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MINUTES

MEETING OF THE “WORKING GROUP ON OLIVES” OF THE CIVIL DIALOGUE GROUP ON “HORTICULTURE, OLIVES AND SPIRITS”

Date: by written Procedure from 18/06/2020 to 30/06/2020

Chair: N/A

Delegations present: All organisations of the working group were consulted.

1. Approval of the agenda

A questionnaire was sent to the members of the working group (see Annex I)

2. Nature of the meeting

The meeting was non-public and by written procedure.

3. List of points discussed

1. Exchange of views on the state of the market situation of the olive oil sector

The **market situation** in the olive oil sector can be described as follows: high stocks, low prices, increased growing area and increased imports from third countries. Respondents considered that this is due to an increased world-wide production in the last three years and imbalances supply – demand, with short-term oversupply. An increased (also intensive) growing area in Spain and Portugal is also observed. Increased olive oil production in Tunisia and good quality/price ratio are the main reason for higher imports from this country.

In this context, the situation of **traditional groves** is very delicate: respondents consider that in order for such groves to survive the market situation and continue to bring environmental, economic and social benefits, additional support measures should be considered.

In the context of the **COVID-19 pandemic**, respondents observed an overall decrease in **consumption** of olive oil. The increase in household consumption, of mostly extra-virgin olive oil, could not compensate the decrease in consumption and sales in the hospitality and tourism sector. In the view of the respondents, **future consumption** of olive oil will depend on the recovery of consumer purchasing power as well as of the two sectors mentioned above. In this regard, the promotion of olive oil and its health benefits would be helpful.

Imports of olive oil have increased in the past months, due to the good production world-wide (but especially Tunisia), but also due to the attractive price/quality ratio of non-EU olive oil. **Exports** will depend a lot on the epidemic situation in destination countries, but respondents expect the market to recover in Japan and China.

Respondents shared some of the **solutions** they could see for the current situation: allow a mechanism to regulate supply in the olive oil sector (as for the wine sector under Article 167 of Regulation 1308/2013¹), extend private storage schemes, increased transparency in monitoring imports and reversing tariffs on Spanish olive oil.

2. Exchange of views on the state of the market situation of the table olives sector

The US has targeted Spanish ripe olives with anti-dumping and countervailing duties and green olives with import duties. The impact on Spanish exports to the US is significant. However, Spanish exports of table olives keep increasing thanks to development of alternative export markets (likely with lower export value).

Respondents consider that olive growers have no interest to shift production from table olives to olive oil production, even if it were technically and timely possible, especially in the current market situation, where prices for olive oil are low and because many varieties of table olives are not suitable for oil production.

4. **Conclusions/recommendations/opinions/next steps**

The Commission will continue to monitor closely the market situation and cooperate via the CDG with stakeholders to understand the problems and identify possible solutions.

5. **Next meeting**

The next meeting of the CDG and its working group is planned for **13 November 2020**.

6. **List of participants**

See Annex II

Silke BOGER
Head of Unit
(e-signed)

¹ Regulation 1308/2013 of the European Parliament and of the Council establishing a common organisation of the markets in agricultural products, OJ L 347, 20.12.2013, p. 671)

Working Document
Of the Working Group on Olives
of the Civil Dialogue Group on “Horticultural, Olives and Spirits
meeting By Written Procedure from 18/06/2020 to 30/06/2020
(Ref. Ares(2020)3169398 - 18/06/2020)

Agenda item 1: Exchange of views on the state of the market situation of the olive oil sector

Production

- How do you explain the current market situation in the olive oil sector, and in particular high stocks, low prices, increased growing area and increased imports from third countries?
- How do you see the future of traditional groves in a context of low prices and pressure from other production systems (such as irrigated system or more intensive production systems)?

EU consumption

- Could you briefly describe the consequences of the Covid19 pandemic on olive oil consumption on the short and medium term?
- How strong has household consumption of olive oil increased in your country during containment measures? In your view, how sustainable will the increase be in the coming months?
- Is this increase sufficient to compensate for the loss of consumption due to the closure/restrictions in the catering sector?
- Is the impact of the decline in tourism and touristic activities directly linked to olive oil in the coming months measurable? Could you please share your views on the extent this could have on consumption?

Imports from third countries

- European stocks of olive oil are at a very high level. Despite that situation, imports from third countries have increased. Could you share your analysis of that situation?

Exports to third countries

- Since the beginning of the sanitary crisis due to the Covid-19 pandemic, exports to China and Japan fell only slightly, whilst exports to the U.S. and Brazil have strongly increased, resulting in a stable situation at EU level in respect to exports. Could you please share your views on the evolution of trade of European olive oil in the coming months?

Agenda item 2: Exchange of views on the state of the market situation of the table olives sector

- The US has targeted Spanish (ES) ripe olives with AD/CVD and green olives with import duties. The impact on ES exports to the US is significant. However, Spanish exports of table olives keep increasing thanks to other destinations (likely with lower export value). In addition to developing alternative exports markets, are olive growers shifting from table olives to olive oil production when technically and timely possible?

List of participants– Minutes
*Meeting of the Working Group on Olives of the Civil Dialogue Group on
“Horticultural, Olives and Spirits
By Written Procedure from 18/06/2020 to 30/06/2020*

| | MEMBER ORGANISATION | NUMBER OF PERSONS |
|---|---------------------|-------------------|
| 1 | COPA-COGECA | 6 |
| 2 | FoodDrinkEurope | 2 |
| | <i>TOTAL</i> | 8 |