jan-oct 2015**	**jan-oct 2016**	**growth 2015-2016**	
agricoltur	1622	1487	1653.69	11.210%	1379.21	1438.847	4.324%	
food	3327	3393	3597.3	6.021%	2951.698	3042.497	3.076%	
Drink	1285	1234	1230.22	-0.306%	997.956	1000.901	0.295%	
TOT expo F&D	4612	4627	4827.52		3949.654	4043.398		
TOT expo AGRIFOOD	6234	6114	**6481.2**		5328.864	5482.245		
TOT expo Italy	48425	48155	51026.51		42829.48	44015.16		
Agrifood expo/tot expo		12.697%	12.702%		12.442%	12.455%		
Agrifood expo growth		-1.925%	**6.01%**			2.878%		
SURPLUS (expo-impo)	**694**	**620**	**1418.1**			1361.224		
Surplus growth		-10.663%	128.731%					
				Total Trade 2015	11544.29			
				% export of total t	0.561421274			
FRANCE	**2013**	**2014**	**2015**	**growth 2014-2**	**jan-oct 2015**	**jan-oct 2016**	**growth 2015-2016**	
agric	651.75	601.84	637.05	5.850%	515.757	560.538	8.683%	
food	2847.5	3008.74	3049.26	1.347%	2549.58	2593.196	1.711%	
beverage	282.49	312.45	333.69	6.798%	282.4	310.053	9.792%	
Tot expo F&D	3130	3321.19	3382.95		2831.98	2903.249		
TOT expo AGRIFOOD	3781.7	3923.03	**4020**		3347.737	3463.787		
TOT expo Italy		42019.8	42552.43		35606.01	36673.86		
Agrifood expo/tot expo		9.336%	9.447%		9.402%	9.445%		
Agrifood expo growth		3.736%	**2.47%**			3.467%		
SURPLUS (expo-impo)	**-2141**	**-1708**	**-1389**		-1079.367	-924.676		
Deficit decrease		20.206%	18.723%			14.332%		
				Total Trade 2015	9428.56			
				% export of total t	0.426364153			
USA	**2013**	**2014**	**2015**	**growth 2014-2**	**jan-oct 2015**	**jan-oct 2016**	**growth 2015-2016**	
agric	64.28	78.55	99.3	26.42%	67.488	66.364	-1.665%	
food	1469	1564.19	1889.89	20.82%	1573.773	1669.311	6.071%	
beverage	1327.4	1396.38	1647.5	17.98%	1392.796	1438.247	3.263%	
Tot expo F&D	2796.5	2960.57	3537.39		2966.569	3107.558	4.753%	
TOT expo AGRIFOOD	2860.7	3039.12	**3636.7**		3034.057	3173.922	4.610%	
TOT expo Italy	27037	29805.9	35992.03		29978.4	30093.71		
Agrifood expo/tot expo	10.581%	10.196%	10.104%		10.121%	10.547%		
Agrifood expo growth		6.236%	**19.66%**			4.610%		
SURPLUS (expo-impo)	**2051**	**2043.1**	**2520.5**		**2131.936**	**2431.827**		
Surplus growth		-0.395%	23.370%			**14.067%**		
				Total Trade 2015	4752.84			
				% export of total t	0.765161461			

2) Italian Import from the first three commercial partners in the F&B industry. Values are expressed in million euro.
Source: original elaboration from InfoMercatiEsteri on ISTAT data.

IMPORT	(million euro)						
Germany	**2013**	**2014**	**2015**	**growth 2014-2015**	**jan-oct 2015**	**jan-oct 2016**	**growth 2015-2016**
	517	510	517.05	1.38%	429.423	414.216	-3.54%
	4717	4673	4200.45	-10.11%	3490.307	3424.613	-1.88%
	306	311	345.58	11.12%	300.307	282.192	-6.03%
TOT impo AGRIFOOD	5540	5494	5063.08		4220.037	4121.021	
IMPORT TOT	52954	54583	56817.4		47726.13	49094.01	
Agrifood impo/tot impo		10.065%	8.911%		8.842%	8.394%	
Agrifood impo growth		-0.830%	-7.843%			-2.346%	
France	**2013**	**2014**	**2015**	**growth 2014-2015**	**jan-oct 2015**	**jan-oct 2016**	**growth 2015-2016**
	2343.89	2126.79	1984.12	-6.71%	1598.544	1681.391	5.18%
	3345.91	3264.94	3164.21	-3.09%	2628.372	2488.732	-5.31%
	232.99	239.73	260.23	8.55%	200.188	218.34	9.07%
Total impo F&B	3578.9	3504.67	3424.44		2828.56	2707.072	
TOT impo AGRIFOOD	5922.79	5631.46	5408.56		4427.104	4388.463	
IMPORT TOT		30804.68	32110.8		26688.53	26721.9	
Agrifood impo/tot impo		18.281%	16.843%		16.588%	16.423%	
Agrifood impo growth		-4.919%	-3.958%			-0.873%	
USA	**2013**	**2014**	**2015**	**growth 2014-2015**	**jan-oct 2015**	**jan-oct 2016**	**growth 2015-2016**
	519.77	668.082	776.22	16.19%	600.505	545.308	-9.19%
	221.13	257.888	272.45	5.65%	243.122	147.757	-39.23%
	68.65	70.065	67.48	-3.69%	58.494	49.03	-16.18%
Total impo F&B	289.78	327.953	339.93		301.616	196.787	
TOT impo AGRIFOOD	809.55	996.035	1116.15		902.121	742.095	
IMPORT TOT	11543.6	12496.8	14195.8		12016.96	11588.28	
Agrifood impo/tot impo		7.970%	7.863%		7.507%	6.404%	
Agrifood impo growth		23.036%	12.059%			**-17.739%**	

APPENDIX C

Italian P.D.O., P.G.I.,T.S.G 2017

"Elenco delle Denominazioni Italiane, iscritte nel Registro delle denominazioni di origine protette, delle indicazioni geografiche protette e delle specialità tradizionali garantite", Regolamento UE n. 1151/2012 del Parlamento europeo e del Consiglio del 21 novembre 2012, aggiornato al 25/01/2017"

N	***Denominazione***	***Cat.***
1	Abbacchio Romano	I.G.P.
2	Acciughe sotto sale del Mar Ligure	I.G.P.
3	Aceto Balsamico di Modena	I.G.P.
4	Aceto balsamico tradizionale di Modena	D.O.P.
5	Aceto balsamico tradizionale di Reggio Emilia	D.O.P.
6	Aglio Bianco Polesano	D.O.P.
7	Aglio di Voghiera	D.O.P.
8	Agnello del Centro Italia	I.G.P.
9	Agnello di Sardegna	I.G.P.
10	Alto Crotonese	D.O.P.
11	Amarene Brusche di Modena	I.G.P.
12	Anguria Reggiana	I.G.P.
13	Aprutino Pescarese	D.O.P.
14	Arancia del Gargano	I.G.P.
15	Arancia di Ribera	D.O.P.
16	Arancia Rossa di Sicilia	I.G.P.
17	Asiago	D.O.P.
18	Asparago Bianco di Bassano	D.O.P.
19	Asparago Bianco di Cimadolmo	I.G.P.
20	Asparago di Badoere	I.G.P.
21	Asparago di Cantello	I.G.P.
22	Asparago verde di Altedo	I.G.P.
23	Basilico Genovese	D.O.P.
24	Bergamotto di Reggio Calabria - Olio essenziale	D.O.P.
25	Bitto	D.O.P.
26	Bra	D.O.P.
27	Bresaola della Valtellina	I.G.P.
28	Brisighella	D.O.P.
29	Brovada	D.O.P.
30	Bruzio	D.O.P.
31	Burrata di Andria	I.G.P.
32	Caciocavallo Silano	D.O.P.
33	Canestrato di Moliterno	I.G.P.
34	Canestrato Pugliese	D.O.P.
35	Canino	D.O.P.
36	Cantuccini Toscani/Cantucci Toscani	I.G.P.
37	Capocollo di Calabria	D.O.P.
38	Cappellacci di zucca ferraresi	I.G.P.
39	Cappero di Pantelleria	I.G.P.
40	Carciofo Brindisino	I.G.P.
41	Carciofo di Paestum	I.G.P.
42	Carciofo Romanesco del Lazio	I.G.P.

43	Carciofo Spinoso di Sardegna	D.O.P.
44	Carota dell'Altopiano del Fucino	I.G.P.
45	Carota Novella di Ispica	I.G.P.
46	Cartoceto	D.O.P.
47	Casatella Trevigiana	D.O.P.
48	Casciotta d' Urbino	D.O.P.
49	Castagna Cuneo	I.G.P.
50	Castagna del Monte Amiata	I.G.P.
51	Castagna di Montella	I.G.P.
52	Castagna di Vallerano	D.O.P.
53	Castelmagno	D.O.P.
54	Chianti Classico	D.O.P.
55	Ciauscolo	I.G.P.
56	Cilento	D.O.P.
57	Ciliegia dell'Etna	D.O.P.
58	Ciliegia di Marostica	I.G.P.
59	Ciliegia di Vignola	I.G.P.
60	Cinta Senese	D.O.P.
61	Cipolla bianca di Margherita	I.G.P.
62	Cipolla Rossa di Tropea Calabria	I.G.P.
63	Cipollotto Nocerino	D.O.P.
64	Clementine del Golfo di Taranto	I.G.P.
65	Clementine di Calabria	I.G.P.
66	Collina di Brindisi	D.O.P.
67	Colline di Romagna	D.O.P.
68	Colline Pontine	D.O.P.
69	Colline Salernitane	D.O.P.
70	Colline Teatine	D.O.P.
71	Coppa di Parma	I.G.P.
72	Coppa Piacentina	D.O.P.
73	Coppia Ferrarese	I.G.P.
74	Cotechino Modena	I.G.P.
75	Cozza di Scardovari	D.O.P.
76	Crudo di Cuneo	D.O.P.
77	Culatello di Zibello	D.O.P.
78	Culurgionis d'Ogliastra	I.G.P.
79	Dauno	D.O.P.
80	Fagioli Bianchi di Rotonda	D.O.P.
81	Fagiolo Cannellino di Atina	D.O.P.
82	Fagiolo Cuneo	I.G.P.
83	Fagiolo di Lamon della Vallata Bellunese	I.G.P.
84	Fagiolo di Sarconi	I.G.P.
85	Fagiolo di Sorana	I.G.P.
86	Farina di castagne della Lunigiana	D.O.P.
87	Farina di Neccio della Garfagnana	D.O.P.
88	Farro della Garfagnana	I.G.P.
89	Farro di Monteleone di Spoleto	D.O.P.
90	Fichi di Cosenza	D.O.P.
91	Fico Bianco del Cilento	D.O.P.
92	Ficodindia dell'Etna	D.O.P.
93	Ficodindia di San Cono	D.O.P.
94	Finocchiona	I.G.P.
95	Fiore Sardo	D.O.P.
96	Focaccia di Recco col formaggio	I.G.P.
97	Fontina	D.O.P.
98	Formaggella del Luinese	D.O.P.
99	Formaggio di Fossa di Sogliano	D.O.P.
100	Formai de Mut dell'Alta Valle Brembana	D.O.P.
101	Fungo di Borgotaro	I.G.P.
102	Garda	D.O.P.
103	Gorgonzola	D.O.P.
104	Grana Padano	D.O.P.
105	Insalata di Lusia	I.G.P.
106	Irpinia - Colline dell'Ufita	D.O.P.
107	Kiwi Latina	I.G.P.
108	La Bella della Daunia	D.O.P.

109	Laghi Lombardi	D.O.P.			
110	Lametia	D.O.P.			
111	Lardo di Colonnata	I.G.P.			
112	Lenticchia di Castelluccio di Norcia	I.G.P.			
113	Limone Costa d'Amalfi	I.G.P.			
114	Limone di Rocca Imperiale	I.G.P.			
115	Limone di Siracusa	I.G.P.			
116	Limone di Sorrento	I.G.P.			
117	Limone Femminello del Gargano	I.G.P.			
118	Limone Interdonato Messina	I.G.P.			
119	Liquirizia di Calabria	D.O.P.			
120	Lucca	D.O.P.			
121	Maccheroncini di Campofilone	I.G.P.			
122	Marrone del Mugello	I.G.P.			
123	Marrone della Valle di Susa	I.G.P.			
124	Marrone di Caprese Michelangelo	D.O.P.			
125	Marrone di Castel del Rio	I.G.P.			
126	Marrone di Combai	I.G.P.			
127	Marrone di Roccadaspide	I.G.P.			
128	Marrone di San Zeno	D.O.P.			
129	Marroni del Monfenera	I.G.P.			
130	Mela Alto Adige o Sudtiroler Apfel	I.G.P.			
131	Mela di Valtellina	I.G.P.			
132	Mela Rossa Cuneo	I.G.P.			
133	Mela Val di Non	D.O.P.			
134	Melannurca Campana	I.G.P.			
135	Melanzana Rossa di Rotonda	D.O.P.			
136	Melone Mantovano	I.G.P.			
137	Miele della Lunigiana	D.O.P.			
138	Miele delle Dolomiti Bellunesi	D.O.P.			
139	Miele Varesino	D.O.P.			
140	Molise	D.O.P.			
141	Montasio	D.O.P.			
142	Monte Etna	D.O.P.			
143	Monte Veronese	D.O.P.			
144	Monti Iblei	D.O.P.			
145	Mortadella Bologna	I.G.P.			
146	Mortadella di Prato	I.G.P.			
147	Mozzarella	S.T.G.			
148	Mozzarella di Bufala Campana	D.O.P.			
149	Murazzano	D.O.P.			
150	Nocciola del Piemonte o Nocciola Piemonte	I.G.P.			
151	Nocciola di Giffoni	I.G.P.			
152	Nocciola Romana	D.O.P.			
153	Nocellara del Belice	D.O.P.			
154	Nostrano Valtrompia	D.O.P.			
155	Olio di Calabria	I.G.P.			
156	Oliva Ascolana del Piceno	D.O.P.			
157	Oliva di Gaeta	D.O.P.			
158	Pagnotta del Dittaino	D.O.P.			
159	Pampapato di Ferrara/Pampepato di Ferrara	I.G.P.			
160	Pancetta di Calabria	D.O.P.			
161	Pancetta Piacentina	D.O.P.			
162	Pane casareccio di Genzano	I.G.P.			
163	Pane di Altamura	D.O.P.			
164	Pane di Matera	I.G.P.			
165	Pane Toscano	D.O.P.			
166	Panforte di Siena	I.G.P.			
167	Parmigiano Reggiano	D.O.P.			
168	Pasta di Gragnano	I.G.P.			
169	Patata dell'Alto Viterbese	I.G.P.			
170	Patata della Sila	I.G.P.			
171	Patata del Fucino	I.G.P.			
172	Patata di Bologna	D.O.P.			
173	Patata novella di Galatina	D.O.P.			
174	Patata Rossa di Colfiorito	I.G.P.			
175	Pecorino Crotonese	D.O.P.			
176	Pecorino delle Balze Volterrane	D.O.P.			
177	Pecorino di Filiano	D.O.P.			
178	Pecorino di Picinisco	D.O.P.			
179	Pecorino Romano	D.O.P.			
180	Pecorino Sardo	Pecorino Sardo D.O.P.	Formaggi	Reg. CE n. 1263 del 01.07.96Reg. UE n. 215 del 01.03.11Reg.UE n. 313 del 26.03.14	GUCE L 163 del 02.07.96GUUE L 04.03.11GUUE L 27.03.14
181	Pecorino Siciliano	D.O.P.			

182	Pecorino Toscano	D.O.P.	
183	Penisola Sorrentina	D.O.P.	
184	Peperone di Pontecorvo	D.O.P.	
185	Peperone di Senise	I.G.P.	
186	Pera dell'Emilia Romagna	I.G.P.	
187	Pera mantovana	I.G.P.	
188	Pescabivona	I.G.P.	
189	Pesca di Leonforte	I.G.P.	
190	Pesca di Verona	I.G.P.	
191	Pesca e Nettarina di Romagna	I.G.P.	
192	Piacentinu Ennese	D.O.P.	
193	Piadina Romagnola/Piada Romagnola	I.G.P.	
194	Piave	D.O.P.	
195	Pistacchio Verde di Bronte	D.O.P.	
196	Pizza Napoletana		S.T.G.
197	Pizzoccheri della Valtellina	I.G.P.	
198	Pomodorino del Piennolo del Vesuvio	D.O.P.	
199	Pomodoro di Pachino	I.G.P.	
200	Pomodoro S. Marzano dell'Agro Sarnese-Nocerino	D.O.P.	
201	Porchetta di Ariccia	I.G.P.	
202	Pretuziano delle Colline Teramane	D.O.P.	
203	Prosciutto Amatriciano	I.G.P.	
204	Prosciutto di Carpegna	D.O.P.	
205	Prosciutto di Modena	D.O.P.	
206	Prosciutto di Norcia	I.G.P.	
207	Prosciutto di Parma	D.O.P.	
208	Prosciutto di San Daniele	D.O.P.	
209	Prosciutto di Sauris	I.G.P.	
210	Prosciutto Toscano	D.O.P.	
211	Prosciutto Veneto Berico-Euganeo	D.O.P.	
212	Provolone del Monaco	D.O.P.	
213	Provolone Valpadana	D.O.P.	
214	Puzzone di Moena/Spretz Tzaorì	D.O.P.	
215	Quartirolo Lombardo	D.O.P.	
216	Radicchio di Chioggia	I.G.P.	
217	Radicchio di Verona	I.G.P.	
218	Radicchio Rosso di Treviso	I.G.P.	
219	Radicchio Variegato di Castelfranco	I.G.P.	
220	Ragusano	D.O.P.	
221	Raschera	D.O.P.	
222	Ricciarelli di Siena	I.G.P.	
223	Ricotta di Bufala Camapna	D.O.P.	
224	Ricotta Romana	D.O.P.	
225	Riso del Delta del Po	I.G.P.	
226	Riso di Baraggia Biellese e Vercellese	D.O.P.	
227	Riso Nano Vialone Veronese	I.G.P.	
228	Riviera Ligure	D.O.P.	
229	Robiola di Roccaverano	D.O.P.	
230	Sabina	D.O.P.	
231	Salama da sugo	I.G.P.	
232	Salame Brianza	D.O.P.	
233	Salame Cremona	I.G.P.	
234	Salame di Varzi	D.O.P.	
235	Salame d'oca di Mortara	I.G.P.	
236	Salame Felino	I.G.P.	
237	Salame Piacentino	D.O.P.	
238	Salame Piemonte	I.G.P.	

239	Salame S. Angelo	I.G.P.
240	Salamini italiani alla cacciatora	D.O.P.
241	Sale Marino di Trapani	I.G.P.
242	Salmerino del Trentino	I.G.P.
243	Salsiccia di Calabria	D.O.P.
244	Salva Cremasco	D.O.P.
245	Sardegna	D.O.P.
246	Scalogno di Romagna	I.G.P.
247	Sedano Bianco di Sperlonga	I.G.P.
248	Seggiano	D.O.P.
249	Sicilia	I.G.P.
250	Silter	D.O.P.
251	Soppressata di Calabria	D.O.P.
252	Soprèssa Vicentina	D.O.P.
253	Speck Alto Adige/Südtiroler Markenspeck/ Südtiroler Speck	I.G.P.
254	Spressa delle Giudicarie	D.O.P.
255	Squacquerone di Romagna	D.O.P.
256	Stelvio o Stilfser	D.O.P.
257	Strachitunt	D.O.P.
258	Susina di Dro	D.O.P.
259	Taleggio	D.O.P.
260	Tergeste	D.O.P.
261	Terra d' Otranto	D.O.P.
262	Terra di Bari	D.O.P.
263	Terre Aurunche	D.O.P.
264	Terre di Siena	D.O.P.
265	Terre Tarentine	D.O.P.
266	Tinca Gobba Dorata del Pianalto di Poirino	D.O.P.
267	Toma Piemontese	D.O.P.
268	Torrone di Bagnara	I.G.P.
269	Toscano	I.G.P.
270	Trote del Trentino	I.G.P.
271	Tuscia	D.O.P.
272	Umbria	D.O.P.
273	Uva da tavola di Canicattì	I.G.P.
274	Uva da tavola di Mazzarrone	I.G.P.
275	Uva di Puglia	I.G.P.
276	Val di Mazara	D.O.P.
277	Valdemone	D.O.P.
278	Valle d' Aosta Fromadzo	D.O.P.
279	Valle d' Aosta Jambon de Bosses	D.O.P.
280	Valle d' Aosta Lard d' Arnad/Vallée d'Aoste Lardd'Arnad	D.O.P.
281	Valle del Belice	D.O.P.
282	Valli Trapanesi	D.O.P.
283	Valtellina Casera	D.O.P.
284	Vastedda della valle del Belice	D.O.P.
285	Veneto Valpolicella, Veneto Euganei e Berici, Veneto del Grappa	D.O.P.

286	Vitellone bianco dell'Appennino Centrale	I.G.P.		
287	Vulture	D.O.P.		
288	Zafferano dell'Aquila	D.O.P.		
289	Zafferano di San Gimignano	D.O.P.		
290	Zafferano di Sardegna	D.O.P.		
291	Zampone Modena	I.G.P.	Reg. CE n. 590 del 18.03.99	GUCE L 74 del 1

APPENDIX D

PDO/PGI products.

Source: Centro Studi Confagricoltura on EU data

a) Number of PDO/PGI per country

	2010			2016		
	DOP	IGP	Totale	DOP	IGP	Totale
Italia	135	82	217	166	123	289
Francia	81	101	182	98	139	237
Spagna	78	65	143	102	88	190
Portogallo	58	58	116	64	72	136
Grecia	65	23	88	75	29	104
Germania	30	48	78	12	77	89
Regno Unito	16	18	34	23	35	58
Altri UE	39	65	134	74	130	204

b) Number of PDO/PGI per category of products, period 2005-2016

	2005		2010		2016	
	DOP	IGP	DOP	IGP	DOP	IGP
Carni fresche	-	2	-	3	1	4
Prodotti a base di carne	20	8	21	12	21	20
Formaggi	32	-	38	1	49	2
Altri di origine animale	2	-	3	-	5	-
Ortofrutticoli e cereali	10	37	25	59	36	74
Oli extravergini di oliva	36	1	39	1	42	3
Aceti	2	-	2	1	2	1
Prodotti di panetteria	1	2	2	4	3	10
Spezie	2	-	3	-	4	-
Olii essenziali	1	-	1	-	1	-
Prodotti ittici	-	-	1	1	2	3
Sale	-	-	-	-	-	1
Paste alimentari	-	-	-	-	-	5
Totale	**106**	**50**	**135**	**82**	**166**	**123**

c) Value at the production of PDO/PGI, divided by macro categories. All values are expressed in million euro.

	2002	2010	2013	2014
Formaggi	2.330	3.440	3.622	3.662
Prodotti a base di carne	681	1.869	1.765	1.804
Ortofrutticoli e cereali	34	320	417	467
Aceti balsamici	-	247	262	294
Oli extravergini di oliva	28	73	62	56
Carni fresche	-	42	84	83
Altri comparti	19*	1	2	2
Totale	3.092	5.992	6.214	6.368

d) Top ten PDO/PGI products for value at the production. All values are expressed in million euro

		2002	2010	2013	2014
1	Grana Padano DOP	744	1.259	1.356	1.361
2	Parmigiano Reggiano DOP	847	1.163	1.220	1.205
3	Prosciutto di Parma-DOP	443	900	694	701
4	Aceto Balsamico di Modena IGP	-	243	259	292
5	Mozzarella di Bufala Campana DOP	138	290	281	283
6	Prosciutto di San Daniele DOP	172	309	278	278
7	Mortadella Bologna IGP	27	218	271	277
8	Gorgonzola DOP	171	216	232	267
9	Bresaola della Valtellina IGP	-	199	250	249
10	Mela Alto Adige IGP	-	-	193	247
	Pecorino Romano DOP	159	156	-	-
	Asiago DOP	86	-	-	-
	Toscano IGP (olio di oliva)	13	-	-	-
	Totale primi dieci DOP/IGP	**2.800**	**4.953**	**5.034**	**5.160**
	Totale DOP/IGP	**3.092**	**5.992**	**6.214**	**6.368**
	Primi 10/ Totale DOP/IGP (%)	**90,6%**	**82,7%**	**81,0%**	**81,0%**

e) PDO/PGI export: All values are expressed in million euro

		2002	2010	2013	2014
1	Grana Padano DOP	181	467	543	612
2	Parmigiano-Reggiano DOP	120	387	464	525
3	Aceto Balsamico di Modena IGP	-	198	439	493
4	Prosciutto di Parma DOP	421	276	241	257
5	Mela Alto Adige IGP	-	46	137	204
6	Pecorino Romano DOP	106	97	122	135
7	Gorgonzola DOP	111	78	94	101
8	Mozzarella Bufala Campana DOP	88	78	81	76
9	Prosciutto di San Daniele DOP	90	38	53	57
10	Mela Val di Non DOP	-	-	40	44
	Mortadella Bologna IGP	34	29	-	-
	Speck dell'Alto Adige iGP	58	-	-	-
	Toscano IGP (olio e.v. di oliva)	13	-	-	-
	Totale primi 10 DOP/IGP	**1.222**	**1.694**	**2.214**	**2.504**
	Totale DOP/IGP	**1.279**	**1.860**	**2.443**	**2.763**
	Primi 10/ Totale (%)	**95,50%**	**91,10%**	**90,60%**	**90,60%**

APPENDIX E

Total import and export of Italy (all sectors) with the EU, the US and the World. Values expressed in euros. Source: original elaboration from Eurostat and ISTAT Data, through InfoMercatiEsteri and ICE

Eurostat	TOTAL IMPORT & EXPORT ITALY (all sectors)					
PRODUCT	TOTAL			PRODUCT	TOTAL	
FLOW	EXPORT	VALUE_IN_EUROS		FLOW	IMPORT	VALUE_IN_EUROS
PARTNER	EU28_INTRA			PARTNER	EU28_INTRA	
REPORTER/PERIOD	Jan.-Dec. 2014	Jan.-Dec. 2015		REPORTER/PERIOD	Jan.-Dec. 2014	Jan.-Dec. 2015
ITALY	218,823,664,613	225,975,281,928		ITALY	203,890,044,470	217,390,390,848
	54.86%	54.81%			57.12%	58.68%
	EXPO-IMPORT 2014	EXPO-IMPORT 2015				
	14,933,620,143	**8,584,891,080**	SURPLUS from EU			
		3.27%	EXPO growth			
PARTNER	EU28_EXTRA			PARTNER	EU28_EXTRA	
REPORTER/PERIOD	Jan.-Dec. 2014	Jan.-Dec. 2015		REPORTER/PERIOD	Jan.-Dec. 2014	Jan.-Dec. 2015
ITALY	180,046,749,281	186,316,004,436		ITALY	153,048,802,373	153,093,988,397
	45.14%	45.19%			42.88%	41.32%
	EXPO-IMPORT 2014	EXPO-IMPORT 2015				
	26,997,946,908	33,222,016,039				
	WORLD				WORLD	
ITALY	398,870,413,894	412,291,286,364			356,938,846,843	370,484,379,245
	EXPO-IMPORT 2014	EXPO-IMPORT 2015				
	41,931,567,051	41,806,907,119				
	41,931,567,051	**41,806,907,119**	TOT SURPLUS			
PARTNER	UNITED STATES			PARTNER	UNITED STATES	
REPORTER/PERIOD	Jan.-Dec. 2014	Jan.-Dec. 2015		REPORTER/PERIOD	Jan.-Dec. 2014	Jan.-Dec. 2015
ITALY	29,755,983,421	35,976,672,126		ITALY	12,476,521,525	14,195,119,910
% extra EU	16.53%	19.31%			8.15%	9.27%
% WORLD	7.46%	8.73%			3.50%	3.83%
	EXPO-IMPORT 2014	EXPO-IMPORT 2015				
	17,279,461,896	**21,781,552,216**	SURPLUS from US			
		20.91%	EXPO growth			

APPENDIX F

1) US import per product, per country, in USD (Source: original elaboration from Census Data)

Country - Italy											
Time / Commodity	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
2204 Wine Of Fresh Grapes; Grape Must Nesoi	1,157,046,990	1,267,848,876	1,293,960,266	1,179,072,558	1,259,133,562	1,494,976,503	1,476,652,647	1,609,815,175	1,697,092,266	1,695,093,362	1,796,851,526
1509 Olive Oil & Its Fractions, Not Chemically Mo	618,803,497	575,616,125	619,126,319	518,667,641	481,813,342	509,686,086	519,512,288	545,436,821	526,438,780	513,655,690	550,031,044
0406 Cheese And Curd	241,917,578	301,097,208	326,239,836	267,264,408	277,632,657	311,965,129	301,650,032	310,137,903	307,800,495	304,851,687	307,715,682
1902 Pasta, Prepared Or Not; Couscous, Prepa	170,229,758	219,202,507	225,936,209	203,713,222	198,479,852	220,501,537	243,367,821	246,441,410	284,651,124	285,920,418	287,858,570
2209 Vinegar & Substitutes For Vinegar From A	55,053,217	60,928,431	64,998,417	62,927,675	66,595,348	73,906,928	78,835,076	87,082,040	93,945,947	85,139,158	91,398,326
220110 Water, Mineral & Aerated Natrl/artfcl Nt S	66,321,405	81,093,889	80,713,140	84,140,241	99,553,018	90,143,740	92,961,215	107,051,313	114,412,518	139,325,183	138,122,432
841720 Bakery Ovens, Including Biscuit Ovens,	1,685,762	1,438,055	498,890	834,295	3,532,680	730,256	2,278,248	1,317,535	5,161,522	2,649,711	5,591,021

Country - France											
Time / Commodity	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
2204 Wine Of Fresh Grapes; Grape Must Nesoi	1,329,502,800	1,463,620,958	1,453,769,838	985,657,412	1,013,350,302	1,259,505,453	1,374,702,744	1,437,498,113	1,519,680,522	1,551,130,982	1,618,629,929
1509 Olive Oil & Its Fractions, Not Chemically Mo	1,857,405	1,944,709	2,084,193	959,689	817,395	945,034	898,157	2,084,607	1,541,217	960,607	1,135,347
0406 Cheese And Curd	134,443,751	149,472,093	154,666,480	141,096,326	142,478,253	182,913,695	166,148,464	193,674,502	198,528,488	166,177,253	169,410,664
1902 Pasta, Prepared Or Not; Couscous, Prepa	2,594,611	3,463,405	3,856,875	5,081,121	4,712,804	9,615,852	9,233,870	8,556,893	9,337,158	9,982,545	7,898,557
2209 Vinegar & Substitutes For Vinegar From A	3,932,867	5,128,236	4,840,392	4,196,019	4,704,829	4,831,426	4,345,188	5,925,422	6,567,543	5,432,193	5,417,123
220110 Water, Mineral & Aerated Natrl/artfcl Nt S	81,412,262	103,340,305	92,285,479	76,560,028	87,208,889	89,126,634	105,585,078	111,001,466	122,608,578	113,112,277	132,242,634
841720 Bakery Ovens, Including Biscuit Ovens,	225,012	2,825,532	273,054	282,302	215,784	186,181	78,292	127,644	116,177	36,238	776,358

Country - Germany											
Time / Commodity	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
2204 Wine Of Fresh Grapes; Grape Must Nesoi	120,744,773	144,222,278	147,454,828	120,803,706	140,165,622	143,868,264	127,662,726	119,466,959	117,884,833	103,542,433	102,945,171
1509 Olive Oil & Its Fractions, Not Chemically Mo	30,499	67,944	104,363	8,487	11,567	24,647	177,086	78,061	46,460	5,435	
0406 Cheese And Curd	21,537,168	22,000,685	17,175,973	15,417,643	16,524,962	17,419,492	16,518,164	23,573,547	36,257,852	44,338,768	41,004,463
1902 Pasta, Prepared Or Not; Couscous, Prepa	2,278,840	3,215,535	2,770,418	2,193,604	3,219,368	4,128,055	3,873,374	4,962,008	4,548,493	5,049,890	5,936,508
2209 Vinegar & Substitutes For Vinegar From A	291,631	345,420	196,631	240,571	234,956	332,344	322,424	420,781	1,648,710	938,207	1,144,302
220110 Water, Mineral & Aerated Natrl/artfcl Nt S	7,686,943	8,251,890	8,149,719	7,318,413	5,364,902	7,004,695	6,757,950	6,567,971	8,307,024	9,023,499	8,398,655
841720 Bakery Ovens, Including Biscuit Ovens,	206,801	305,684	407,145	1,031,548	1,417,254	2,216,922	1,100,019	2,193,913	2,222,414	1,012,988	1,813,926

Country - Spain											
Time / Commodity	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
2204 Wine Of Fresh Grapes; Grape Must Nesoi	234,869,989	269,672,117	280,404,826	242,666,565	266,614,643	299,277,154	318,875,627	340,533,780	343,168,212	335,630,451	344,041,125
1509 Olive Oil & Its Fractions, Not Chemically Mo	175,276,804	163,941,999	192,145,904	164,048,428	205,110,891	191,034,753	220,540,828	216,816,974	412,336,683	323,352,623	511,803,978
0406 Cheese And Curd	31,595,239	37,120,306	42,630,240	40,489,621	45,839,144	56,765,762	59,283,657	79,111,824	96,378,484	100,121,109	93,255,028
1902 Pasta, Prepared Or Not; Couscous, Prepa	138,817	204,053	189,953	51,097	42,156	489,965	754,233	515,384	75,903	366,129	238,744
2209 Vinegar & Substitutes For Vinegar From A	7,049,571	6,735,672	7,662,104	7,574,862	6,958,381	7,862,637	7,903,107	7,321,840	8,020,873	6,937,958	7,423,459
220110 Water, Mineral & Aerated Natrl/artfcl Nt S	508,287	476,979	306,244	184,953	187,212	179,377	280,793	314,837	774,489	693,213	803,015
841720 Bakery Ovens, Including Biscuit Ovens,	50,092	192,713	210,442	63,881	34,545	297,588		164,190	54,760	40,597	61,971

Country - United Kingdom											
Time / Commodity	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
2204 Wine Of Fresh Grapes; Grape Must Nesoi	4,519,558	8,365,950	4,903,820	3,723,912	2,297,966	3,524,351	4,050,179	3,162,614	5,553,379	8,086,833	10,578,399
1509 Olive Oil & Its Fractions, Not Chemically Mo	90,990	182,743	197,676	177,931	208,235	291,474	290,682	125,088	248,448	197,984	296,542
0406 Cheese And Curd	38,744,227	44,260,592	43,514,660	28,642,113	32,401,035	39,957,657	42,399,260	50,240,876	62,329,922	64,704,852	62,777,434
1902 Pasta, Prepared Or Not; Couscous, Prepa	213,428	110,513	149,275	109,534	99,420	351,044	130,887	132,185	97,252	134,595	206,074
2209 Vinegar & Substitutes For Vinegar From A	111,727	123,036	133,680	164,930	180,946	172,131	166,793	251,551	284,853	951,460	386,640
220110 Water, Mineral & Aerated Natrl/artfcl Nt S	4,043,534	4,324,900	2,638,125	1,293,504	1,768,619	3,526,148	2,780,966	1,975,339	2,742,123	2,668,012	2,008,997
841720 Bakery Ovens, Including Biscuit Ovens,	143,177	23,887	1,703,067	23,437	1,044,849	48,309	37,129	2,515,585	236,546	10,500	123,420

Country - Canada											
Time / Commodity	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
2204 Wine Of Fresh Grapes; Grape Must Nesoi	8,735,571	7,363,795	8,329,587	5,697,755	9,115,282	15,524,898	14,071,572	20,309,547	30,593,861	31,570,055	34,438,284
1509 Olive Oil & Its Fractions, Not Chemically Mo	177,487	82,833	146,596	33,060		2,324		9,996	82,549	70,332	154,856
0406 Cheese And Curd	22,944,974	26,810,087	27,862,643	26,492,794	25,004,997	24,641,902	24,397,813	31,239,621	33,012,065	27,331,676	29,820,312
1902 Pasta, Prepared Or Not; Couscous, Prepa	134,759,430	136,354,234	139,513,647	138,988,623	167,794,119	179,269,050	174,471,934	172,127,296	163,299,039	174,797,098	144,785,596
2209 Vinegar & Substitutes For Vinegar From A	1,299,776	1,408,924	1,288,873	1,527,009	966,057	692,592	2,741,600	3,454,154	3,112,915	3,814,875	3,665,439
220110 Water, Mineral & Aerated Natrl/artfcl Nt S	28,545,600	22,347,845	18,638,775	10,986,131	4,043,714	394,316	431,661	421,135	445,746	437,448	718,457
841720 Bakery Ovens, Including Biscuit Ovens,	2,555,085	5,224,558	1,894,898	2,562,079	1,950,967	1,068,766	2,385,432	2,143,134	8,085,789	3,172,863	6,391,902

Country - World Total											
Time / Commodity	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
2204 Wine Of Fresh Grapes; Grape Must Nesoi	4,152,001,085	4,621,693,053	4,620,545,152	3,982,162,453	4,242,434,357	4,816,179,190	5,059,263,882	5,244,876,508	5,369,683,482	5,379,892,012	5,550,267,844
1509 Olive Oil & Its Fractions, Not Chemically Mo	980,996,559	939,960,166	1,006,482,835	879,793,863	868,651,188	925,183,354	938,319,022	1,084,035,130	1,087,903,116	1,189,454,821	1,293,733,689
0406 Cheese And Curd	1,027,127,313	1,116,056,880	1,171,044,437	1,009,683,534	966,401,562	1,076,095,023	1,094,013,255	1,147,823,769	1,282,189,393	1,299,330,416	1,262,499,399
1902 Pasta, Prepared Or Not; Couscous, Prepa	501,551,655	568,910,767	641,070,514	604,322,199	654,718,389	725,937,809	771,104,684	803,448,697	830,859,725	860,134,932	853,102,193
2209 Vinegar & Substitutes For Vinegar From A	77,283,965	83,907,248	89,257,813	86,913,918	91,532,615	100,735,880	108,329,373	119,584,669	126,184,915	115,939,021	123,587,072
220110 Water, Mineral & Aerated Natrl/artfcl Nt S	277,145,907	334,015,488	325,080,374	263,092,110	306,050,897	287,188,411	275,072,983	275,920,277	309,551,908	328,579,216	356,779,370
841720 Bakery Ovens, Including Biscuit Ovens,	10,093,146	15,910,997	8,373,784	9,090,369	11,058,333	16,136,099	12,115,869	14,929,037	19,594,443	12,351,000	21,437,194

2) Growth on market share of US import per product (Source: Original elaboration from Census Data)

Country - Spain					
Time	Spain/World	Spain/World	Spain/World	Spain/World	2012 - 2015
Commodity	2013	2014	2015	2016	Growth %
2204 Wine Of Fresh Grapes; Grape Must Nesoi	6.49%	6.39%	6.24%	6.20%	5.25
1509 Olive Oil & Its Fractions, Not Chemically Mo	20.00%	37.90%	27.18%	39.56%	46.62
0406 Cheese And Curd	6.89%	7.52%	7.71%	7.39%	68.88
1902 Pasta, Prepared Or Not; Couscous, Prepa	0.06%	0.01%	0.04%	0.03%	-51.46
2209 Vinegar & Substitutes For Vinegar From A	6.12%	6.36%	5.98%	6.01%	-12.21
220110 Water, Mineral & Aerated Natrl/artfcl Nt S	0.11%	0.25%	0.21%	0.23%	146.88
841720 Bakery Ovens, Including Biscuit Ovens,	1.10%	0.28%	0.33%	0.29%	

Country - United Kingdom					
Time	UK/World	UK/World	UK/World	UK/World	2012 - 2015
Commodity	2013	2014	2015	2016	Growth %
2204 Wine Of Fresh Grapes; Grape Must Nesoi	0.06%	0.10%	0.15%	0.19%	99.67
1509 Olive Oil & Its Fractions, Not Chemically Mo	0.01%	0.02%	0.02%	0.02%	-31.89
0406 Cheese And Curd	4.38%	4.86%	4.98%	4.97%	52.61
1902 Pasta, Prepared Or Not; Couscous, Prepa	0.02%	0.01%	0.02%	0.02%	2.83
2209 Vinegar & Substitutes For Vinegar From A	0.21%	0.23%	0.82%	0.31%	470.44
220110 Water, Mineral & Aerated Natrl/artfcl Nt S	0.72%	0.89%	0.81%	0.56%	-4.06
841720 Bakery Ovens, Including Biscuit Ovens,	16.85%	1.21%	0.09%	0.58%	-71.72

Country - Canada					
Time	Canad/World	Canad/World	Canad/World	Canad/World	2012 - 2015
Commodity	2013	2014	2015	2016	Growth %
2204 Wine Of Fresh Grapes; Grape Must Nesoi	0.39%	0.57%	0.59%	0.62%	1.24
1509 Olive Oil & Its Fractions, Not Chemically Mo	0.00%	0.01%	0.01%	0.01%	14.49
0406 Cheese And Curd	2.72%	2.57%	2.10%	2.36%	12.03
1902 Pasta, Prepared Or Not; Couscous, Prepa	21.42%	19.65%	20.32%	16.97%	0.19
2209 Vinegar & Substitutes For Vinegar From A	2.89%	2.47%	3.29%	2.97%	39.15
220110 Water, Mineral & Aerated Natrl/artfcl Nt S	8525.18%	0.14%	0.13%	0.20%	1.34
841720 Bakery Ovens, Including Biscuit Ovens,	-6923.77%	41.27%	25.69%	29.82%	33.01

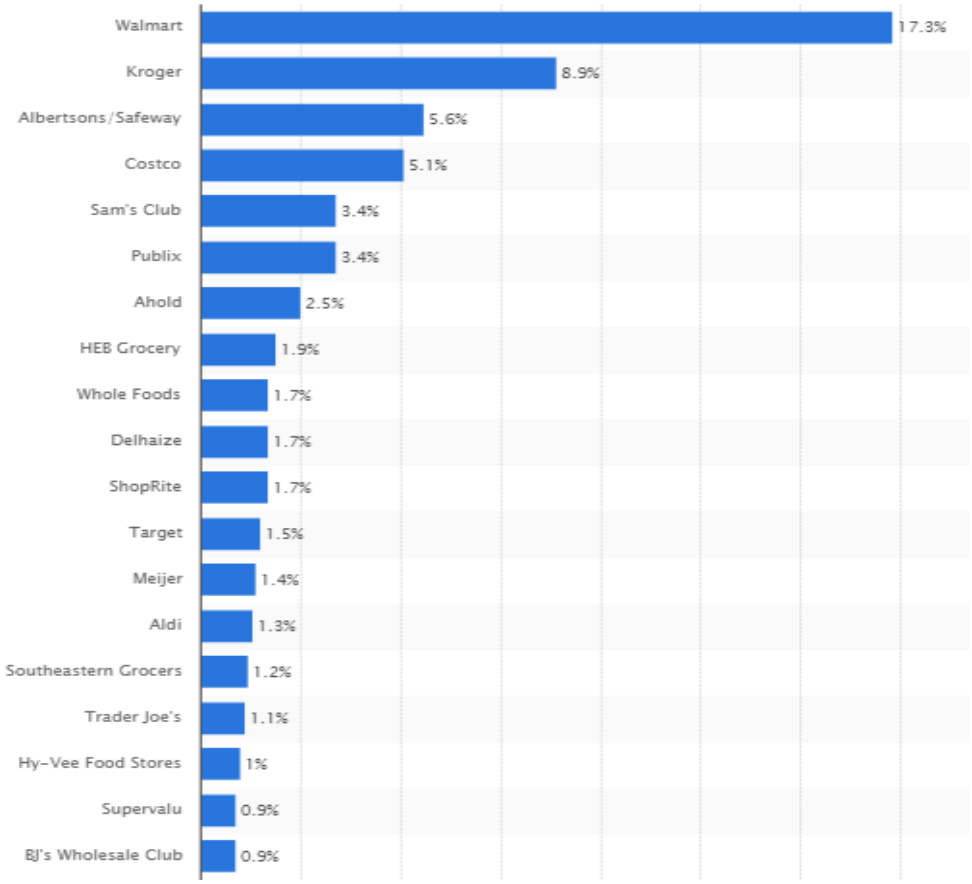
Country - Italy					
Time	Italy/World	Italy/World	Italy/World	Italy/World	2012 - 2015
Commodity	2013	2014	2015	2016	Growth %
2204 Wine Of Fresh Grapes; Grape Must Nesoi	30.69%	31.61%	31.51%	32.37%	14.79
1509 Olive Oil & Its Fractions, Not Chemically Mo	50.32%	48.39%	43.18%	42.52%	-1.13
0406 Cheese And Curd	27.02%	24.01%	23.46%	24.37%	1.06
1902 Pasta, Prepared Or Not; Couscous, Prepa	30.67%	34.26%	33.24%	33.74%	17.48
2209 Vinegar & Substitutes For Vinegar From A	72.82%	74.45%	73.43%	73.95%	8.00
220110 Water, Mineral & Aerated Natrl/artfcl Nt S	38.80%	36.96%	42.40%	38.71%	49.87
841720 Bakery Ovens, Including Biscuit Ovens,	8.83%	26.34%	21.45%	26.08%	16.30

Country - France					
Time	France/World	France/World	France/World	France/World	2012 - 2015
Commodity	2013	2014	2015	2016	Growth %
2204 Wine Of Fresh Grapes; Grape Must Nesoi	27.41%	28.30%	28.83%	29.16%	12.83
1509 Olive Oil & Its Fractions, Not Chemically Mo	0.19%	0.14%	0.08%	0.09%	6.95
0406 Cheese And Curd	16.87%	15.48%	12.79%	13.42%	0.02
1902 Pasta, Prepared Or Not; Couscous, Prepa	1.07%	1.12%	1.16%	0.93%	8.11
2209 Vinegar & Substitutes For Vinegar From A	4.96%	5.20%	4.69%	4.38%	25.02
220110 Water, Mineral & Aerated Natrl/artfcl Nt S	40.23%	39.61%	34.42%	37.07%	7.13
841720 Bakery Ovens, Including Biscuit Ovens,	0.86%	0.59%	0.29%	3.62%	-53.71

Country - Germany					
Time	Germ/World	Germ/World	Germ/World	Germ/World	2012 - 2015
Commodity	2013	2014	2015	2016	Growth %
2204 Wine Of Fresh Grapes; Grape Must Nesoi	2.28%	2.20%	1.92%	1.85%	-18.89
1509 Olive Oil & Its Fractions, Not Chemically Mo	0.01%	0.00%	0.00%	0.00%	-96.93
0406 Cheese And Curd	2.05%	2.83%	3.41%	3.25%	168.42
1902 Pasta, Prepared Or Not; Couscous, Prepa	0.62%	0.55%	0.59%	0.70%	30.37
2209 Vinegar & Substitutes For Vinegar From A	0.35%	1.31%	0.81%	0.93%	190.99
220110 Water, Mineral & Aerated Natrl/artfcl Nt S	2.38%	2.68%	2.75%	2.35%	33.52
841720 Bakery Ovens, Including Biscuit Ovens,	14.70%	11.34%	8.20%	8.46%	-7.91

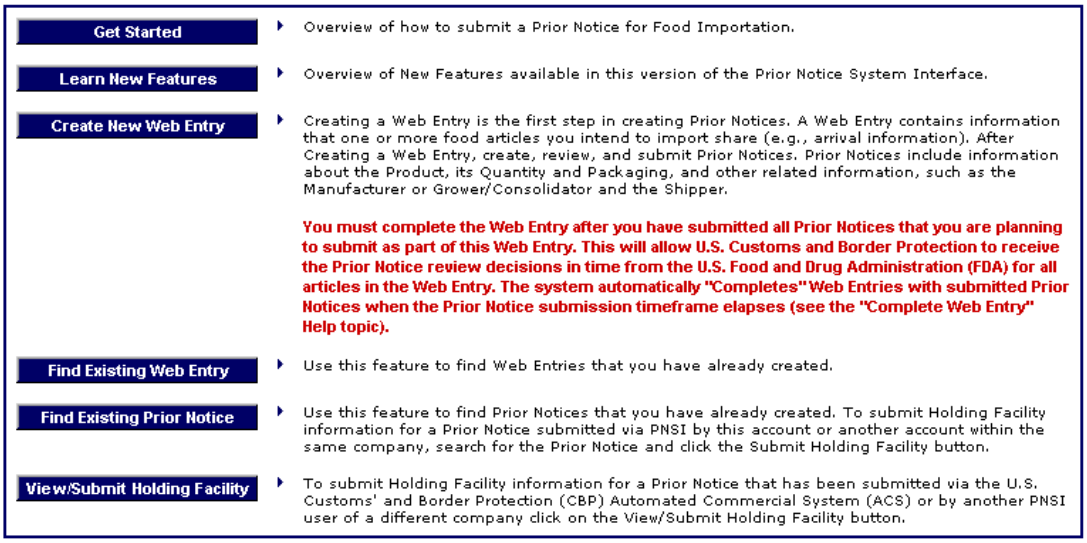
APPENDIX G

Food retailers market share in 2016 (Source: statista.com)



APPENDIX H

Sample of Prior Notice interface (Source: FDA, Import Basics)



APPENDIX I

SURVEY, created with Qualtrics

Italian Food in the U.S. market

Q1 Do you usually buy Italian food?

- ❍ Yes, I buy it often (1)
- ❍ Yes, I buy it sometimes (2)
- ❍ I buy it rarely (3)
- ❍ No, I never buy it (4)
- ❍ Other (specify) (5) _____

If you answer is no (4) go to Q3, otherwise continue with Q2

Q2 Which Italian food products do you usually buy?

	Never (1)	I tried it at least once (2)	Sometimes (3)	Often (4)
Pasta (1)	❍	❍	❍	❍
Tomato sauce (2)	❍	❍	❍	❍
Other sauces (specify) ……..(3)	❍	❍	❍	❍
Extra virgin olive oil (4)	❍	❍	❍	❍
Balsamic vinegar (5)	❍	❍	❍	❍
Cheese: Parmigiano (6)	❍	❍	❍	❍
Cheese: Grana Padano (7)	❍	❍	❍	❍
Cheese: Gorgonzola (8)	❍	❍	❍	❍
Cheese: Mozzarella (9)	❍	❍	❍	❍
Cheese: Asiago (10)	❍	❍	❍	❍
Cheese: Fontina (11)	❍	❍	❍	❍
Cheese: Provolone (12)	❍	❍	❍	❍
Other cheese (specify) ……(13)	❍	❍	❍	❍
Cured meat: Prosciutto di Parma (14)	❍	❍	❍	❍
Cured meat: Prosciutto San Daniele (15)	❍	❍	❍	❍
Cured meat: Mortadella (16)	❍	❍	❍	❍

Cured meat: Salame (17)	❍	❍	❍	❍
Other cured meat (specify) ……(18)	❍	❍	❍	❍
Other products (specify) …… (19)	❍	❍	❍	❍

Q3 Which of the following characteristics do you usually associate to Italian food products?

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
High quality (1)	❍	❍	❍	❍	❍
Healthy food (2)	❍	❍	❍	❍	❍
Traditional recipe (3)	❍	❍	❍	❍	❍
Good taste (4)	❍	❍	❍	❍	❍
Low price (5)	❍	❍	❍	❍	❍
A higher price is related to a higher quality (6)	❍	❍	❍	❍	❍
Imitations, fake products (7)	❍	❍	❍	❍	❍
Other (specify) (8)	❍	❍	❍	❍	❍

Q4 Are you interested in buying authentic Italian food?

(*authentic = original recipe, imported from Italy, not false or imitation)

- ❍ Extremely interested (1)
- ❍ Very interested (2)
- ❍ Moderately interested (3)
- ❍ Slightly interested (4)
- ❍ Not interested at all (5)

If you are not interested, explain why.

……..

If you are not interested at all (5), go to Q7, otherwise continue with Q5

Q5 When you want to buy authentic Italian food products, which of the following characteristics are important for you?

	Not at all important (1)	Slightly importa nt (2)	Moderately important (3)	Very important (4)	Extremely important (5)
Raw materials must come from Italy (1)	❍	❍	❍	❍	❍
The recipe must be traditional Italian (2)	❍	❍	❍	❍	❍
The manufacturing process must be traditional (3)	❍	❍	❍	❍	❍
The whole manufacturing process must take place in Italy: production, process, packaging (4)	❍	❍	❍	❍	❍
The product must come from Italy (5)	❍	❍	❍	❍	❍
The product must be certified as authentic Italian by an institutional authority (6)	❍	❍	❍	❍	❍
Other (specify) …… (7)	❍	❍	❍	❍	❍

Q6 Which are the most important characteristics of the packaging you look for, in order to identify an authentic product, coming from Italy?

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
Italian name of the product (Ex. Mozzarella) (1)	❍	❍	❍	❍	❍
Italian name of the brand (Ex. Belgioioso) (2)	❍	❍	❍	❍	❍
Italian flag in the packaging (3)	❍	❍	❍	❍	❍
Monuments or images of Italy in the packaging (4)	❍	❍	❍	❍	❍
The label saying "Made in Italy" (5)	❍	❍	❍	❍	❍
The label saying "Italian Recipe" (6)	❍	❍	❍	❍	❍
The label saying "Italian Type" (7)	❍	❍	❍	❍	❍
The label saying "Italian Style" (8)	❍	❍	❍	❍	❍
The label saying "Product of Italy" (9)	❍	❍	❍	❍	❍
The label saying "Imported from Italy" (10)	❍	❍	❍	❍	❍
Other (specify) ……..(11)	❍	❍	❍	❍	❍

Q7 Indicate your level of agreement/disagreement regarding the following statement about the price of authentic food.

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
I am willing to pay a higher price for authentic Italian food as a premium for quality, traditional process used and shipping costs (1)	❍	❍	❍	❍	❍

If you disagree with the previous statement, answer question Q8, otherwise, go to Q9

Q8 Explain why you are not willing to pay a higher price for authentic food.

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
I have a low budget (1)	❍	❍	❍	❍	❍
There is not a big difference with American products to justify a higher price (2)	❍	❍	❍	❍	❍
Most expensive products are imitations anyways (3)	❍	❍	❍	❍	❍
Other (specify) (4)	❍	❍	❍	❍	❍

Q9 Where do you usually shop for grocery?

	Never (1)	Rarely (2)	Sometimes (3)	Often (4)	Always (5)
Warehouses (Costco, Sam's Club, BJ's...) (1)	❍	❍	❍	❍	❍
Grocery stores chains (Walmart, Kroger, Aldi...) (2)	❍	❍	❍	❍	❍
Farmers markets, Whole Food Markets and similar (3)	❍	❍	❍	❍	❍
Others (specify) (4)	❍	❍	❍	❍	❍

Q10 Do you usually find authentic Italian food products in this place?

❍ Yes (1)
❍ No (2)

If you do not, where do you usually go to find Italian products?

……..

Q11 Do you usually buy cheese when you go to the grocery store?

- ❍ Yes, I buy it often (1)
- ❍ Yes, I buy it sometimes (2)
- ❍ I buy it rarely (3)
- ❍ No, I do not like cheese (4)
- ❍ Other (specify) (5) _____

If you do not buy cheese at all, go to Q13, otherwise continue with Q12

Q12 In general, when you buy cheese, which of the following characteristics are important in your purchase choice?

	Not at all important (1)	Slightly important (2)	Moderately important (3)	Very important (4)	Extremely important (5)
Low price of the product (1)	❍	❍	❍	❍	❍
Good quality of the product (2)	❍	❍	❍	❍	❍
Good taste (3)	❍	❍	❍	❍	❍
Origin: authentic cheese (4)	❍	❍	❍	❍	❍
Organic food (5)	❍	❍	❍	❍	❍
Brand name (6)	❍	❍	❍	❍	❍
Other (specify) (7)	❍	❍	❍	❍	❍

Q13 In your opinion, authentic* imported Italian cheese represents: *authentic = in this case it is referred to a product made and manufactured in Italy, with Italian raw materials, not an imitation, following a traditional process and specific quality controls

- ❍ Less than 10% of the total Italian type cheese available in the US market (1)
- ❍ 10-49% of the total Italian type cheese available in the US market (2)
- ❍ 50-90% of the total Italian type cheese available in the US market (3)
- ❍ More than 90% of total Italian type cheese available in the US market (4)

Q14 Are you interested in buying authentic* imported Parmesan Cheese from Italy? *authentic = in this case it is referred to a product made and manufactured in Italy, with Italian raw materials, following a traditional process and specific quality controls

- ❍ Yes (1)
- ❍ No (2)
- ❍ Maybe (3)

If your answer is YES, go to Q16, otherwise, continue with Q15.

Q15 Why did you answer that way? Express your level of agreement/disagreement with each statement, regarding authentic Italian Parmesan cheese.

	Strongly disagree (1)	Somewhat disagree (2)	Neither agree nor disagree (3)	Somewhat agree (4)	Strongly agree (5)
It is too expensive (1)	❍	❍	❍	❍	❍
I prefer American hard cheese (2)	❍	❍	❍	❍	❍
Imitations and authentic products taste the same (3)	❍	❍	❍	❍	❍
I do not care about the origin of the cheese, as long as it is good (4)	❍	❍	❍	❍	❍
I do not care about the origin of the cheese, as long as it is cheep (5)	❍	❍	❍	❍	❍
I do not care about the origin of the cheese, as long as it is healthy (6)	❍	❍	❍	❍	❍
Other (specify) (7)	❍	❍	❍	❍	❍

Q16

Italy has almost 300 food products protected as Geographical Indications (GI) by the EU. GIs guarantee that the production and manufacturing process are located in a specific geographical area and the product pass through strict quality controls before going to the market. Parmigiano-Reggiano DOP (protected designation of origin) is the most well-known and imitated GI in the world. It is the authentic Italian product of the American version of Parmesan cheese.

Before answering this questionnaire, had you ever heard about Parmigiano-Reggiano?

❍ Yes (1)
❍ No (2)

Q17 Have you ever tried authentic imported Parmigiano-Reggiano from Italy?

❍ Yes, I always buy it when I need hard cheese (1)
❍ Yes, I usually buy it when I need hard cheese (2)
❍ Yes, I sometimes buy it when I need hard cheese (3)
❍ Yes, I have tried it at least once (4)
❍ No, I have never tried it (5)
❍ I do not know (6)

Q18 Before answering this questionnaire, had you ever heard about Geographical Indications (GI) and Designations of Origin, protected by the EU?

❍ Yes (1)
❍ No (2)

Q19 In your opinion, which is the European logo which certifies the authenticity of Geographical Indications in the packaging?

a. b. c.

d. e. f.

DEMOGRAPHICS

Sex

- ❍ Male (1)
- ❍ Female (2)

Age

- ❍ 17-24 years old (1)
- ❍ 25-34 years old (2)
- ❍ 35-44 years old (3)
- ❍ 45-60 years old (4)
- ❍ >60 years old (5)

Education (highest degree achieved)

- ❍ Middle school (1)
- ❍ High school (2)
- ❍ Bachelor degree (3)
- ❍ Master degree (4)
- ❍ PHD (5)
- ❍ Other (specify) (6) _____

Current employement

- ❑ Full-time employee (1)
- ❑ Part-time employee (2)
- ❑ Self-employed (3)
- ❑ Student (4)
- ❑ Retired (5)
- ❑ Unemployed (6)

Q32 Do you currently live in the Atlanta metropolitan area?

- ❍ Yes (1)
- ❍ No (specify where you live) (2) _____

Where are you originally from?

- ❍ United States (1)
- ❍ Asia (Far East, Southeast Asia, India) (2)
- ❍ Africa (3)
- ❍ Europe (4)
- ❍ Latin America (5)
- ❍ Middle East (6)
- ❍ Other (specify) (7) _____

Do you have Italian origins?

- ❍ Yes (1)
- ❍ No (2)

Annual wage

- ❍ (1)
- ❍ $20,000-$59,999 (2)
- ❍ $60,000-$119,999 (3)
- ❍ > $120,000 (4)

APPENDIX J

Results of the survey (Qualtrics)

Default Report
Italian Food
June 12th 2017

Q1 - Do you usually buy Italian food?

#	Answer	%	Count
1	Yes, I buy it often	27.50%	33
2	Yes, I buy it sometimes	43.33%	52
3	I buy it rarely	21.67%	26
4	No, I never buy it	6.67%	8
5	Other (specify)	0.83%	1
	Total	100%	120

Q2 - Which Italian food products do you usually buy?

#		Question	Never		I tried it at least once		Sometimes		Often	
1		Pasta	0.37%	3	1.02%	3	5.62%	28	16.15%	78
2		Tomato sauce	0.62%	5	2.05%	6	8.03%	40	12.63%	61
3		Other sauces (specify)	5.33%	43	2.73%	8	6.43%	32	4.35%	21
4		Extra virgin olive oil	0.87%	7	5.80%	17	5.22%	26	12.42%	60
5		Balsamic vinegar	2.36%	19	5.80%	17	9.44%	47	5.59%	27
6		Cheese: Parmigiano	2.48%	20	2.05%	6	7.83%	39	9.73%	47
7		Cheese: Grana Padano	8.81%	71	6.48%	19	2.81%	14	1.45%	7
8		Cheese: Gorgonzola	6.08%	49	8.87%	26	5.42%	27	1.66%	8
9		Cheese: Mozzarella	0.87%	7	2.05%	6	8.63%	43	11.59%	56
10		Cheese: Asiago	4.71%	38	8.53%	25	6.43%	32	3.52%	17
11		Cheese: Fontina	7.32%	59	6.83%	20	5.42%	27	1.24%	6
12		Cheese: Provolone	2.61%	21	9.56%	28	7.43%	37	5.38%	26
13		Other cheese (specify)	8.44%	68	1.71%	5	4.02%	20	1.86%	9
14		Cured meat: Prosciutto di Parma	6.82%	55	7.17%	21	3.82%	19	3.52%	17
15		Cured meat: Prosciutto San Daniele	8.68%	70	8.87%	26	1.41%	7	1.66%	8

16		Cured meat: Mortadella	8.44%	68	7.85%	23	3.82%	19	0.41%	2
17		Cured meat: Salame	5.21%	42	7.17%	21	5.22%	26	4.55%	22
18		Other cured meat (specify)	9.68%	78	3.07%	9	1.81%	9	1.24%	6
19		Other products (specify)	10.30%	83	2.39%	7	1.20%	6	1.04%	5
		Total	Total	806	Total	293	Total	498	Total	483

Q3 - For each statement, indicate your level of agreement/disagreement

#	Question	Strongly disagree		Somewhat disagree		Neither agree nor disagree		Somewhat agree		Strongly agree		Total
1	High quality	0.84%	1	4.20%	5	8.40%	11	37.82%	45	48.74%	58	120
2	Healthy food	5.04%	6	13.45%	16	26.89%	33	**40.34%**	**48**	**14.29%**	**17**	120
3	Traditional recipe	1.68%	2	3.36%	4	13.45%	17	31.93%	38	49.58%	59	120
4	Good taste	0.00%	0	1.68%	2	2.52%	4	21.85%	26	73.95%	88	120
5	Low price	8.40%	10	21.85%	26	42.86%	52	23.53%	28	3.36%	4	120
6	A higher price is related to a higher quality	2.52%	3	8.40%	10	23.53%	29	**40.34%**	**48**	**25.21%**	**30**	120
7	Imitations, fake products	30.51%	36	22.03%	26	27.97%	33	15.25%	18	4.24%	5	118
8	Other (specify)	28.72%	27	0.00%	0	60.64%	57	6.38%	6	4.26%	4	94

Q4 - Are you interested in buying authentic Italian food? *authentic = original recipe, imported from Italy, not false or imitation

#	Answer	%	Count
1	Extremely interested	54.17%	65
2	Very interested	20.00%	24
3	Moderately interested	15.83%	19
4	Slightly interested	5.83%	7
5	Not interested at all	4.17%	5
	Total	100%	120

QID23 - Why did you answer that way?

Why did you answer that way?
I prefer my own cooking.
i want to have real Italian food
I like Italian food. Have eaten it quite a lot in restaurants as well as prepared at home. Have quite a good idea on what you get for what you pay, taste and quality
I don't dig too deep into an Italian dish to see if all of the ingredients are authentic or not
Because I love Italian food and it is very good for you, but it is also very expensive.
I have an "American" perception of Italian culture.
Italian food is usually viewed as gourmet and expensive, also rich in flavor
Most Italian food is made within the U.S so i would assume that it is not very authentic
I like the americanized versions of Italian food, but one day I would like to try some real authentic Italian food.
I think of pasta and pizza when I think of Italian food and those have tomatoes which I'm allergic to. I'm a little interested in recipes that are new to me.
I would as long as the price is reasonable
Never experienced actual italian food before
I don't cook very often, but I believe people should be more exposed to Italian food as the Italians would eat it. I think this is more simple and healthier than the American version of Italian food.
I love food
When I cook, I like to buy foods that are from that culture. If I buy food to make Indian Curry, I will buy Indian spices. If I am making an Italian dish, I want the most authentic version possible.
My family is italian and i have a background in culinary throughout high school, and so I have an appreciation for my culture and for good quality food
I love Italian food
I enjoy high quality food.
I am from an Italian family, so I like to see other people's take on Italian cuisine,
I like a lot of Italian food and authentic Italian food tastes better.
I'm a major fan of pasta and other Italian dishes so authentic Italian would be amazing.
Most Italian food products in local grocery stores and markets are unauthentic.
I have always truly enjoyed Italian food.
Cuz Italian food ain't important to be honest
It's expensive
Italian food is surely interesting, but authentic food is difficult to get.
authentic foods are needed sometimes to keep memoties of the original taste
It's always interesting to try original stuff

Authentic food from Italy tastes better than the American imitations.
I am ingeredted in authentic foods from all cultures, including Italy.
I prefer other types of ethnic food
I am interested in seeing how authentic Italian food differs from American made Italian food
I can't usually tell the difference
I love to try new meals, especially if they are relevant to another culture. I'd like to compare real Italian food to the 'italian' food we eat here in America.
I like most Italian dishes, they are very good.
Im always interested in authentic food of other cultures and I'm skeptical of those items advertised as such in the US.
Because I normally don't have Italian food
There are many fake italian food in my area
I like italian food
Just to give change to my taste bud ill buy italian food every now and then
I never thought about buying Authentic Italian food from a store

Q5 - When you want to buy authentic Italian food products, which of the following characteristics are important for you?

#	Question	Not at all important		Slightly important		Moderately important		Very important		Extremely important		Total
1	Raw materials must come from Italy	9.01%	10	14.41%	16	29.73%	33	30.63%	34	16.22%	18	111
2	The recipe must be traditional Italian	0.90%	1	8.11%	9	19.82%	22	39.64%	44	31.53%	35	111
3	The manufacturing process must be traditional	5.41%	6	13.51%	15	31.53%	35	31.53%	35	18.02%	20	111
4	The whole manufacturing process must take place in Italy: production, process, packaging	16.22%	18	18.92%	21	30.63%	34	18.02%	20	16.22%	18	111
5	The product must come from Italy	7.27%	8	14.55%	16	28.18%	31	26.36%	29	23.64%	26	111
6	The product must be certified as authentic Italian by an	12.61%	14	12.61%	14	26.13%	29	24.32%	27	24.32%	27	111

	institutional authority											
7	Other (specify)	75.58%	65	0.00%	0	19.77%	17	2.33%	2	2.33%	2	86

Q6 - Which are the most important characteristics of the packaging you look for, in order to identify an authentic product, coming from Italy?

#	Question	Not at all important		Slightly important		Moderately important		Very important		Extremely important		Total
1	Italian name of the product (Ex. Mozzarella)	12.84%	14	9.17%	10	22.02%	24	35.78%	39	20.18%	22	109
2	Italian name of the brand (Ex. Belgioioso)	11.01%	12	8.26%	9	23.85%	26	39.45%	43	17.43%	19	109
3	Italian flag in the packaging	25.69%	28	16.51%	18	34.86%	38	12.84%	14	10.09%	11	109
4	Monuments or images of Italy in the packaging	42.20%	46	16.51%	18	25.69%	28	8.26%	9	7.34%	8	109
5	The label saying "Made in Italy"	6.42%	7	5.50%	6	18.35%	20	27.52%	30	42.20%	46	109
6	The label saying "Italian Recipe"	18.52%	20	15.74%	17	22.22%	24	29.63%	32	13.89%	15	108
7	The label saying "Italian Type"	30.28%	33	22.02%	24	24.77%	27	17.43%	19	5.50%	6	109
8	The label saying "Italian Style"	28.44%	31	22.94%	25	24.77%	27	18.35%	20	5.50%	6	109
9	The label saying "Product of Italy"	7.34%	8	7.34%	8	19.27%	21	34.86%	38	31.19%	34	109
10	The label saying "Imported from Italy"	5.50%	6	7.34%	8	20.18%	22	28.44%	31	38.53%	42	109
11	Other (specify)	80.95%	68	0.00%	0	16.67%	14	2.38%	2	0.00%	0	84

Q6_1 - Italian name of the product (Ex. Mozzarella)

#	Answer	%	Count
1	Not at all important	12.84%	14
2	Slightly important	9.17%	10
3	Moderately important	22.02%	24
4	Very important	35.78%	39
5	Extremely important	20.18%	22
	Total	100%	109

q7 - Indicate your level of agreement/disagreement regarding the following statement about the price of authentic food.

#	Answer	%	Count
1	Strongly disagree	0.88%	1
2	Somewhat disagree	3.54%	4
3	Neither agree nor disagree	9.73%	11
4	Somewhat agree	48.67%	55
5	Strongly agree	37.17%	42
	Total	100%	113

Q8 - Explain why you are not willing to pay a higher price for authentic food.

#	Question	Strongly disagree		Somewhat disagree		Neither agree nor disagree		Somewhat agree		Strongly agree	
1	I have a low budget	0.00%	0	50.00%	1	10.00%	1	0.00%	0	100.00%	3
2	There is not a big difference with American products to justify a higher price	0.00%	0	0.00%	0	40.00%	4	50.00%	1	0.00%	0
3	Most expensive products are imitations anyways	0.00%	0	50.00%	1	30.00%	3	50.00%	1	0.00%	0
4	Other (specify)	100.00%	2	0.00%	0	20.00%	2	0.00%	0	0.00%	0
	Total	Total	2	Total	2	Total	10	Total	2	Total	3

Q11 - Do you usually buy cheese when you go to the grocery store?

#	Answer	%	Count
1	Yes, I buy it often	53.85%	63
2	Yes, I buy it sometimes	26.50%	31
3	I buy it rarely	13.68%	16
4	No, I do not like cheese	5.13%	6
5	Other (specify)	0.85%	1
	Total	100%	117

Q12 - In general, when you buy cheese, which of the following characteristics are important in your purchase choice?

#	Question	Not at all important		Slightly important		Moderately important		Very important		Extremely important	
1	Low price of the product	7.59%	11	35.16%	32	25.64%	40	8.62%	15	6.06%	10
2	Good quality of the product	0.00%	0	1.10%	1	10.90%	17	26.44%	46	27.27%	45
3	Good taste	0.00%	0	0.00%	0	4.49%	7	25.29%	44	34.55%	57
4	Origin: authentic cheese	3.45%	5	13.19%	12	16.67%	26	18.39%	32	20.00%	33
5	Organic food	17.93%	26	19.78%	18	21.15%	33	9.77%	17	8.48%	14
6	Brand name	22.07%	32	29.67%	27	17.95%	28	9.20%	16	3.03%	5
7	Other (specify)	48.97%	71	1.10%	1	3.21%	5	2.30%	4	0.61%	1
	Total	Total	145	Total	91	Total	156	Total	174	Total	165

Q13 - In your opinion, authentic* imported Italian cheese represents: *authentic = in this case it is referred to a product made and manufactured in Italy, with Italian raw materials, not an imitation, following a traditional process and specific quality controls

#	Answer	%	Count
1	Less than 10% of the total Italian type cheese available in the US market	51.28%	60
2	10-49% of the total Italian type cheese available in the US market	35.04%	41
3	50-90% of the total Italian type cheese available in the US market	11.97%	14
4	More than 90% of total Italian type cheese available in the US market	1.71%	2
	Total	100%	117

Q14 - Are you interested in buying authentic* imported Parmesan Cheese from Italy? *authentic = in this case it is referred to a product made and manufactured in Italy, with Italian raw materials, following a traditional process and specific quality controls

#	Answer	%	Count
1	Yes	57.66%	64
2	No	8.11%	9
3	Maybe	34.23%	38
	Total	100%	111

Q15 - Why did you answer that way? Express your level of agreement/disagreement with each statement, regarding authentic Italian Parmesan cheese.

#	Question	Strongly disagree		Somewhat disagree		Neither agree nor disagree		Somewhat agree		Strongly agree	
1	It is too expensive	1.59%	1	7.55%	4	13.82%	17	32.79%	20	25.00%	5
2	I prefer American hard cheese	28.57%	18	18.87%	10	13.82%	17	3.28%	2	0.00%	0
3	Imitations and authentic products taste the same	23.81%	15	15.09%	8	13.82%	17	11.48%	7	0.00%	0
4	I do not care about the origin of the cheese, as long as it is good	6.35%	4	11.32%	6	8.94%	11	27.87%	17	45.00%	9
5	I do not care about the origin of the cheese, as long as it is cheep	15.87%	10	32.08%	17	13.82%	17	3.28%	2	5.00%	1
6	I do not care about the origin of the cheese, as long as it is healthy	6.35%	4	13.21%	7	17.89%	22	19.67%	12	10.00%	2
7	Other (specify)	17.46%	11	1.89%	1	17.89%	22	1.64%	1	15.00%	3
	Total	Total	63	Total	53	Total	123	Total	61	Total	20

Q9 - Where do you usually shop for grocery?

#	Question	Never		Rarely		Sometimes		Often		Always	
1	Warehouses (Costco, Sam's Club, BJ's...)	27.12%	32	53.85%	35	37.50%	33	11.71%	13	6.67%	4
2	Grocery stores chains (Walmart, Kroger, Aldi...)	2.54%	3	4.62%	3	18.18%	16	51.35%	57	63.33%	38
3	Farmers markets, Whole Food Markets and similar	13.56%	16	33.85%	22	28.41%	25	35.14%	39	26.67%	16
4	Others (specify)	56.78%	67	7.69%	5	15.91%	14	1.80%	2	3.33%	2
	Total	Total	118	Total	65	Total	88	Total	111	Total	60

Q10 - Do you usually find authentic Italian food products in this place?

#	Answer	%	Count
1	Yes	62.71%	74
2	No	37.29%	44
	Total	100%	118

QID16 - Where do you usually go to find Italian products?

Where do you usually go to find Italian products?
Pubix or Kroger
I don't.
World Market
Italian Alimentari
I don't go out of my way to find Italian products.
Grocery store
Publix
Occasionally in grocery store markets or farmer markets; sometimes in local Italian delis or online; more often, visitors from Italy
Italian specialty store
Italian restaurant to eat them, Publix.
I don't actually go look for them to be "Italian"
Farmers market
In Italy

speciality food sellers
only in whole food
I'm not sure were to go
no where
italian market places open garden
foreign places
I don't normally look for any.
I go to pizza restaurants
I will go to a european store or world market.
i dont
Kroger
Whole Foods
I find them in regular stores but I don't believe they are authentic
I expect authentic Italian products to be at large farmer's markets where a lot of the food is more diverse than it would be in your average grocery store. However, I'm not too sure where to find them.
Just my local grocery store; the chance of that food being a valid Italian product is up in the air.
Restaurants
Italy I am assuming
Restaurant
Farmers' market
If i ever wanted to find, i would start at the Farmer Market
I don't seek them out
local farmers' market
I do not. I use name brands when cooking Italian food.
Specialty grocers
The international grocery stores
resturant
Kroger

Q16 - Before answering this questionnaire, had you ever heard about Parmigiano-Reggiano?

#	Answer	%	Count
1	Yes	60.68%	71
2	No	39.32%	46
	Total	100%	117

Q17 - Have you ever tried authentic imported Parmigiano-Reggiano from Italy?

#	Answer	%	Count
1	Yes, I always buy it when I need hard cheese	9.40%	11
2	Yes, I usually buy it when I need hard cheese	13.68%	16
3	Yes, I sometimes buy it when I need hard cheese	11.97%	14
4	Yes, I have tried it at least once	13.68%	16
5	No, I have never tried it	34.19%	40
6	I do not know	17.09%	20
	Total	100%	117

Q18 - Before answering this questionnaire, had you ever heard about Geographical Indications (GI) and Designations of Origin, protected by the EU?

#	Answer	%	Count
1	Yes	21.37%	25
2	No	78.63%	92
	Total	100%	117

Q19 - In your opinion, which is the European logo which certifies the authenticity of Geographical Indications in the packaging?

#	Answer	%	Count
1		11.71%	13
2		11.71%	13
3		15.32%	17
4		56.76%	63
5		1.80%	2
6		2.70%	3
	Total	100%	111

DEMOGRAPHICS

Q**ID24 - Sex**

#	Answer	%	Count
1	Male	35.90%	42
2	Female	64.10%	75
	Total	100%	117

QID25 - Age

#	Answer	%	Count
1	17-24 years old	50.43%	59
2	25-34 years old	49.57%	58
3	35-44 years old	0.00%	0
4	45-60 years old	0.00%	0
5	>60 years old	0.00%	0
	Total	100%	117

QID26 - Where are you originally from?

#	Answer	%	Count
1	United States	66.67%	78
2	Asia (Far East, Southeast Asia, India)	5.98%	7
3	Africa	2.56%	3
4	Europe	10.26%	12
5	Latin America	7.69%	9
6	Middle East	3.42%	4
7	Other (specify)	3.42%	4
	Total	100%	117

QID27 - Do you have Italian origins?

#	Answer	%	Count
1	Yes	20.51%	24
2	No	79.49%	93
	Total	100%	117

QID28 - Education (highest degree achieved)

#	Answer	%	Count
1	Middle school	0.00%	0
2	High school	34.19%	40
3	Bachelor degree	28.21%	33
4	Master degree	23.93%	28
5	PHD	6.84%	8
6	Other (specify)	6.84%	8
	Total	100%	117

QID29 - Current employment

#	Answer	%	Count
1	Full-time employee	25.53%	36
2	Part-time employee	21.28%	30
3	Self-employed	7.80%	11
4	Student	39.72%	56
5	Retired	0.00%	0
6	Unemployed	5.67%	8
	Total	100%	117

QID30 - Annual wage

#	Answer	%	Count
1		49.57%	58
2	$20,000-$59,999	26.50%	31
3	$60,000-$119,999	12.82%	15
4	> $120,000	11.11%	13

	Total	100%	117

Q32 - Do you currently live in the Atlanta metropolitan area?

#	Answer	%	Count
1	Yes	91.45%	107
2	No (specify where you live)	8.55%	10
	Total	100%	117

APPENDIX K

Cross data analysis: interest in authenticity (Source: Qualtrics)

1) respondents interested in authenticity, depending on their Italian or non-Italian origin (Source: Qualtrics cross tables)

		Do you have Italian origins?		
		Yes	No	Total
Are you interested in buying authentic Italian food? *authentic = original recipe, imported from...	Extremely interested	22 91.67%	41 44.09%	63 53.85%
	Very interested	1 4.17%	22 23.66%	23 19.66%
	Moderately interested, Slightly interested, Not interested at all	1 4.17%	30 32.26%	31 26.50%
	Total	24 100.00%	93 100.00%	117 100.00%

2) Interest in authenticity depending on the age group

		Age		
		17-24 years old	25-34 years old	Total
Are you interested in buying authentic Italian food? *authentic = original recipe, imported from...	Extremely interested	37 62.71%	26 44.83%	63 53.85%
	Very interested	7 11.86%	16 27.59%	23 19.66%
	Moderately interested	7 11.86%	12 20.69%	19 16.24%
	Slightly interested	4 6.78%	3 5.17%	7 5.98%
	Not interested at all	4 6.78%	1 1.72%	5 4.27%
	Total	59 100.00%	58 100.00%	117 100.00%

APPENDIX L

Cross table: Annual wage & other characteristics

1) Income related to different age groups

	Age group		
Annual wage	17-24 years	25-34 yea	Tot
<20K	46	12	58
20K-59K	9	22	31
>60K	4	24	28
	59	58	117

	Age group	
	17-24 years	25-34 years
<20K	39.32%	10.26%
20K-59K	7.69%	18.80%
>60K	3.42%	20.51%

2) Respondents' interest in authenticity for each income bracket: the first table represents the absolute number of people; the second one shows the percentage of people interested and not interested in authenticity for each wage group (represented in CHART 41); the last one refers to the percentage of each categories, considering the total respondents (117)

# people	Annual wage			
Interest authenticity	<20K	20K-59K	>60K	Tot
Extremely	35	17	11	63
Very interest	7	5	11	23
Less interest	16	9	6	31
	58	31	28	117
% for each wage	<20K	20K-59K	>60K	
Extremely	60.34%	54.84%	39.29%	
Very interest	12.07%	16.13%	39.29%	
Less interest	27.59%	29.03%	21.43%	
	100%	100%	100%	
% of the total	<20K	20K-59K	>60K	
Extremely	29.91%	14.53%	9.40%	53.8%
Very interest	5.98%	4.27%	9.40%	19.7%
Less interest	13.68%	7.69%	5.13%	26.5%
	50%	26%	24%	100.0%

APPENDIX M

Cross tables (Source: Qualtrics)

1) Characteristics of the packaging to identify an authentic Italian product and demographic characteristics of the respondents (age, wage, Italian origins)

		Age			Annual wage				Do you have Italian origins?		
		17-24 years old	25-34 years old	Total		$20,000$-59,999	>$60,000	Total	Yes	No	Total
Which are the most important characteristics of the packaging you look for, in order to identify... - Italian name of the product (Ex. Mozzarella)	Moderately important	14 25.93%	10 18.52%	24 22.22%	14 25.93%	5 17.24%	5 20.00%	24 22.22%	3 12.50%	21 25.00%	24 22.22%
	Not at all important, Slightly important	14 25.93%	9 16.67%	23 21.30%	12 22.22%	3 10.34%	8 32.00%	23 21.30%	6 25.00%	17 20.24%	23 21.30%
	Very important	15 27.78%	24 44.44%	39 36.11%	18 33.33%	12 41.38%	9 36.00%	39 36.11%	6 25.00%	33 39.29%	39 36.11%
	Extremely important	11 20.37%	11 20.37%	22 20.37%	10 18.52%	9 31.03%	3 12.00%	22 20.37%	9 37.50%	13 15.48%	22 20.37%
	Total	54 100.00%	54 100.00%	108 100.00%	54 100.00%	29 100.00%	25 100.00%	108 100.00%	24 100.00%	84 100.00%	108 100.00%
Which are the most important characteristics of the packaging you look for, in order to identify... - Italian name of the brand (Ex. Belgioioso)	Moderately important	16 29.63%	10 18.52%	26 24.07%	17 31.48%	5 17.24%	4 16.00%	26 24.07%	3 12.50%	23 27.38%	26 24.07%
	Not at all important, Slightly important	10 18.52%	10 18.52%	20 18.52%	9 16.67%	5 17.24%	6 24.00%	20 18.52%	5 20.83%	15 17.86%	20 18.52%
	Very important	20 37.04%	23 42.59%	43 39.81%	20 37.04%	13 44.83%	10 40.00%	43 39.81%	10 41.67%	33 39.29%	43 39.81%
	Extremely important	8 14.81%	11 20.37%	19 17.59%	8 14.81%	6 20.69%	5 20.00%	19 17.59%	6 25.00%	13 15.48%	19 17.59%
	Total	54 100.00%	54 100.00%	108 100.00%	54 100.00%	29 100.00%	25 100.00%	108 100.00%	24 100.00%	84 100.00%	108 100.00%
Which are the most important characteristics of the packaging you look for, in order to identify... - Italian flag in the packaging	Not at all important, Slightly important	24 44.44%	22 40.74%	46 42.59%	23 42.59%	13 44.83%	10 40.00%	46 42.59%	11 45.83%	35 41.67%	46 42.59%
	Moderately important	21 38.89%	16 29.63%	37 34.26%	20 37.04%	9 31.03%	8 32.00%	37 34.26%	7 29.17%	30 35.71%	37 34.26%
	Very important	3 5.56%	11 20.37%	14 12.96%	5 9.26%	4 13.79%	5 20.00%	14 12.96%	2 8.33%	12 14.29%	14 12.96%
	Extremely important	6 11.11%	5 9.26%	11 10.19%	6 11.11%	3 10.34%	2 8.00%	11 10.19%	4 16.67%	7 8.33%	11 10.19%
	Total	54 100.00%	54 100.00%	108 100.00%	54 100.00%	29 100.00%	25 100.00%	108 100.00%	24 100.00%	84 100.00%	108 100.00%
Which are the most important characteristics of the packaging you look for, in order to identify... - Monuments or images of Italy in the packaging	Not at all important, Slightly important	31 57.41%	33 61.11%	64 59.26%	32 59.26%	17 58.62%	15 60.00%	64 59.26%	13 54.17%	51 60.71%	64 59.26%
	Moderately important	16 29.63%	11 20.37%	27 25.00%	15 27.78%	8 27.59%	4 16.00%	27 25.00%	9 37.50%	18 21.43%	27 25.00%
	Very important	3 5.56%	6 11.11%	9 8.33%	2 3.70%	3 10.34%	4 16.00%	9 8.33%	0 0.00%	9 10.71%	9 8.33%
	Extremely important	4 7.41%	4 7.41%	8 7.41%	5 9.26%	1 3.45%	2 8.00%	8 7.41%	2 8.33%	6 7.14%	8 7.41%
	Total	54 100.00%	54 100.00%	108 100.00%	54 100.00%	29 100.00%	25 100.00%	108 100.00%	24 100.00%	84 100.00%	108 100.00%
Which are the most important characteristics of the packaging you look for, in order to identify... - The label saying "Made in Italy"	Not at all important, Slightly important	6 11.11%	7 12.96%	13 12.04%	5 9.26%	4 13.79%	4 16.00%	13 12.04%	1 4.17%	12 14.29%	13 12.04%
	Moderately important	10 18.52%	10 18.52%	20 18.52%	10 18.52%	6 20.69%	4 16.00%	20 18.52%	1 4.17%	19 22.62%	20 18.52%
	Very important	13 24.07%	16 29.63%	29 26.85%	15 27.78%	7 24.14%	7 28.00%	29 26.85%	7 29.17%	22 26.19%	29 26.85%
	Extremely important	25 46.30%	21 38.89%	46 42.59%	24 44.44%	12 41.38%	10 40.00%	46 42.59%	15 62.50%	31 36.90%	46 42.59%
	Total	54 100.00%	54 100.00%	108 100.00%	54 100.00%	29 100.00%	25 100.00%	108 100.00%	24 100.00%	84 100.00%	108 100.00%
Which are the most important characteristics of the packaging you look for, in order to identify... - The label saying "Italian Recipe"	Not at all important, Slightly important	18 33.96%	19 35.19%	37 34.58%	17 32.08%	9 31.03%	11 44.00%	37 34.58%	10 41.67%	27 32.53%	37 34.58%
	Moderately important	11 20.75%	13 24.07%	24 22.43%	12 22.64%	7 24.14%	5 20.00%	24 22.43%	4 16.67%	20 24.10%	24 22.43%
	Very important	15 28.30%	16 29.63%	31 28.97%	16 30.19%	8 27.59%	7 28.00%	31 28.97%	6 25.00%	25 30.12%	31 28.97%
	Extremely important	9 16.98%	6 11.11%	15 14.02%	8 15.09%	5 17.24%	2 8.00%	15 14.02%	4 16.67%	11 13.25%	15 14.02%
	Total	53 100.00%	54 100.00%	107 100.00%	53 100.00%	29 100.00%	25 100.00%	107 100.00%	24 100.00%	83 100.00%	107 100.00%

Which are the most important characteristics of the packaging you look for, in order to identify... - The label saying "Italian Type"	Not at all important, Slightly important	29 53.70%	28 51.85%	57 52.78%	27 50.00%	14 48.28%	16 64.00%	57 52.78%	13 54.17%	44 52.38%	57 52.78%
	Moderately important	15 27.78%	12 22.22%	27 25.00%	16 29.63%	7 24.14%	4 16.00%	27 25.00%	3 12.50%	24 28.57%	27 25.00%
	Very important	8 14.81%	10 18.52%	18 16.67%	8 14.81%	6 20.69%	4 16.00%	18 16.67%	7 29.17%	11 13.10%	18 16.67%
	Extremely important	2 3.70%	4 7.41%	6 5.56%	3 5.56%	2 6.90%	1 4.00%	6 5.56%	1 4.17%	5 5.95%	6 5.56%
	Total	54 100.00%	54 100.00%	108 100.00%	54 100.00%	29 100.00%	25 100.00%	108 100.00%	24 100.00%	84 100.00%	108 100.00%
Which are the most important characteristics of the packaging you look for, in order to identify... - The label saying "Italian Style"	Not at all important, Slightly important	30 55.56%	26 48.15%	56 51.85%	27 50.00%	15 51.72%	14 56.00%	56 51.85%	13 54.17%	43 51.19%	56 51.85%
	Moderately important	12 22.22%	15 27.78%	27 25.00%	14 25.93%	9 31.03%	4 16.00%	27 25.00%	5 20.83%	22 26.19%	27 25.00%
	Very important	10 18.52%	9 16.67%	19 17.59%	10 18.52%	3 10.34%	6 24.00%	19 17.59%	5 20.83%	14 16.67%	19 17.59%
	Extremely important	2 3.70%	4 7.41%	6 5.56%	3 5.56%	2 6.90%	1 4.00%	6 5.56%	1 4.17%	5 5.95%	6 5.56%
	Total	54 100.00%	54 100.00%	108 100.00%	54 100.00%	29 100.00%	25 100.00%	108 100.00%	24 100.00%	84 100.00%	108 100.00%
Which are the most important characteristics of the packaging you look for, in order to identify... - The label saying "Product of Italy"	Not at all important, Slightly important	5 9.26%	11 20.37%	16 14.81%	4 7.41%	5 17.24%	7 28.00%	16 14.81%	4 16.67%	12 14.29%	16 14.81%
	Moderately important	11 20.37%	10 18.52%	21 19.44%	13 24.07%	6 20.69%	2 8.00%	21 19.44%	2 8.33%	19 22.62%	21 19.44%
	Very important	19 35.19%	18 33.33%	37 34.26%	19 35.19%	10 34.48%	8 32.00%	37 34.26%	8 33.33%	29 34.52%	37 34.26%
	Extremely important	19 35.19%	15 27.78%	34 31.48%	18 33.33%	8 27.59%	8 32.00%	34 31.48%	10 41.67%	24 28.57%	34 31.48%
	Total	54 100.00%	54 100.00%	108 100.00%	54 100.00%	29 100.00%	25 100.00%	108 100.00%	24 100.00%	84 100.00%	108 100.00%

Which are the most important characteristics of the packaging you look for, in order to identify... - The label saying "Imported from Italy"	Not at all important, Slightly important	5 9.26%	9 16.67%	14 12.96%	5 9.26%	3 10.34%	6 24.00%	14 12.96%	2 8.33%	12 14.29%	14 12.96%
	Moderately important	12 22.22%	10 18.52%	22 20.37%	13 24.07%	8 27.59%	1 4.00%	22 20.37%	3 12.50%	19 22.62%	22 20.37%
	Very important	16 29.63%	14 25.93%	30 27.78%	16 29.63%	7 24.14%	7 28.00%	30 27.78%	6 25.00%	24 28.57%	30 27.78%
	Extremely important	21 38.89%	21 38.89%	42 38.89%	20 37.04%	11 37.93%	11 44.00%	42 38.89%	13 54.17%	29 34.52%	42 38.89%
	Total	54 100.00%	54 100.00%	108 100.00%	54 100.00%	29 100.00%	25 100.00%	108 100.00%	24 100.00%	84 100.00%	108 100.00%

2) Willingness to pay a premium for authenticity & demographic characteristics of the respondents (age, wage, Italian origins)

Indicate your level of agreement/disagreement regarding the following statement about the price o... - I am willing to pay a higher price for authentic Italian food as a premium for quality, traditional process used and shipping costs	Strongly disagree, Somewhat disagree	2 3.64%	3 5.26%	5 4.46%	3 5.36%	1 3.23%	1 4.00%	5 4.46%	0 0.00%	5 5.68%	5 4.46%
	Neither agree nor disagree	6 10.91%	5 8.77%	11 9.82%	4 7.14%	4 12.90%	3 12.00%	11 9.82%	1 4.17%	10 11.36%	11 9.82%
	Somewhat agree	25 45.45%	29 50.88%	54 48.21%	29 51.79%	13 41.94%	12 48.00%	54 48.21%	9 37.50%	45 51.14%	54 48.21%
	Strongly agree	22 40.00%	20 35.09%	42 37.50%	20 35.71%	13 41.94%	9 36.00%	42 37.50%	14 58.33%	28 31.82%	42 37.50%
	Total	55 100.00%	57 100.00%	112 100.00%	56 100.00%	31 100.00%	25 100.00%	112 100.00%	24 100.00%	88 100.00%	112 100.00%

APPENDIX N

Cross analysis between the level of agreement on paying a premium for authentic Italian food and the importance given to some characteristics of the packaging in order to identify an authentic product: only respondents that are interested in authentic food are considered

		Indicate your level of agreement/disagreement regarding the following statement about the price o... - I am willing to pay a higher price for authentic Italian food as a premium for quality, traditional process used and shipping costs		
		Not agree	Somewhat agree, Strongly agree	Total
Which are the most important characteristics of the packaging you look for, in order to identify... - Italian name of the product (Ex. Mozzarella)	Not at all important, Slightly important, Moderately important	4 66.67%	31 38.75%	35 40.70%
	Very important	2 33.33%	27 33.75%	29 33.72%
	Extremely important	0 0.00%	22 27.50%	22 25.58%
	Total	6 100.00%	80 100.00%	86 100.00%
Which are the most important characteristics of the packaging you look for, in order to identify... - Italian name of the brand (Ex. Belgioioso)	Not at all important, Slightly important, Moderately important	4 66.67%	31 38.75%	35 40.70%
	Very important	2 33.33%	31 38.75%	33 38.37%
	Extremely important	0 0.00%	18 22.50%	18 20.93%
	Total	6 100.00%	80 100.00%	86 100.00%
Which are the most important characteristics of the packaging you look for, in order to identify... - Italian flag in the packaging	Not at all important, Slightly important, Moderately important	5 83.33%	58 72.50%	63 73.26%
	Very important	1 16.67%	11 13.75%	12 13.95%
	Extremely important	0 0.00%	11 13.75%	11 12.79%
	Total	6 100.00%	80 100.00%	86 100.00%
Which are the most important characteristics of the packaging you look for, in order to identify... - Monuments or images of Italy in the packaging	Not at all important, Slightly important, Moderately important	6 100.00%	64 80.00%	70 81.40%
	Very important	0 0.00%	8 10.00%	8 9.30%
	Extremely important	0 0.00%	8 10.00%	8 9.30%
	Total	6 100.00%	80 100.00%	86 100.00%

Which are the most important characteristics of the packaging you look for, in order to identify... - The label saying "Italian Recipe"	Not at all important, Slightly important, Moderately important	5 83.33%	41 51.90%	46 54.12%
	Very important	1 16.67%	25 31.65%	26 30.59%
	Extremely important	0 0.00%	13 16.46%	13 15.29%
	Total	6 100.00%	79 100.00%	85 100.00%
Which are the most important characteristics of the packaging you look for, in order to identify... - The label saying "Italian Type"	Not at all important, Slightly important, Moderately important	6 100.00%	57 71.25%	63 73.26%
	Very important	0 0.00%	17 21.25%	17 19.77%
	Extremely important	0 0.00%	6 7.50%	6 6.98%
	Total	6 100.00%	80 100.00%	86 100.00%
Which are the most important characteristics of the packaging you look for, in order to identify... - The label saying "Made in Italy"	Not at all important, Slightly important, Moderately important	2 33.33%	19 23.75%	21 24.42%
	Very important	2 33.33%	21 26.25%	23 26.74%
	Extremely important	2 33.33%	40 50.00%	42 48.84%
	Total	6 100.00%	80 100.00%	86 100.00%
Which are the most important characteristics of the packaging you look for, in order to identify... - The label saying "Product of Italy"	Not at all important, Slightly important, Moderately important	3 50.00%	22 27.50%	25 29.07%
	Very important	3 50.00%	28 35.00%	31 36.05%
	Extremely important	0 0.00%	30 37.50%	30 34.88%
	Total	6 100.00%	80 100.00%	86 100.00%

APPENDIX O

Cross analysis on shopping habits:

1) Major retailers and respondents' demographics characteristics

		Age			Do you have Italian origins?			Annual wage			
		17-24 years old	25-34 years old,	Total	Yes	No	Total		$20,000-$59,999	>$60,000	Total
Where do you usually shop for grocery? - Warehouses (Costco, Sam's Club, BJ's...)	Never, Rarely	33 55.93%	34 59.65%	67 57.76%	16 66.67%	51 55.43%	67 57.76%	34 59.65%	17 54.84%	16 57.14%	67 57.76%
	Sometimes	17 28.81%	16 28.07%	33 28.45%	4 16.67%	29 31.52%	33 28.45%	15 26.32%	9 29.03%	9 32.14%	33 28.45%
	Often, Always	9 15.25%	7 12.28%	16 13.79%	4 16.67%	12 13.04%	16 13.79%	8 14.04%	5 16.13%	3 10.71%	16 13.79%
	Total	59 100.00%	57 100.00%	116 100.00%	24 100.00%	92 100.00%	116 100.00%	57 100.00%	31 100.00%	28 100.00%	116 100.00%
Where do you usually shop for grocery? - Grocery stores chains (Walmart, Kroger, Aldi...)	Never, Rarely	3 5.08%	3 5.26%	6 5.17%	3 12.50%	3 3.26%	6 5.17%	4 7.02%	0 0.00%	2 7.14%	6 5.17%
	Sometimes	6 10.17%	10 17.54%	16 13.79%	3 12.50%	13 14.13%	16 13.79%	5 8.77%	5 16.13%	6 21.43%	16 13.79%
	Often, Always	50 84.75%	44 77.19%	94 81.03%	18 75.00%	76 82.61%	94 81.03%	48 84.21%	26 83.87%	20 71.43%	94 81.03%
	Total	59 100.00%	57 100.00%	116 100.00%	24 100.00%	92 100.00%	116 100.00%	57 100.00%	31 100.00%	28 100.00%	116 100.00%
Where do you usually shop for grocery? - Farmers markets, Whole Food Markets and similar	Never, Rarely	26 44.07%	12 20.69%	38 32.48%	4 16.67%	34 36.56%	38 32.48%	24 41.38%	10 32.26%	4 14.29%	38 32.48%
	Sometimes	13 22.03%	12 20.69%	25 21.37%	7 29.17%	18 19.35%	25 21.37%	9 15.52%	11 35.48%	5 17.86%	25 21.37%
	Often, Always	20 33.90%	34 58.62%	54 46.15%	13 54.17%	41 44.09%	54 46.15%	25 43.10%	10 32.26%	19 67.86%	54 46.15%
	Total	59 100.00%	58 100.00%	117 100.00%	24 100.00%	93 100.00%	117 100.00%	58 100.00%	31 100.00%	28 100.00%	117 100.00%

2) Interest in authentic food & willingness to pay a premium & finding Italian food

				Do you usually find authentic Italian food products in this place?		
				Yes	No	Total
Are you interested in buying authentic Italian food? *authentic = original recipe, imported from...	Extremely interested, Very interested	Indicate your level of agreement/disagreement regarding the following statement about the price o... - I am willing to pay a higher price for authentic Italian food as a premium for quality, traditional process used and shipping costs	Strongly disagree, Somewhat disagree, Neither agree nor disagree	3 50.00%	3 50.00%	6 100.00%
			Somewhat agree, Strongly agree	55 67.90%	26 32.10%	81 100.00%
	Moderately interested, Slightly interested, Not interested at all		Strongly disagree, Somewhat disagree, Neither agree nor disagree	7 70.00%	3 30.00%	10 100.00%
			Somewhat agree, Strongly agree	8 50.00%	8 50.00%	16 100.00%
			Total	73 64.60%	40 35.40%	113 100.00%

APPENDIX P

Cross data analysis Cheese and Parmesan

1) Cheese buyers & tried Parmigiano-Reggiano & heard about it

		Do you usually buy cheese when you go to the grocery store?			
		Yes, I buy it often	Yes, I buy it sometimes	I buy it rarely, No, I do not like cheese, Other (specify)	Total
Are you interested in buying authentic* imported Parmesan Cheese from Italy? *authentic = in this...	Yes	37 58.73%	16 51.61%	11 64.71%	64 57.66%
	No	5 7.94%	3 9.68%	1 5.88%	9 8.11%
	Maybe	21 33.33%	12 38.71%	5 29.41%	38 34.23%
	Total	63 100.00%	31 100.00%	17 100.00%	111 100.00%
Before answering this questionnaire, had you ever heard about Parmigiano-Reggiano?	Yes	41 65.08%	16 51.61%	14 60.87%	71 60.68%
	No	22 34.92%	15 48.39%	9 39.13%	46 39.32%
	Total	63 100.00%	31 100.00%	23 100.00%	117 100.00%
Have you ever tried authentic imported Parmigiano-Reggiano from Italy?	Yes, I always buy it when I need hard cheese	5 7.94%	3 9.68%	3 13.04%	11 9.40%
	Yes, I usually buy it when I need hard cheese	14 22.22%	1 3.23%	1 4.35%	16 13.68%
	Yes, I sometimes buy it when I need hard cheese	7 11.11%	5 16.13%	2 8.70%	14 11.97%
	Yes, I have tried it at least once	6 9.52%	5 16.13%	5 21.74%	16 13.68%
	No, I have never tried it	20 31.75%	11 35.48%	9 39.13%	40 34.19%
	I do not know	11 17.46%	6 19.35%	3 13.04%	20 17.09%
	Total	63 100.00%	31 100.00%	23 100.00%	117 100.00%

2) Italian parmesan purchased often & Interest authentic Parmesan & Tried it & heard it

		Are you interested in buying authentic* imported Parmesan Cheese from Italy? *authentic = in this...													Are you interested in buying authentic* imported Parmesan Cheese from Italy? *authentic = in this...						
		Yes						No, Maybe							Yes		No		Maybe		
		Have you ever tried authentic imported Parmigiano-Reggiano from Italy?													Before answering this questionnaire, had you ever heard about Parmigiano-Reggiano?						
		Yes, I always buy it when I need hard cheese	Yes, I usually buy it when I need hard cheese	Yes, I sometimes buy it when I need hard cheese	Yes, I have tried it at least once	No, I have never tried it	I do not know	Yes, I always buy it when I need hard cheese	Yes, I usually buy it when I need hard cheese	Yes, I sometimes buy it when I need hard cheese	Yes, I have tried it at least once	No, I have never tried it	I do not know	Total	Yes	No	Yes	No	Yes	No	Total
Which Italian food products do you usually buy? - Cheese: Parmigiano	Never, I tried it at least once	1 11.11%	0 0.00%	0 0.00%	1 14.29%	6 46.15%	3 33.33%	0 0.00%	0 0.00%	0 0.00%	2 28.57%	7 35.00%	2 25.00%	22 21.15%	2 4.55%	9 50.00%	1 25.00%	1 25.00%	3 17.65%	6 35.29%	22 21.15%
	Sometimes	1 11.11%	5 38.46%	7 63.64%	4 57.14%	3 23.08%	3 33.33%	0 0.00%	0 0.00%	0 0.00%	3 42.86%	7 35.00%	4 50.00%	37 35.58%	20 45.45%	3 16.67%	3 75.00%	3 75.00%	3 17.65%	5 29.41%	37 35.58%
	Often	7 77.78%	8 61.54%	4 36.36%	2 28.57%	4 30.77%	3 33.33%	1 100.00%	3 100.00%	3 100.00%	2 28.57%	6 30.00%	2 25.00%	45 43.27%	22 50.00%	6 33.33%	0 0.00%	0 0.00%	11 64.71%	6 35.29%	45 43.27%
	Total	9 100.00%	13 100.00%	11 100.00%	7 100.00%	13 100.00%	9 100.00%	1 100.00%	3 100.00%	3 100.00%	7 100.00%	20 100.00%	8 100.00%	104 100.00%	44 100.00%	18 100.00%	4 100.00%	4 100.00%	17 100.00%	17 100.00%	104 100.00%

Sources:

MANUALS

(G. Ballarini, P. Petroni, 2008) – Giovanni Ballarini, Paolo Pietroni, "Il Falso in Tavola, una mistificazione da conoscere e contrastare", Accademia Italiana della Cucina, Studio Riccardi & Associati 2008

(M. Blakeney, 2014) - Michael Blakeney, *"Analysis of Intellectual Property Issues*", Article 5: "Geographical Indications: What Do They Indicate?", The WIPO Journal, 2014

(Brace Ian, 2013) - Brace Ian "*Questionnaire design: how to plan, structure and write survey material for effective market research*", Krogan Page, 2013

(Dolan, R.J. 2014) - Dolan, R.J., *Framework for Marketing Strategy Formation*, Core Curriculum, Harvard Business Publishing, 2014

(Farrand. B. Matthew, 2016) - Farrand, Benjamin Matthew, "*Two Continents, Divided by Deep Philosophical Waters*", Cambridge University Press, 2016

(C. Funk & B. Kennedy, 2016) - Cary Funk & Brian Kennedy, "*THE NEW FOOD FIGHTS: U.S. PUBLIC DIVIDES OVER FOOD SCIENCE"*, Chapter 1: "Public views about Americans' eating habits", Chapter 2: "Americans' views about and consumption of organic foods", Chapter 3: "Public opinion about genetically modified foods and trust in scientists connected with these foods", *Pew Research center,* 2016

(F. Galgano, F. Marrella, 2011) – Francesco Galgano, Fabrizio Marrella, "*Diritto del Commercio Intrenazionale*", Terza edizione, CEDAM, 2011

(Hill, Charles, 2015) - Hill, Charles W.L., *International Business: Competing in the Global Market Place.* McGraw-Hill/Irwin, 2015

(B. Hoekman, 2002) - Bernard Hoekman, "*Development, Trade and the WTO*", Chapter 6: The WTO Functions and Basic Principles, World Bank Publications, 2002

ARTICLES

(Jill A. Beaman, 2006) - *"Using Food Brokers in the Northwest: a Guide for Manufacturers*", Oregon State University, 2006

(L. Cavestri, 2015) Laura Cavestri, "*The Food Industry Is the Major Obstacle in the US-Europe Negotiations", "Italy, EU see discord over food issues as main stumbling blocks in US talks*", ABI/INFORM collection, IlSole-24 Ore website, 16/03/2015

(FRC, 2016) - Franchise Research Center, "Fast Casual Industry Analysis 2017 - Cost & Trends"

(M. Frera, 2016) – Massimo Frera, "Italy - The Made in Italy Agribusiness is worth 36.7 billion euro per year", Merieux NutriScience, Coldiretti Data, 09/12/2016

(Il Dubbio, 2017) - "*Export Dop Igp +9,6%, food&wine 'certificato' vale 13,8 mld*", Il Dubbio, 07/02/2017

(Irwin W. Rust, 1957) – "A Concept of Agribusiness", John H. Davis and Ray A. Goldberg. Boston: Division of Research, Graduate School of Business Administration, Harvard University, 1957.

(D. Malovany, 2017) - Dan Malovany ,"New channels driving disruption in the market", Food business news, 29/03/2017

(R. Pacillo, 2017) - Rossella Pacillo, "Italia, leader mondiale per numero di Dop e Igp", formiche analisi, commenti e scenari, 10/02/2017

(M. E. Porter, 2016) – "The Five Competitive Forces That Shape Strategy", Harvard Business Review, 2016

(Repubblica, 2015) L'Atlante del cibo Made in Italy nel mondo, Parma Repubblica, 08/04/2015

REPORTS

(Coldiretti, 2016) – Coldiretti, *"Commercio Estero: Coldiretti, con +9% è record export alimentare*", 2016

*(*Coldiretti, 2016) - *"Un Danno per il Made in Italy. L'Agropirateria e la Difesa delle produzioni Italiane*"

(Confagricoltura, 2017) - CSConfagricoltura, "*Prodotti "food" DOP e IGP: Italia al primo posto per registrazioni. Solo una decina quelli che contano economicamente"*, 2017

(Deloitte 2016) – J. Ringquist, T. Phillips, B. Renner, R. Sides, K. Stuart, M. Baum, J. Flannery) *"Capitalizing on the shifting consumer food vale equation"*, Deloitte report, 2016

(Emerson 2015) - "Food Industry Forecast: Key Trends Through 2020", Emerson Climate Technologies, 2015)

(European Commission, 2015) – European Commission, "*Food & Farming, focus on Jobs and Growth*", Agricultural and Rural Development 2015

(Federalimentare, 2016) - Federalimentare "*Internazionalizzazione del settore alimentare*", 2016
"The Italian Food & Drink Industry Report: Data and Trends", 2016

(FMI, 2016) - Food Marketing Institute *"US grocery shopping trends*", 2016

(GlobalEdge, 2015) – GlobalEdge, "Food & Beverage Report", U.S. Commercial Service, 2015

(L. Goedde, M. Horii, S. Sanghvi, 2015) -Lutz Goedde, Maya Horii, Sunil Sanghvi, "Pursuing the global opportunity in food and agribusiness", Mckinsey, 2015

(ICE 2015) - "*L'Import dei principali prodotti Agro-Alimentari e Vinicoli italiani*", 2015

(IOM & NRC, 2015) - Committee on a Framework for Assessing the Health, Environmental, and Social Effects of the Food System; Food and Nutrition Board; Board on Agriculture and Natural Resources; Institute of Medicine (IOM); National Research Council (NRC), *"A Framework for Assessing Effects of the Food System*", National Academies Press (US) 2015

(Istat, 2017) – Istat- "Rapporto sulla competitività dei settori produttivi", 2017

(A. Renda, G. Lucchetta, 2013) – Andrea Renda, Giaconom Lucchetta, "*L'Europa e le piccolo e medie imprese*", Presidenza del Consiglio dei Ministri, Politiche Europee.

(The European House Ambrosetti, 2017) - The European House Ambrosetti*, "Supporting long-term growth and internationalization of Italian Food & Beverage sector Companies*", Cibus Report, 2017

(USDA & HHS, 2015) - U.S. Department of Health and Human Services & U.S. Department of Agriculture, "*Current Eating Pattern in the U.S.",* 2015-2020 Dietary Guidelines for Americans, Chapter 2, health.gov

(Reg. 178/2002, art 2) - Regulation (EC) No 178/2002, European Parliament and the Council, art 2, 28/01/2002

INSTITUTIONAL WEB SITES

Coldiretti - http://www.coldiretti.it

Confagricoltura - http://www.confagricoltura.it

Eur-lex - http://eur-lex.europa.eu

Federalimentare - http://www.federalimentare.it

Food Marketing Institute - http://www.fmi.org

ICE - http://www.ice.gov.it/

Italian Ministry of Agricultural Policies - https://www.politicheagricole.it

USDA - https://www.ers.usda.gov

WTO - https://www.wto.org

DATABASES

CENSUS - https://www.census.gov/foreign-trade/statistics https://usatrade.census.gov/data

COMETRADE - https://comtrade.un.org/data

EUROSTAT - http://ec.europa.eu/eurostat/data http://epp.eurostat.ec.europa.eu/newxtweb

INFOMERCATI ESTERI - http://www.infomercatiesteri.it

ICE - http://www.ice.gov.it/

ISTAT - http://dati.istat.it/

STATISTA - https://www.statista.com/statistics

WORLDBANK - http://databank.worldbank.org/data

WEBPAGES

(Assiocamerestero, 2016) – Assiocamere, "Usa, l'agroalimentare italiano vola", Italian of the world, 4/07/2016) http://italiansoftheworld.com/newsletter/newsletter55.pdf

(CBP, Importing food for commercial use) - *"How do I import food (canned goods, meat, vegetables, fruits, bulk foods, etc.) for resale?" https://help.cbp.gov/app/answers/detail/a_id/83/~/importing-food-for-commercial-use-%28resale%29*

(European Commission, Market Access database) http://madb.europa.eu/madb/datasetPreviewFormATpubli.htm?datacat_id=AT&from=publi

(European Commission, Trade) – "EU negotiating texts in TTIP", Brussels, 14/06/216 http://trade.ec.europa.eu/doclib/press/index.cfm?id=1230&serie=866&langId=en

(European Commission, Agriculture) https://ec.europa.eu/agriculture/quality/schemes_en

(ICE) "Food Safety modernization act", 2016 http://mefite.ice.it/EDIweb/DownloadSecurity.aspx?idDoc=7664

(FDA, Human Food) https://www.fda.gov/ForIndustry/ImportProgram/ImportBasics/RegulatedProducts/ucm510882.htm#label

(FDA, Import Basics) https://www.fda.gov/ForIndustry/ImportProgram/ImportBasics/default.htm

(FDA, HHS) - "FDA's Voluntary Qualified Importer Program", 2016 https://www.fda.gov/downloads/Food/GuidanceRegulation/GuidanceDocumentsRegulatoryInformation/UCM448558.pdf

(FDA, FSVP) - "Final Rule on Foreign Supplier Verification Programs", 2017 https://www.fda.gov/downloads/Food/GuidanceRegulation/FSMA/UCM502160.pdf

(Food Processing, 2017) - "Food Processing's Top 100, 2016", Food Processing, The information Source for F&B Manufacturers http://www.foodprocessing.com/top100/top-100-2016/

(InfoMercatiEsteri, 2017) - InfoMercatiEsteri, "Scambi commerciai (USA)", Farnesina, Ministero degli Affari Esteri e della Cooperazione Internazionale, 2017 http://www.infomercatiesteri.it/scambi_commerciali.php?id_paesi=55

(LaVinuim) - Rivista di Vino Online http://www.lavinium.com/le-regole-del-vino/doc-e-docg

(Mintel, 2016) - "Mintel announces six key global food and drink trends for 2017", 11/11/2016 http://www.mintel.com/press-centre/food-and-drink/mintel-announces-six-key-global-food-and-drink-trends-for-2017

(Professione del Gusto, 2016) – "Prodotti DOP, IGP, STG" http://www.professionedelgusto.it/2016/12/prodotti-dop-igp-stg/

(USDA) – United States Department of Agriculture, Economic Research service, "Organic Market Overview" https://www.ers.usda.gov/topics/natural-resources-environment/organic-agriculture/organic-market-overview/

(USDA) - United States Department of Agriculture, Economic Research service, "Wholesaling" https://www.ers.usda.gov/topics/food-markets-prices/retailing-wholesaling/wholesaling/

(WTO, TRIPS) – "Uruguay Round Agreement: TRIPS", Part II: Standards concerning the availability, scope and use of Intellectual Property Rights" https://www.wto.org/english/docs_e/legal_e/27-trips_04b_e.htm

(WTO, Tariffs) - http://tariffdata.wto.org/Default.aspx?culture=en-US