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Sessio C2: Fish and Industry

The Sea in a tin can. Manufacturing companies in the Italian fish canning industry during the twentieth century

Rita d'Errico (Roma Tre University)
Claudio Besana (Università Cattolica in Milan)

The aim of this paper is to shed light on various aspects of the Italian fish preservation industry in the 1920's and 1970s, with a particular focus on case studies of two large companies operating within the sector in different periods: *Arrigoni & C.* and *Rio Mare*. The former was active mainly during the interwar years; the latter was founded after the Second World War.

Arrigoni & C., the first italian large company in fish canning sector (by Rita d'Errico)

The study on Arrigoni & C. retraces the principle stages in the company's history that, between the 1920's and the 1940's, were behind the rise and fall of the first large Italian producer of tinned fish, in an attempt to highlight the characteristics and difficulties inherent in the fish preservation sector of those years.

The study stree the factors which were instrumental in Arrigoni's success; these undoubtedly included the intuition and business acumen of Giorgio Sanguinetti, the owner and CEO of the company who built an industrial empire from a small preserve factory in Genoa, eventually numbering around fifteen factories dedicated to the production of fish and vegetable preserves as well as a fleet of around thirty motorized fishing boats. The factories dedicated to the processing and canning of fish, which are the focus of this study, were all (apart from the Cesena factory) located in the Venezia Giulia region, on the coasts of Istria and Dalmatia which had become part of Italy in the wake of the First World War. The Isola d'Istria factory (now in Slovenia) was during the 1930's a leader in its field both for its size and for the modernity of its infrastructure.

The funds which enabled Sanguinetti's vast programme of investment over almost twenty years, came in part from the company's share capital (which gradually rose from the original 300,000 lire to 50 million lire by 1940), but were also obtained through loans received mainly from the Banca Commerciale Italiana (COMIT) and from the Istituto Mobiliare Italiano (IMI).

Arrigoni's sales of preserved fish were aimed mainly at wealthy foreign markets, particularly that of the United States, considering the limitations of the domestic market. The company's comprehensive approach to sales included dealing directly with resellers and eliminating the need for the mediation of wholesalers. Substantial investments were made to fund research in innovative marketing techniques and advertising campaigns designed both for Italian and foreign markets.

During the second part of the 1930's Arrigoni saw its business grow rapidly despite the Great Depression and the consequent shrink of foreign markets, accentuated by sanctions imposed on Italy by the Society of Nations in 1936. This growth was the result of government contracts for military food supplies and the opening up of markets in Germany and in the Italian colonies of Eas Africa. These achievements stemmed in part from Giorgio Sanguinetti strategic ability to form personal and business relationships with influential members of Italy's political and economic establishment.

Nonetheless, Sanguinetti's connections could not protect him from the consequences of the race laws introduced in 1938. His jewish background meant that he was forced to resign from his position of CEO of the company, although he did continue to maintain effective control until his sudden death in 1940. Despite Arrigoni's death the company continued its rise during the war years 1940-43, reaching ever more rapid growth rates which came to a halt with the armistice and fall of

the fascist regime in 1943, followed by the German occupation of Venezia Giulia. Arrigoni's factories suffered enormous damage at this time when they were ransacked by the occupying forces. What eventually ended Arrigoni's place in the fish preservation industry, more than wartime damage, was the loss of the Venezia Giulia factories when the Istrian coast was transferred from Italian control to Yugoslavia in 1947.

Changes in the canned fish sector in Italy in 1960s'-70s'. New brands and new companies (by Claudio Besana)

Between 1965 and 1970, the production of canned fish is around 700,000 quintals with an increase in tuna production (380,000 quintals in 1970) and a decrease for other types of canned fish. The overall production is essentially stable, as well as consumption. Exports are inexistent while imports are consistent and, in 1970, they cover almost 20% of domestic consumption.

As regards canned tuna, this period is important not only for the growth of overall production but also for the important changes in the sector regarding product packaging and, especially, the companies active in the sector. As for the packaging, it is important to remember that, until the early Sixties, canned tuna is commercialized in big cans which can contain even a few kilograms of fish in oil. The cans are delivered to food stores where consumers buy the amount they need for immediate consumption. During the Sixties, most of the companies try to sell smaller cans, which contain less than 200 grams. In this way consumers are offered a long-lasting product, ready to eat any time.

The growth of the tuna sector is also linked to the intervention in this branch of new family large-scale and medium-sized companies already operating in the agri-food sector. Such companies see in the production and trade of canned tuna the chance to diversify and expand their range of products. These companies adopt Ford models and aim to reach economies of scale through standardized and homogenous productions thanks to an increasing mechanization of the production processes. Their goal is to reach the uniformity required by the distribution on anonymous markets through brands. Since they mass produce, these companies cannot uniquely rely on the fish caught along Italian shores in the Mediterranean Sea but they need to buy the raw material on international markets, through the mediation of specialized wholesalers. On the shelves of Italian shops and the first supermarkets, next to traditional products, other brands of tuna can be found. Examples include *Star*, *Mareblu* by *Simmenthal*, and *Rio Mare* by Trinity alimentary Italia (today Bolton alimentari), which rapidly gain the leading positions in this peculiar market.

Simmenthal, a company based in Monza, enters the sector with factories in Monza, the capital of Brianza (Lombardy), and in Aprilia (Latium). The society is owned by the Sada family, active since the Twenties, in the Italian canned meat sector. Another company based in Brianza, *Star*, is present on the market: this society has its headquarters in Agrate Brianza and is controlled by the Fossati family. This second company was specialized in canned meat but then it diversified its offer, becoming the leader in preparations for broth and canned vegetables. Particularly interesting is the case of Trinity, a little known society which is now attracting the attention of scholars. At the origins of Trinity there is another society specialized in canned meat production, *Manzotin*, founded in Cermenate, near Como, by the Zerbi brothers. In the Sixties, the brand *Manzotin* and the plant in Cernate attract the attention of a group of Milanese operators that, with the society *Exportex*, had performed the function of agents of big American societies specialized in the production and trade of fast-moving consumer goods. In the mid-Sixties the Trinity alimentary Italia was born: in the plants in Cermenate along with the production of canned meat under the brand *Manzotin* they also produce *Rio Mare* canned tuna. Under the leadership of Joseph Nissim, a Milanese entrepreneur with Greek origins, Arnaldo Tazartes, another Milanese entrepreneur, and Silvio Luserna Levi, born in San Lazzaro di Savena, near Bologna, Trinity rapidly manages to become the company with the highest sales volumes thanks to a very efficient advertising campaign built on the American model. Born in 1965, *Rio Mare* is the best selling canned tuna in 1970 with a market share of 15%.

In this period the tuna sector remains an average concentration sector where the four main companies control over 40% of the market and the main nine companies 60% of the market (the most important company being Trinity with a 15% share).

The role of the different companies does not change significantly in the Seventies: at the end of the decade Trinity alimentary maintains a leading position with the brand Rio Mare. It is followed by the Iginio Mazzula company (brand "Maruzella"), Alco, Star – now with a market share of 10% - and Simmenthal. This last one seems expanding since Mareblu tuna covers 9% of the sales of the sector at the considered date.