



Medium-term olive oil outlook

Market developments in next 10 years

Unit of Analysis and Outlook

10 June

Working Group on Olives Market Situation and Technical Issues

2021 MEDIUM-TERM OUTLOOK

BALANCE SHEET OF EU OLIVE OIL MARKET (1 000 T)



Source: DG Agriculture and Rural Development.

Main highlights:

- The **recovery of EU olive oil prices** in 2020/21 has stimulated investments into new olive tree plantations -> mainly intensive and superintensive
- **Climate change will remain a challenge**, leading to annual variations in yields as well as quality of oil -> more resistant varieties to be planted
- **EU exports will become more important** with the production increase (from 35% production share in 2020 to 44% in 2031)
- The growth in **EU consumption is expected to be driven by non-producing countries** (from 21% share on total EU consumption in 2020 to 32% in 2031)

2022 MEDIUM-TERM OUTLOOK

New challenges and policy developments:

- CAP Strategic Plans will start being implemented from 2023
- Post-COVID recovery to continue
- Global consequences of the war to remain (slowdown of the economic growth, high inflation, high input costs, lower purchasing power, high prices of several agricultural commodities, etc.)

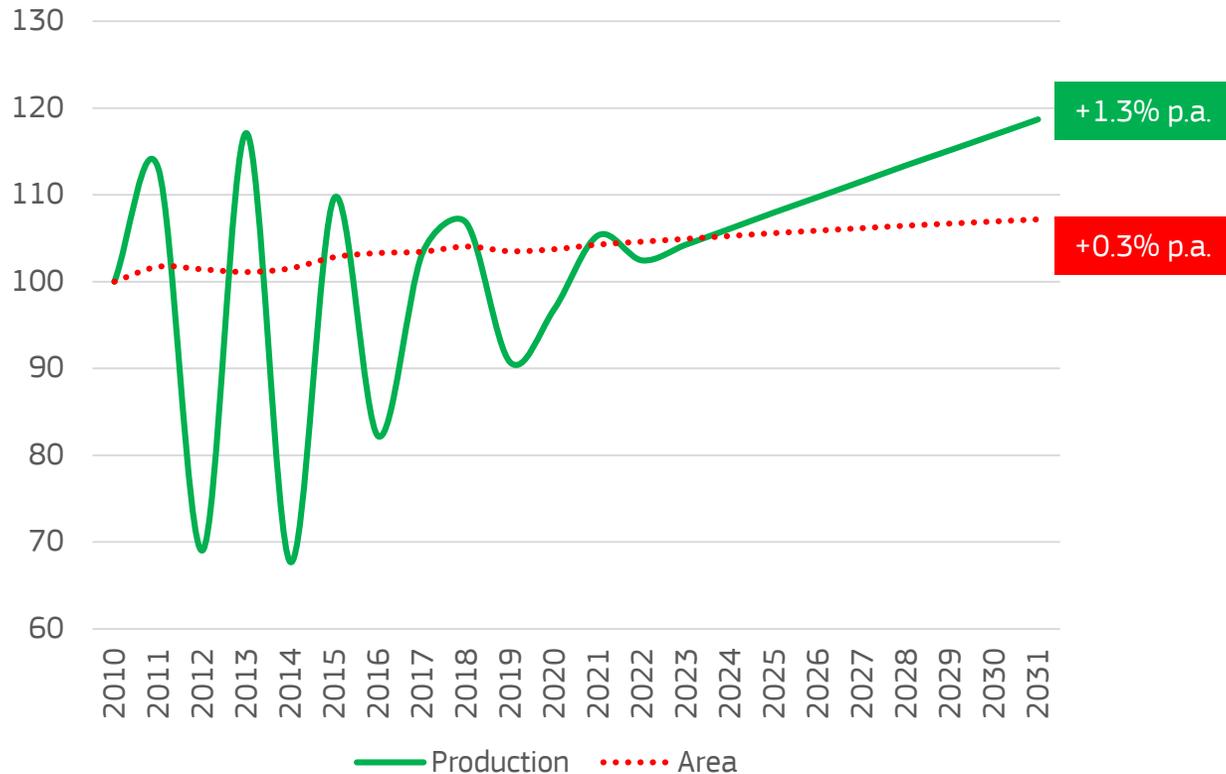
HOW COULD THE OUTLOOK CHANGE?



European
Commission

EU OLIVE OIL PRODUCTION

EU OLIVE OIL PRODUCTION AND AREA DEVELOPMENT (2010=100)



Source: DG Agriculture and Rural Development.

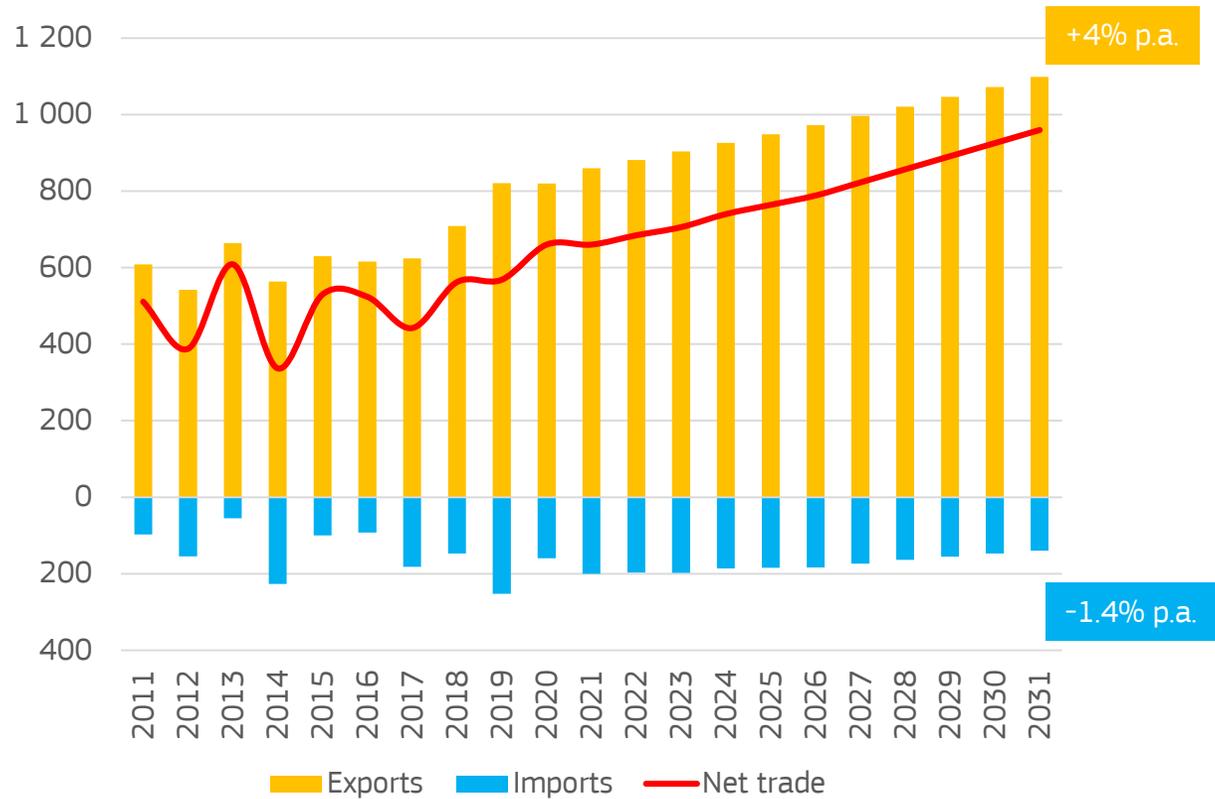
- In 2010-2020, the **annual EU olive oil production growth was slightly negative** (-0.3% per year, -4.3% in Italy and Greece combined, +1% in Spain and Portugal)

 - Stable in IT+EL, while increasing in ES+PT
 - Possible decline in IT+EL but compensated by ES+PT
- In 2010-2020, the **EU area for olive oil production grew marginally** (+0.4% per year). However, the irrigated land grew stronger (around 2% per year in Spain)

 - Abandonment of land
 - Increase of irrigated land to compensate for losses in non-irrigated
 - Expected increase in ES+PT, while declining in IT+EL
- How could these trends change in next 10 years?

EU OLIVE OIL TRADE

EU OLIVE OIL TRADE (1 000 t)

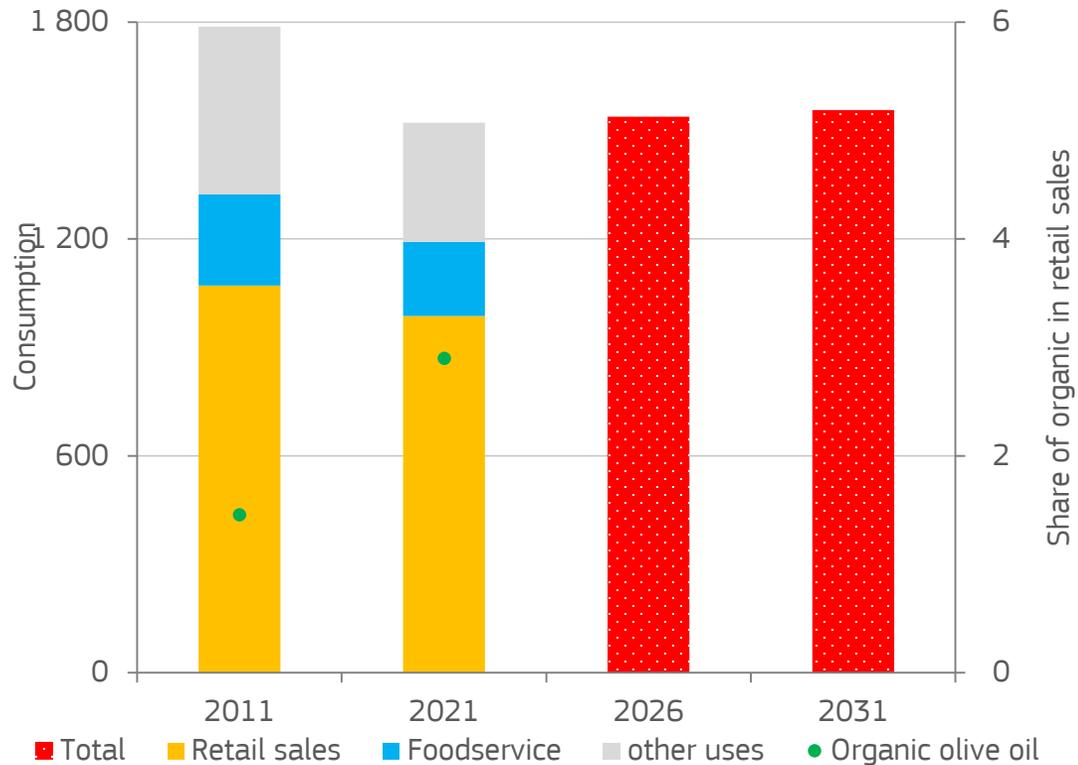


- In 2010-2020:
 - EU exports grew by 5% annually
 - In line with growing EU production
 - Sustained growth of global demand, and the EU being the main producer
 - EU imports grew by more than 3% per year
 - More intra-EU trade to compensate for lower/stable production in some MS
- How could these trends change in next 10 years?

Source: DG Agriculture and Rural Development.

CONSUMPTION

EU OLIVE OIL CONSUMPTION BY CHANNELS (1 000 T) AND SHARE OF ORGANIC RETAIL SALES (%)



- In 2010-2020, the annual EU olive oil consumption dropped by around 2% on average annually (-3% in the main producing countries, +3% in the rest of the EU)

Dynamic markets of FR, BE, NL, DE

Olive oil winning compared to other vegetable oils

High prices could limit the growth, an increase might only partially compensate losses

- How could these trends change in next 10 years?

Source: DG Agriculture and Rural Development.

THANK YOU FOR YOUR ATTENTION