



SHORT-TERM OUTLOOK FOR EU OLIVE OIL MARKET AND MEDIUM- TERM PROSPECTS

Unit of Analysis and Outlook, DG AGRI

Working Group – Olive oil

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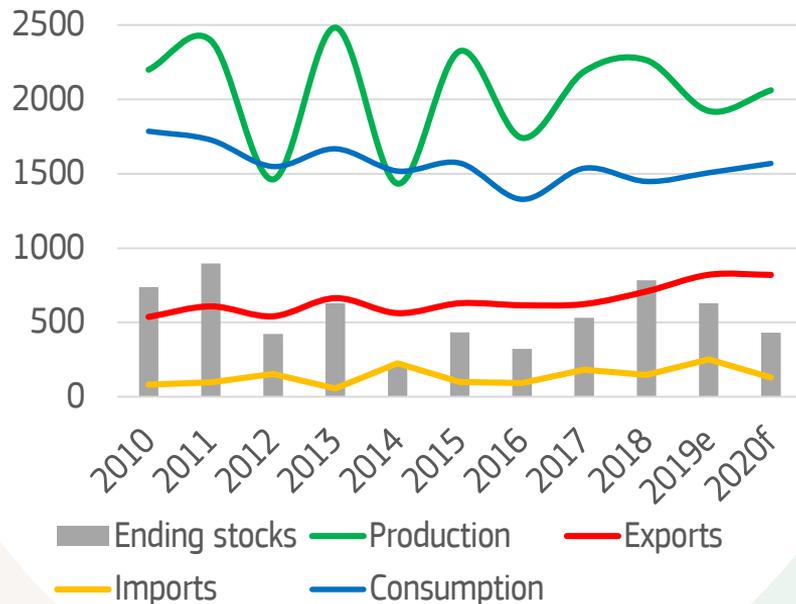


EU Olive oil balance sheet (Spring 2021)

Main observations:

- Existing stocks in some export destinations could **limit further EU export growth**
 - **EU consumption to slightly recover** (through retail sales and recovery in foodservice)
 - Lower production outside EU could lead to decline of EU **imports**
- > **ending stocks** could decline further

Balance sheet of EU olive oil market
(1000 t)



Source: DG Agriculture and Rural Development based on Eurostat and MS notifications

Short-term and medium-term market prospects

Focus on:

- Climate change/weather events/diseases
- Valorisation of olive oil production
- Future market balance (incl. lessons learnt from COVID-19 crisis)



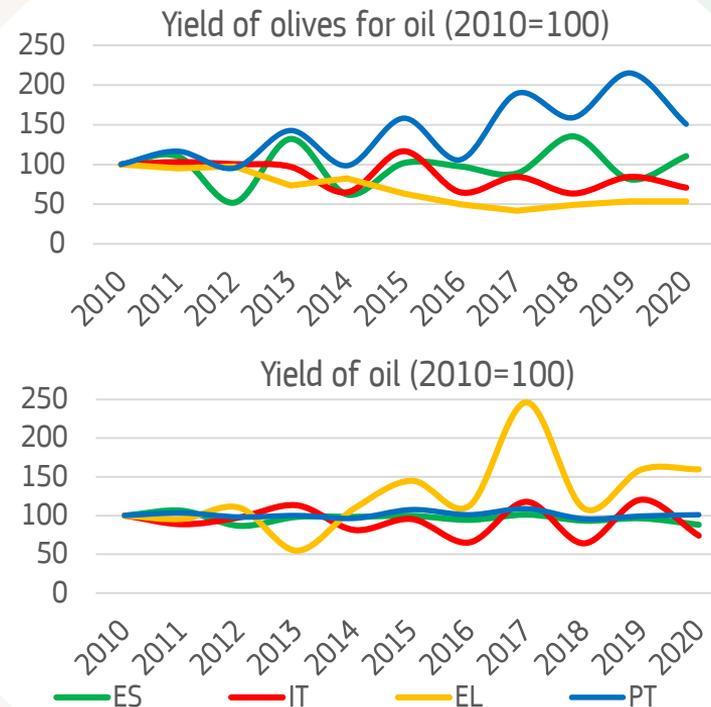
Climate change, weather events, pests and diseases

Besides **bi-annual production** alternation:

- **Weather events** more frequent (rains, heatwaves, frost)
- **Pests and diseases** incidences
- **Climate change** -> e.g. temperature increase could lead to earlier/extended flowering, reduction in fruit

What adaptation and mitigation strategies are in place?

How factors mentioned above could affect future EU production potential?



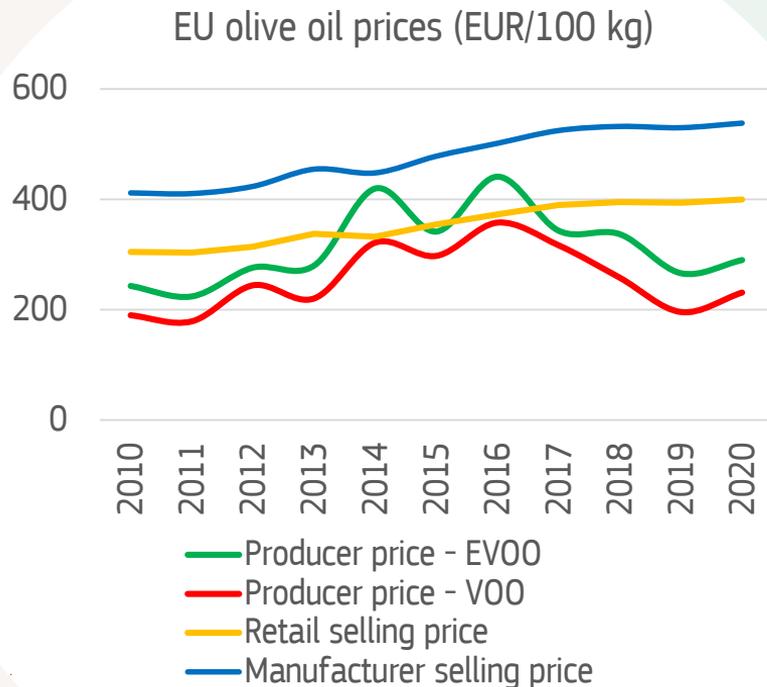
Source: DG Agriculture and Rural Development based on Eurostat and MS notifications

Valorisation of olive oil production

- **Retail** remains the main outlet
- But **other uses** are gaining
- **Retail prices** continue growing despite increasing/decreasing producer prices

How much other uses of olive oil could grow? And what are those?

Under what conditions could retail sales continue growing in matured and new markets?



Source: DG Agriculture and Rural Development based on Euromonitor and MS notifications

Possible ways to bring value

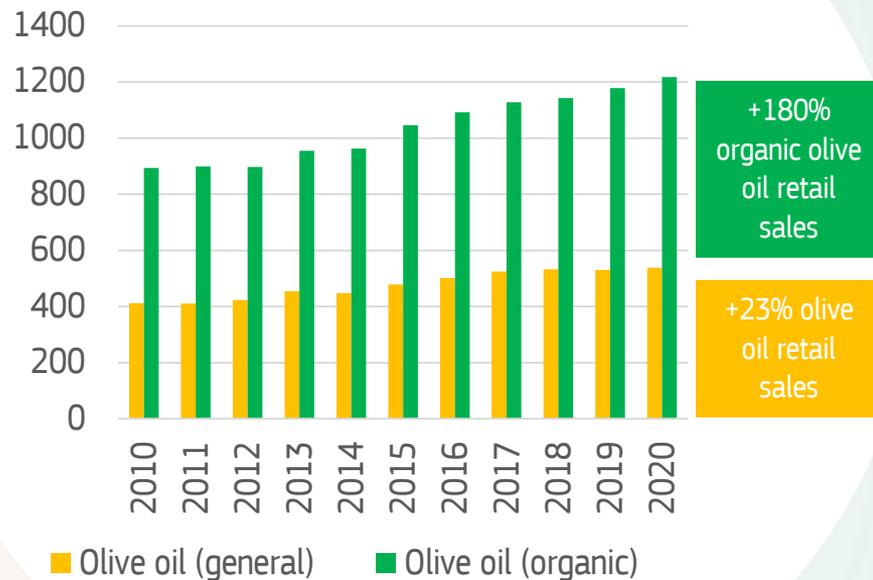
Olive oil sector could gain **value** through:

- **Quality** schemes
- **Organic** label (around 3% of total olive oil retail volume)
- Better valorisation of **by-products** (e.g. in cosmetics, pet foods)

What by-products could bring more value to olive oil producers?

How could an additional value-added help traditional growers and affect the traditional duality of the EU production system?

Olive oil retail prices (EUR/100 kg)



Source: DG Agriculture and Rural Development based on Euromonitor

Post-COVID-19 future

Supply

- Local and regional supply chains
- More sustainable production systems
- Climate change adaptation and mitigation of risks (water availability, temperature)



Demand

- Healthy and balanced sustainable diet
- Home cooking
- Tourism
- E-commerce
- New markets



Useful links

- Short-term outlook:
https://ec.europa.eu/info/food-farming-fisheries/farming/facts-and-figures/markets/outlook/short-term_en
- Medium-term outlook:
<https://ec.europa.eu/info/food-farming-fisheries/farming/facts-and-figures/markets/outlook/medium-term>
- Market briefs:
https://ec.europa.eu/info/food-farming-fisheries/farming/facts-and-figures/performance-agricultural-policy/studies-and-reports/market-analyses-and-briefs_en

