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## MINUTES

### *Meeting of the Civil Dialogue Group on Agricultural Markets - Olive oil*

**17 April 2024**

Chair: AGRI E.4

#### **1. Approval of the agenda and of the minutes of previous meeting**

The agenda was approved.

#### **2. Nature of the meeting**

The meeting was non-public.

#### **3. List of points discussed**

##### Market situation in the olive oil and table olives sectors

The Commission (DG AGRI) presented the market situation in the olive oil and table olives sectors. For the current marketing year 2023/24, world production is estimated at almost 2.5 million tonnes, 20% below the five-year average. EU olive oil production for marketing year 2023/24 is estimated at almost 1.5 million tonnes (7% higher compared to previous marketing year, although 25% below the five-year average), whilst production outside the EU is expected to decrease by around 14% to 1.0 million tonnes. Recently, EU estimated production was significantly revised up, easing somewhat the pressure on the market and stabilising prices still at high levels. For marketing year 2023/24, production is forecast to increase in Spain, Portugal, and Italy (by 26%, 19% and 37% respectively), as these Member States are expected to be in an “on-year”, although the production recovery should be limited on the back of the extreme weather events during the summer 2023. In Greece, production should decrease by 55% reaching only 155 000 tonnes, as olive groves should be in an “off-year”. EU ending stocks for the current marketing year should be below average at around 350 000 tonnes. Although prices have recently decreased marginally, they remain at high levels and are likely to hamper both domestic consumption and external demand throughout marketing year 2023/24.

In the first four months of marketing year 2023/24, EU imports of olive oil from third countries reached around 58 000 tonnes, increasing by 7% compared to marketing year 2022/23, and 10% above the five-year average. For marketing year 2023/24, EU imports of olive oil are forecast at around 160 000 tonnes, to compensate for the low EU production prospects. EU exports to third countries in the first four months of marketing year 2023/24 reached around 188 000 tonnes, decreasing strongly by around 19% compared to marketing year 2022/23 (decrease by 23% compared to the five-year average).

After a slight price adjustment in the beginning of the harvest, prices have increased steadily in the last weeks, as low production prospects have materialised in the main producing Member States; prices have reached new record-high levels across categories and Member States. In the recent weeks, following upward revisions of olive oil production in Spain and Italy, prices stabilised and marginally decreased compared to the record high levels reached in January 2024. Rainfall during the last winter has also helped to ease the price pressure in the market. Extra-Virgin Olive Oil (EVOO) prices ranged between EUR 8.66 per kg in Greece (+83.5% y-o-y) to EUR 9.55 per kg in Italy (+57.6% y-o-y) in the first week of March 2024. At retail level, prices have escalated as a result of ramping inflation and supply uncertainty; consumer price of olive oil in the EU picked up by 50% in February 2024, compared to a year ago. Low supply is expected to keep pressure on prices over the short run.

Finally, EU production of table olives is estimated to decrease sharply by 27% (y-o-y) to around 606 000 tonnes in marketing year 2023/24; production is forecast to decrease by 6% in Spain to 388 000 tonnes, combined with a decrease by 66% in Greece to around 110 000 tonnes. EU trade balance decreased by 43% (y-o-y) in the first five months of marketing year 2023/24; imports increased by 51%, to around 88 000 tonnes, whilst exports decreased by around 16% in the same period, reaching 173 000 tonnes.

FEDOLIVE emphasised that both the lack of olive oil production and the increased production costs at the source, are damaging the Spanish olive oil industry as well as consumers, as prices have increased strongly. This difficult situation should take time to resolve. Looking at foreign trade, the lack of olive oil and its price increase has caused a substitutive effect towards less valuable vegetable oils such as sunflower oil. Other countries have also increased their exports, which will make the market recovery more difficult for the EU. Finally, FEDOLIVE requested information on the new DG AGRI EU Agri-Food Chain Observatory. FEDOLIVE raised concerns on the increasing level of imports from Tunisia, that has intensified in the last two years driven by the drought in the EU. Resulting from the current price levels, the sector is under scrutiny, as price speculation is a concern for consumers.

COPA-COGECA indicated that the whole sector has suffered from two consecutive years of drought. Farmers had limited harvests for two years and could not benefit from record-high prices. Significant rainfall in the month of March should help avoid a catastrophic third bad harvest, although uncertainty remains as regards the agrometeorological conditions in late spring and summer 2024 (already bad agrometeorological conditions in Spain in April). Currently, stocks of olive oil in Spain are between 600 000 and 700 000 tonnes (end of March) and are forecast to reach barely 200 000 tonnes by the end of the marketing year. COPA also drew a positive conclusion out of this difficult situation, particularly as regards the loyalty of consumers towards olive oil, given record-high prices. COPA informed about the record low oil yield for the current harvest, at barely 18%. COPA stressed the importance of promoting the value of olive oil; the drop in consumption was limited and there is a desire to continue consuming olive oil.

CEVC indicated that traditional olive growers, with low production and increasing production costs are going through difficult times, despite the current level of prices.

### EU Network on Olive Production Forecast

The EU Network on Olive Production Forecast includes Italian expertise to study different Mediterranean Olive cultivation areas. These areas include Italian, Tunisian and Spanish regions, and the data collected is used in olive yield forecasting analyses to estimate in advance the potential fruit productions.

The aerobiological method is a key component of these forecasts. This method utilises airborne pollen data to predict potential fruit productions. The pollen released can be monitored through different aerobiological monitoring techniques, and the volumetric method permits to estimate daily pollen concentrations per volume of air sampled.

Traditional forecasting models and remote sensing are being used in crop forecasting experiences. These models include the Wofost Model, Energetic Balance/Water Balance, Evaluation of Et, Eptcrop, AgroMeteorological Data, and Crop growth simulation. These models are used in conjunction with aerobiological data to predict crop yields.

There are several challenges identified with respect to the olive forecasting initiative. These include the need to enlarge the pollen monitoring network, fit regional models for different olive cultivars, and realise an integrated global model to predict olive crop in the Mediterranean area. Addressing these challenges is crucial for improving the accuracy and reliability of olive yield forecasts. In addition, the research carried out would allow for a better management of the olive oil stocks as well as better organising the agricultural labour needed at the harvest.

In addition to yield forecasts, the EU Network on Olive Production Forecast also monitors the sanitary status of Olive trees. This is done using “Pollen Indexes” records, which provide valuable data on the health and productivity of olive trees.

### Update on CODEX and EU Marketing Standards

The Commission (DG AGRI) informed about the revision of Commission Delegated Regulation (EU) 2022/2104 on olive oil marketing standards <sup>(1)</sup> which is likely to be published mid-May. It contains the updated decision trees for delta-7-stigmastenol, as in the International Olive Council (IOC) Trade Standard.

A discussion is ongoing on changes to Regulation (EU) 2022/2105 on conformity checks <sup>(2)</sup>, to clarify notification between Member States when organoleptic defects are perceived in an olive oil labelled extra-virgin (in Article 4); clarify how the counter-analyses for organoleptic assessments are to be performed (in Article 11(2)); bring the name of the method for the determination of fatty acid ethyl esters and waxes (in Annex I) in-line with IOC Trade Standard and clarify the sampling methodology (in

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<sup>(1)</sup> Commission Delegated Regulation (EU) 2022/2104 of 29 July 2022 supplementing Regulation (EU) No 1308/2013 of the European Parliament and of the Council as regards marketing standards for olive oil, and repealing Commission Regulation (EEC) No 2568/91 and Commission Implementing Regulation (EU) No 29/2012; OJ L 284, 4.11.2022; ELI: [http://data.europa.eu/eli/reg\\_del/2022/2104/oj](http://data.europa.eu/eli/reg_del/2022/2104/oj).

<sup>(2)</sup> Commission Implementing Regulation (EU) 2022/2105 of 29 July 2022 laying down rules on conformity checks of marketing standards for olive oil and methods of analysis of the characteristics of olive oil; OJ L 284, 4.11.2022, p. 23–48; ELI: [http://data.europa.eu/eli/reg\\_impl/2022/2105/2022-11-04](http://data.europa.eu/eli/reg_impl/2022/2105/2022-11-04).

Annex II). Once the discussion finalised, the revision will be published on the Europa website for feedback. On a question by a stakeholder, the Commission clarified that the current revision does not concern changing the rules on how the defect has to be judged by organoleptic counter-assessments. A discussion touching on reporting organoleptic defects is currently ongoing in the respective IOC expert group.

The Commission also informed about the decisions to be submitted for adoption at the next IOC Council session and the outcome of the Codex Committee for Fats and Oils 28 meeting in Malaysia which took place on 19-23 February 2024. During the latter, the Codex Standard for Olive Oil and Olive Pomace Oil was agreed in a form very satisfactory to the EU. The Codex standard and the report of the meeting were submitted to the Codex Alimentarius Commission, meeting in November 2024, for final approval. CCFO also concluded that an electronic Working Group, chaired by Italy should be set up on gathering data and making recommendations for the analyses of two parameters that were not included in the standard: pyropheophytin A (PPP) and 1,2 diacylglycerols (DAG).

#### Trade disruptions in the olive oil and table olives sectors

##### - US tariffs on Spanish ripe olives

The Commission (DG AGRI) informed that the United States has formally accepted last month the finding of the WTO compliance panel that the US had failed to implement the initial WTO panel report from 2021, where the WTO ruled in favour of the EU finding that the US countervailing duties are illegal under WTO rules. The EU launched a compliance panel to assess whether the measures taken by the US comply with the WTO initial panel report: the compliance panel fully sides with the EU claim that the US had failed to implement the initial panel report.

The US is therefore now under the obligation to immediately implement the WTO panel report, which should lead to the removal of the anti-subsidies duties, either by changing its relevant domestic legislation or by adopting a new administrative decision. The EU expects the US to take immediate steps to implement this final compliance ruling so that the export of Spanish olives to the US can resume under normal conditions. The EU is reserving its right to proceed with requesting approval from the WTO to adopt retaliatory measures against the US.

FoodDrinkEurope indicated that the sector is also suffering from antidumping duties, and filed a case in the second instance at the ordinary justice in the United States; and that a sunset review is to be held every five years. As a result, the sector has invested EUR 16 million in legal proceedings since 2017. FoodDrinkEurope requested the EU to take retaliatory measures, by means of sanctions to American products.

##### - Imports from Tunisia

FEDOLIVE presented data on US imports of olive oil over the last ten years, the main world importing market, representing around 36% of world trade of olive oil. There is a significant increase on the US imports of olive oil from Tunisia and Turkiye (from 15 000 tonnes up to 40 000 tonnes for Tunisia). By volume, Tunisia and Turkiye represent the third and fourth main partners, after Spain and Italy, and more and more, they export extra virgin olive oil as it has higher value added compared to other olive oil categories. The low production in the EU over the last two marketing years has allowed non-EU producing countries to increase their market share in the US. The EU should ensure there

is enough availabilities of olive oil to compete in the US market. FEDOLIVE suggested increasing the volume of the Tunisian quota or a six-month duty suspension on olive oil imports in the event of low EU stocks of olive oil. FEDOLIVE also raised some problems in the management of the Tunisian quota for olive as EU operators cannot import easily specific categories of virgin olive oil, particularly lampante olive oil.

In relation to imports of olive oil from Tunisia, the Commission (DG AGRI) reminded that in addition to the Tariff Rate Quota, EU operators have the possibility to import using the inward processing facility by way of which operators can import raw olive oil for processing within the European Union and then to re-export outside the EU. Regarding the management of the Tunisian TRQ over the last years, the Commission has insisted to the Tunisian administration that Tunisia should authorize their exports within the quota for all virgin olive oil categories and regardless of the type of container. The Commission reminded participants that increasing the volume of the quota is subject to the approval of the Council and the Parliament, and that the outcome is uncertain. Finally, the Commission is open to renegotiate the Tunisian TRQ, but within the frame of a review of the association agreement between the EU and Tunisia.

FEDOLIVE stressed the need to ensure proper compliance with the provisions of the relevant trade agreements. COPA-COGECA agreed with streamlining trade mechanisms but was against introducing changes under exceptional circumstances. He explained that the main problem is usually the management of surpluses following abundant harvests.

#### Any Other Business

##### - MOSH/MOAH

FEDOLIVE claimed that after sending documents and following meetings with EFSA and DG SANTE, the EU cannot take measures on MOSH/MOAH, as EFSA has not yet had the chance to revise the documents. Measures cannot be implemented without a sound scientific basis otherwise it would jeopardize the marketing of many olive oil products. The sector is drawing up a best practice guide and, in the meantime, precautionary measures could be applied.

The Commission (DG AGRI) informed the audience that the point is planned to be discussed in length at the next meeting of the Civil Dialogue Group on Agricultural Markets -Olive Oil-.

##### - Health benefits of olive oil

FEDOLIVE enquired on the budget for promotional campaigns on olive oil and on the legal framework for these promotional campaigns. These campaigns should concentrate on the health benefits of the consumption of olive oil, particularly compared to the consumption of other edible oils.

The Commission (DG AGRI) informed on EU grants to organisation and EU campaigns on promotion that also include olive oil and table olives. The Commission invited FEDOLIVE to launch a discussion on health benefits of consumption of olive oil at the next meeting of the Civil Dialogue Group on Agricultural Markets -Olive Oil-.

#### Sales below cost

FEDOLIVE commented on the resilience of the EU consumers, as consumption of olive oil has decreased by 10% despite the record prices levels of the product. A few years ago,

prices below cost were observed; now with the increased production costs, sales of olive oil below EUR 7.00 are difficult to justify and might lead the consumer to suspect price speculation on the market. The olive oil industry has little margin as the stocks are held by the distribution at this stage.

The Commission (DG AGRI) reminded the audience that sales below costs are not prohibited at EU level. Member States like Spain or Italy have forbidden at the national level the practice of selling below costs. The Commission has launched a new study to better understand, among others, how national prohibitions of sales below cost work in practice and how they impact the functioning of the food supply chain. Also, the evaluation of the Unfair Trading Practices directive is currently ongoing, which will also look into the effectiveness of national implementation measures. This evaluation will feed into a report to be presented in 2025.

#### **4. Next meeting**

Next meeting is foreseen to take place on 18 November 2024.

#### **5. List of participants**

See the list of organisations present in the enclosed list.

List of participants– Minutes  
*Meeting of the Civil Dialogue Group on Agricultural Markets - Olive oil*  
*17 April 2024*

ORGANISATIONS PRESENT:

BEE LIFE - EUROPEAN BEEKEEPING ORGANISATION
CEJA - EUROPEAN COUNCIL OF YOUNG FARMERS
CELCAA - EUROPEAN LIAISON COMMITTEE FOR THE AGRICULTURAL AND AGRI-FOOD TRADE
COGECA - EUROPEAN AGRI-COOPERATIVES / GENERAL CONFEDERATION OF AGRICULTURAL CO-OPERATIVES OF THE EUROPEAN UNION
COPA - EUROPEAN FARMERS / COMMITTEE OF PROFESSIONAL AGRICULTURAL ORGANISATIONS OF THE EUROPEAN UNION
ECVC - EUROPEAN COORDINATION VIA CAMPESINA
EUROLIVEPOMACE
FEDOLIVE - FEDERATION DE L'INDUSTRIE DE L'HUILE D'OLIVE DE L'UE
FOODDRINKEUROPE

AD-HOC EXPERT:

Professor Fabio Orlandi

OBSERVER:

European Economic and Social Committee