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Export demand keeps Italy's agrifood sector growing, Nomisma says

Foreign sales of cheese, pasta and processed foods are cushioning weaker domestic demand, the group said in its September update.

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Italy’s agrifood industry is moving into the fall with a mixed outlook, as research group Nomisma says export demand is still carrying growth while domestic consumption remains cautious and companies face a wider transition driven by artificial intelligence, trade policy, and weaker household purchasing power.

In its September agrifood update, Bologna-based Nomisma said the recovery in Italian food and beverage production remains fragile. The group described exports as the main engine of expansion at a time when Italian families are still spending carefully at home. The assessment points to a sector that continues to benefit from the strength of the Made in Italy brand abroad, even as internal demand has not fully recovered.

Nomisma said some of the best-known categories of Italian food exports continue to play a central role in that pattern. It highlighted PDO cheeses, cured meats, pasta, baked goods, and processed fruit and vegetable products as key drivers of foreign sales. The message from the institute was that these categories are helping offset a weaker pace in the domestic market, where consumers remain more restrained.

Ersilia di Tullio, Nomisma’s head of strategic advisory, was cited in the update as part of the group’s review of the sector’s outlook. While the newsletter did not provide detailed trade figures, it presented exports as the clearest source of resilience for Italian agrifood companies at a moment when growth at home is still not broad-based.

At the same time, Nomisma placed artificial intelligence at the center of a broader structural shift across the agrifood chain. In the group’s view, AI is no longer limited to a technical or experimental role. It is entering operational and decision-making processes in production, processing, logistics, and marketing. Paolo De Castro, president of Nomisma, said the technology represents a real change in paradigm for agrifood companies, forcing them to rethink business models, organizational structures, data management, and daily operating choices.

According to De Castro, the main barrier is not only technological. Nomisma said the greatest obstacle remains cultural resistance to change. That point is important for a sector made up of many small and medium-sized businesses, where investment capacity, management structures, and digital skills often vary widely. The group warned that the consequences of this gap may become more serious over time if

slower adopters fail to keep pace.

That concern was reflected in another message from the September update, which warned of the risk of “a two-speed Italy” in AI adoption. Nomisma said large companies are moving faster, while many smaller firms risk turning a temporary delay into a structural competitive disadvantage. In response, the group said it has joined Confindustria in launching AI.DEA, linked to the Forum di Varignana, as part of an effort to push the debate on adoption, competitiveness, and industrial preparedness.

The discussion of AI extended beyond farming and food manufacturing. Nomisma also pointed to changes in veterinary medicine in a study carried out for Purina. The group said growing complexity in veterinary practice is creating new challenges for younger professionals while also opening room for technological innovation. The reference suggests that digital transformation in agrifood is spreading into related services and professions, not only into factories and farms.

Trade policy is another part of the picture. Nomisma said a new free trade agreement involving the Philippines could create opportunities for Italian agrifood exporters. The group placed that development in the broader context of the European Union’s push to conclude more trade deals after the United States imposed universal tariffs. According to Nomisma, Brussels has accelerated negotiations and agreements with partners including Mercosur, India, Australia, Indonesia, and now the Philippines in an effort to reduce the negative effects of more protectionist U.S. measures.

For Italian producers, the importance of those talks is direct. If access to some markets becomes more difficult because of tariffs or broader trade tensions, companies need alternative destinations where demand for higher-value imported food can grow. Nomisma’s update suggested that this is especially relevant for the kinds of branded and geographically identified products on which Italy’s food industry depends heavily for margins and international positioning.

The domestic picture remains more uncertain. Nomisma said the purchasing power of Italian households has declined again, but that consumption has not yet shown a significant contraction. The group raised the question of how families are continuing to spend despite that pressure, and it turned to chief economist Lucio Poma for further

analysis. The newsletter did not include full details of that analysis, but the issue it raised is clear: household budgets are under stress, yet the expected drop in consumption has not fully materialized, at least not in a sharp or uniform way.

That gap between weaker purchasing power and still relatively steady consumption may matter for food producers, retailers, and policymakers. If families are protecting food spending by cutting elsewhere, the current pattern may not be sustainable over a longer period. If they are trading down inside the food basket, that would create a different set of pressures, especially for premium products sold mainly in the domestic market. Nomisma's update did not resolve that question, but it presented it as one of the main issues now shaping Italy's consumer environment.

The institute also pointed to changes in European policy that could affect the sector's ability to promote itself abroad. It said the EU's agrifood promotion policy is undergoing a deep review marked by conflicting signals. On one side, Nomisma noted progress in administrative simplification. On the other, it said there is a proposal for a sharp reduction in financial resources. For an export-oriented sector that relies heavily on visibility, branding, and market development outside Italy, that combination could have practical consequences.

Taken together, the September update from Nomisma presented an industry that is still functioning on two tracks. One is outward-looking and supported by export demand, trade diversification, and investment in technology. The other is more exposed to weak household purchasing power, uneven digital adoption, and policy uncertainty. For now, the stronger track remains the external one, with foreign demand continuing to provide the clearest support for Italy's agrifood economy.