The Olive-growing sector in Italy

Working Group on Olives
of the Civil Dialogue Group on Horticulture, Olives and Spirits
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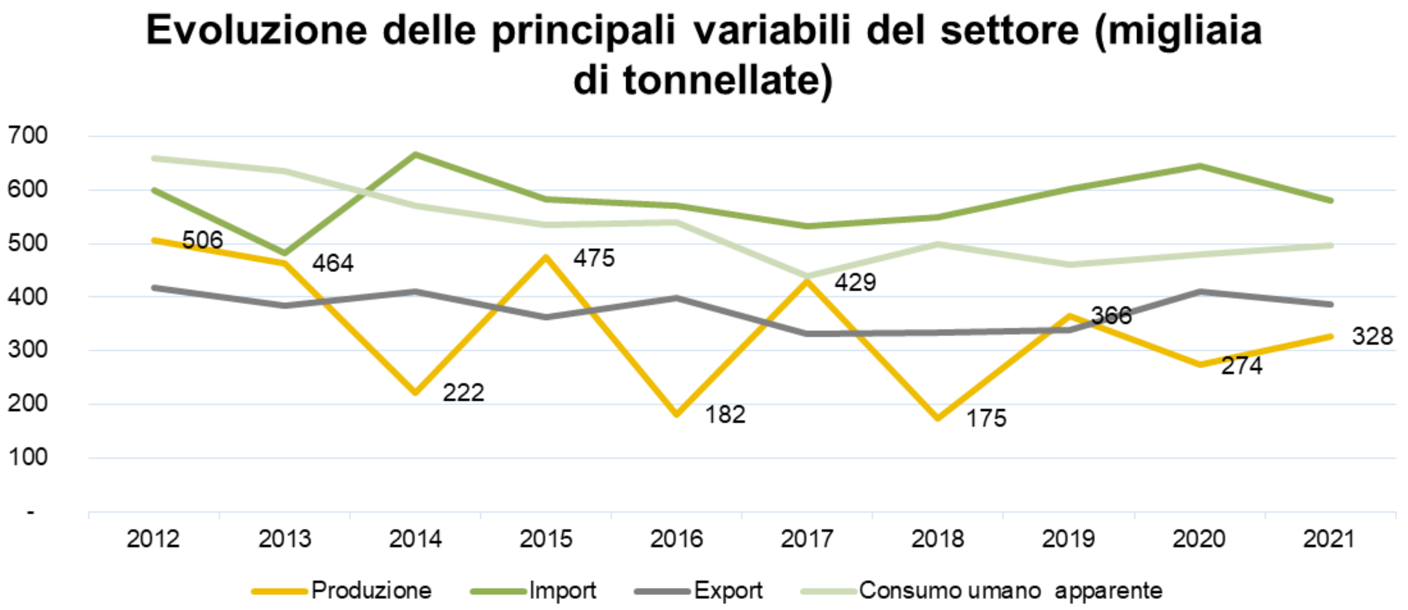
Olive oil production: the Italian context

- Over 820,000 farms, 1 million hectares and approximately 5,000 mills.
- Predominantly traditional olive groves.
- Over 300 varieties.
- High differentiation: 49 PDOs and PGIs (but few certified products) → growing organic areas.
- Production costs of extra virgin olive oil range from 3.4 to 8.5 euro/kg depending on the region.
- Climate risks and adversities (Xylella)

Olive oil production: the Italian context



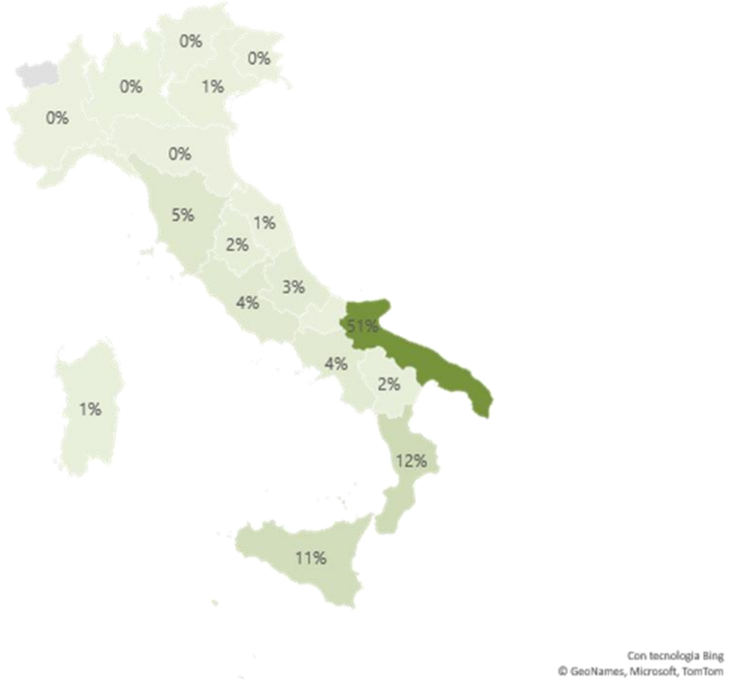
Source: Ismea

The data of the main variables in the sector show the following characteristics:

1. **Production:** tending to decline and subject to high variability;
2. **Consumption:** stably higher than production, which confirms Italy's non-self-sufficiency;
3. **Imports:** higher than exports, which renders the trade balance structurally negative in both volume and value (with rare exceptions such as in 2020); --→ imports are necessary to satisfy domestic demand.

2021/22 olive oil production (in tonnes)

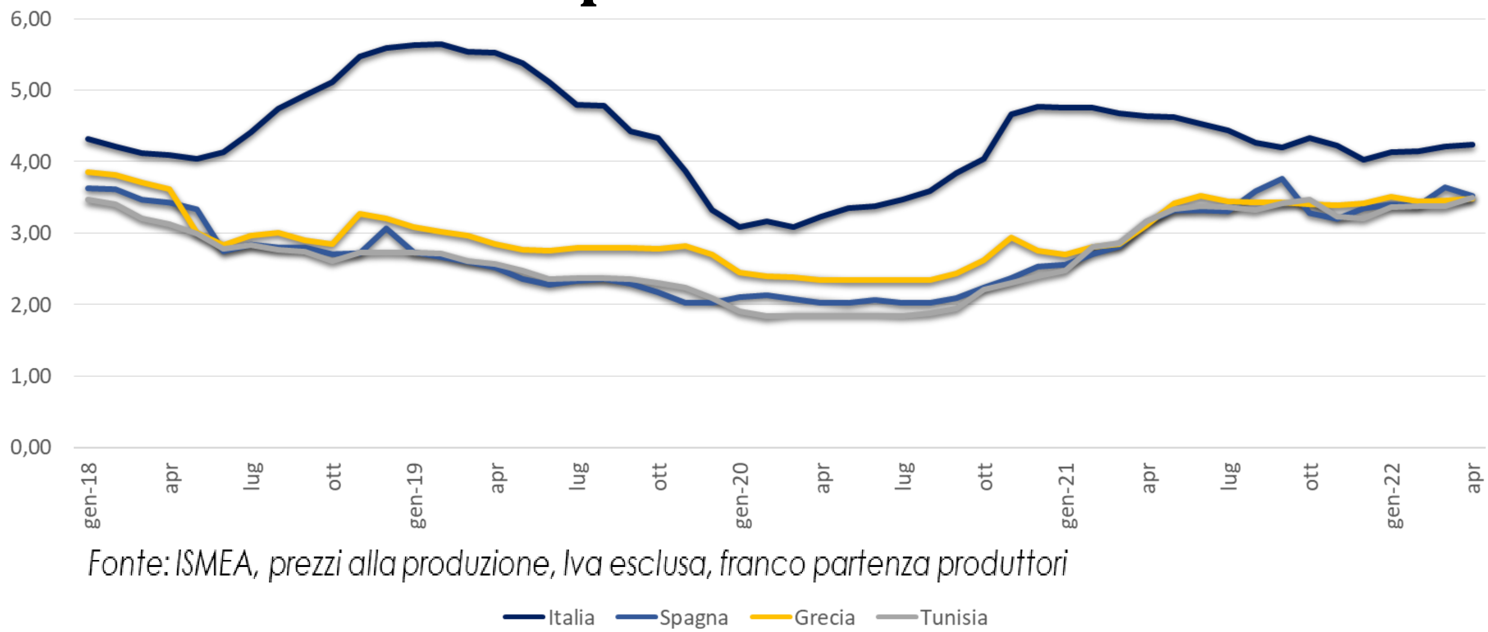
Ripartizione della produzione per regione: media ultime 4 campagne



	2020	2021*	Var.%
Piemonte	24	10	-57%
Lombardia	1.242	158	-87%
Trentino Alto Adige	592	91	-85%
Veneto	3.065	423	-86%
Friuli Venezia Giulia	120	75	-37%
Liguria	4.670	1.440	-69%
Emilia Romagna	1.524	1.174	-23%
Toscana	20.128	10.999	-45%
Umbria	6.960	3.202	-54%
Marche	3.644	3.709	2%
Lazio	17.191	12.170	-29%
Abruzzo	7.915	11.089	40%
Molise	2.823	3.181	13%
Campania	12.512	10.929	-13%
Puglia	117.477	177.000	51%
Basilicata	3.990	5.952	49%
Calabria	32.983	43.924	33%
Sicilia	32.650	39.500	21%
Sardegna	3.989	3.640	-9%
Italia	**273.500**	**328.666**	**20%**

*Source: ISMEA on Agea and Istat data; *2021 Ismea estimate on Agea-declarations of mills*

International prices of EVOO



Fonte: ISMEA, prezzi alla produzione, Iva esclusa, franco partenza produttori

Italy

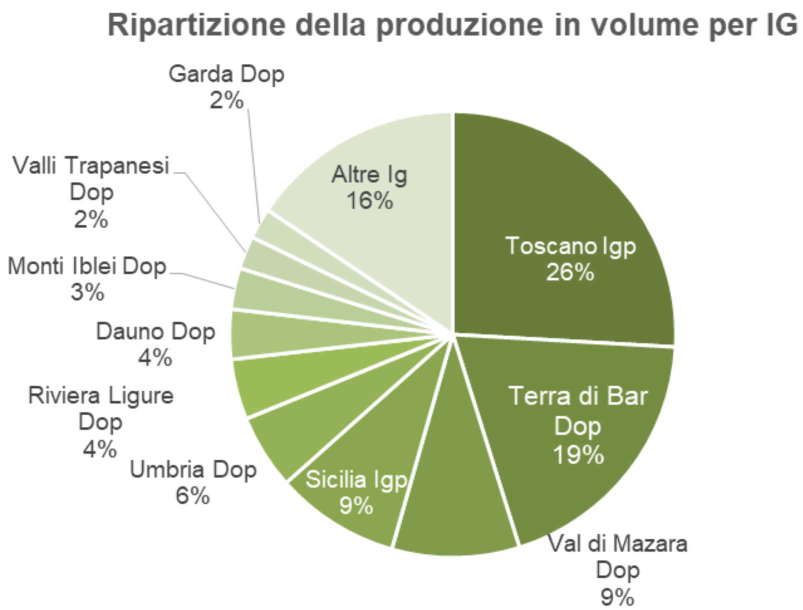
Organic extra virgin olive oil: Italy's position

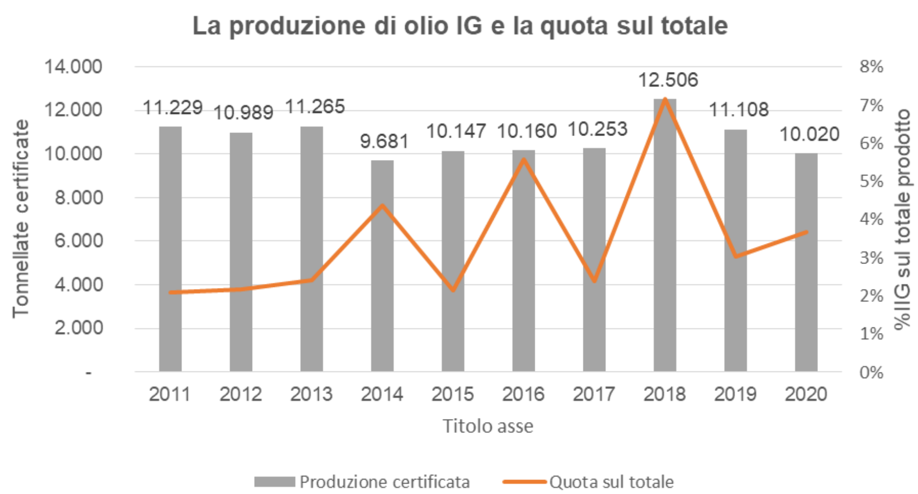
- Organic olive growing: 3rd largest crop in Italy after fodder crops and cereals.

- With its 242,708 ha in 2019, olive growing accounts for 12% of the entire Italian organic UAA equal to 1,993,263 ha.

- The analysis of the distribution per geographical area of organic olive oil areas in Italy shows a concentration of:
  - 67.5% of the total in the South,
  - 17.1% in the Islands (with about 16% in Sicily)
  - and 14.1% in the Centre.

PDO and PGI: Italy's position



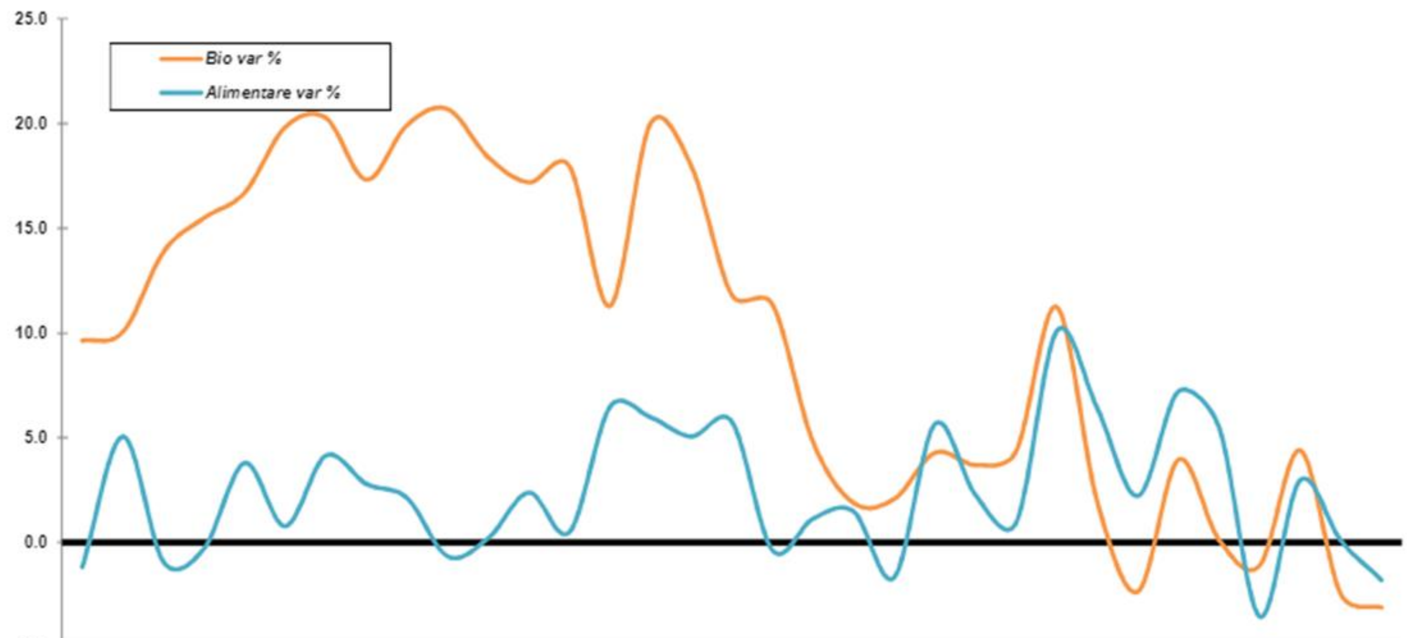


- 42 PDOs and 7 PGIs
- 22,218 producers on an area of 167,000 hectares
- around 15% of the total in olive groves plus 2,050 processors

Evolution of sales in the large-scale retail trade

NielsenIQ

Supermercati + Ipermercati -
Totale prodotti biologici Peso Imposto



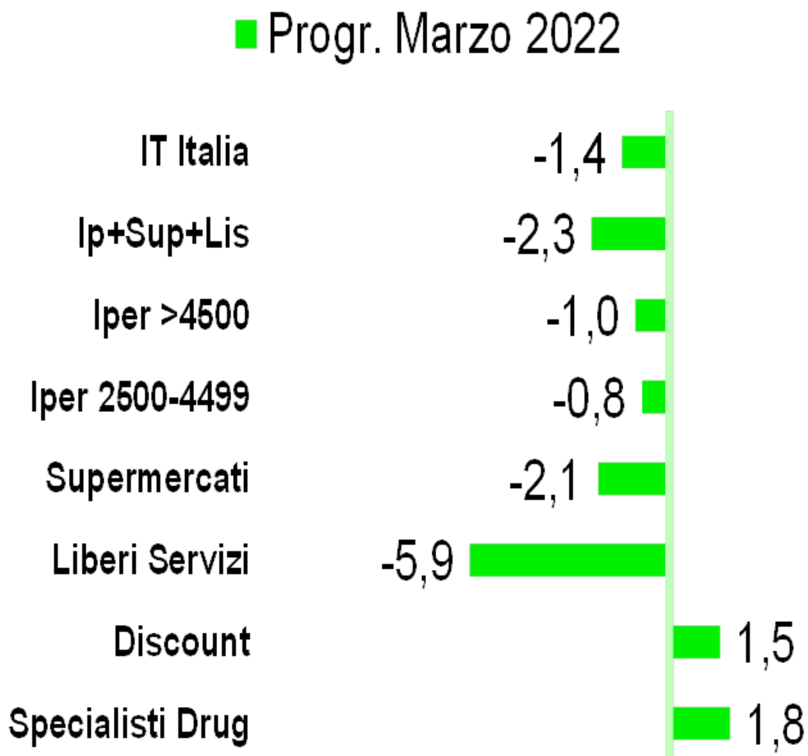
	1° Trim 2014	2° Trim 2014	3 Trim 2014	4 Trim 2014	1° Trim 2015	2° Trim 2015	3 Trim 2015	4 Trim 2015	1° Trim 2016	2° Trim 2016	3 Trim 2016	4 Trim 2016	1° Trim 2017	2° Trim 2017	3 Trim 2017	4 Trim 2017
Bio var %	9.6	10.0	13.9	15.5	16.7	19.8	20.3	17.3	19.9	20.7	18.4	17.2	18.0	11.3	20.0	18.0
Alimentare var %	-1.2	5.0	-0.9	-0.3	3.8	0.8	4.1	2.8	2.1	-0.7	0.2	2.4	0.5	6.5	6.0	5.1

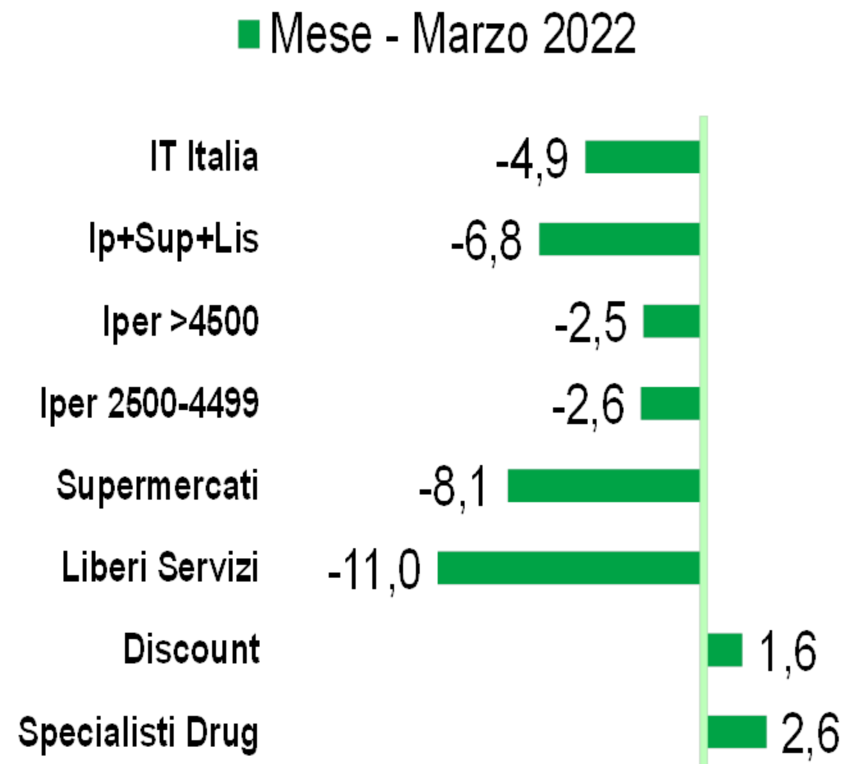
	1° Trim 2018	2° Trim 2018	3 Trim 2018	4 Trim 2018	1° Trim 2019	2° Trim 2019	3 Trim 2019	4 Trim 2019	1° Trim 2020	2° Trim 2020	3 Trim 2020	4 Trim 2020	1° Trim 2021	2° Trim 2021	3 Trim 2021	4 Trim 2021	1° Trim 2022
Bio var %	11.8	11.4	4.8	1.9	2.1	4.3	3.7	4.3	11.2	1.9	-2.3	3.9	0.1	-1.1	4.4	-2.5	-3.1
Alimentare var %	5.8	-0.4	1.1	1.5	-1.7	5.6	2.3	0.9	10.1	6.4	2.2	7.2	5.5	-3.5	3.0	0.1	-1.8

Trends

TOTAL REVENUE – CURRENT NETWORK

Variations in value vs. previous year in channels





KEY FINDINGS – March 2022
in large-scale retail trade

- In March, the percentage of sales on promotion (total for Italy) was lower than in the same period of 2021 (23.2%, -2.7 pp).

- The inflation index in March was up compared to the annual value (+4.4%) in Total Italy. Net of a negative change of -2.2% in the shopping basket mix, the price variation was 2.2%.

- In March, the Distributor Brand reached the 21.2% share of the LCC in the I+S+LS perimeter and amounted to 29.2% in total Italy.

First estimates for the 2022/23 campaign

- The cool spring induced a delay in the vegetative cycle, but these days we are experiencing very high temperatures, abnormal for the period, whose effects on flowering will have to be evaluated.

- High yields are expected in the Centre North and a lower production in the Centre South compared to 2021 (about -30%).

- To date, there is no lack of water in the Centre South.

Post-pandemic and conflict in Ukraine

- Modest effects on direct trade with Russia (in 2020, exports of virgin and extra virgin olive oil from Italy were worth around €29 million);

- Delays in procurement and delivery of agricultural inputs and packaging;

- High price increases in the main inputs as of end of 2021: pesticides (+30%), nitrogen fertilisers (+200%), diesel (+50%), electricity (+50%), etc. Increases in packaging materials (+50% in aluminium-based materials e.g. slivers, caps, cans; glass +30%; +20% in transport and logistics; +20% in paper and cardboard)

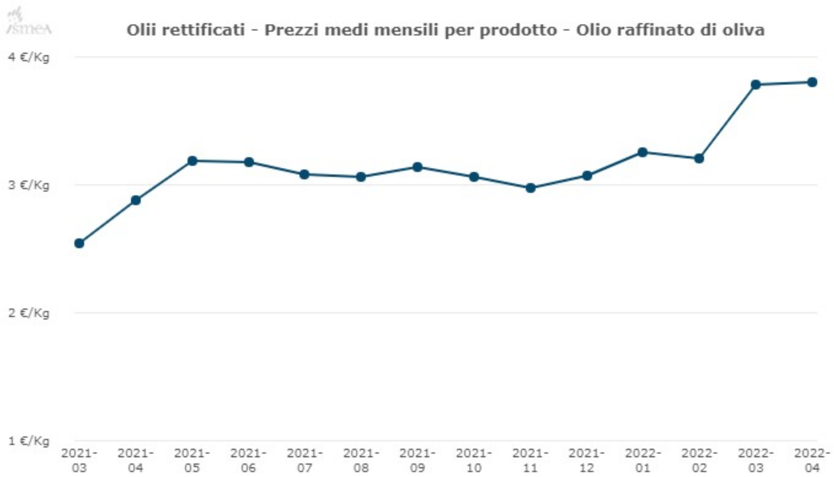
- Slow and gradual adjustment of retail prices for higher costs;

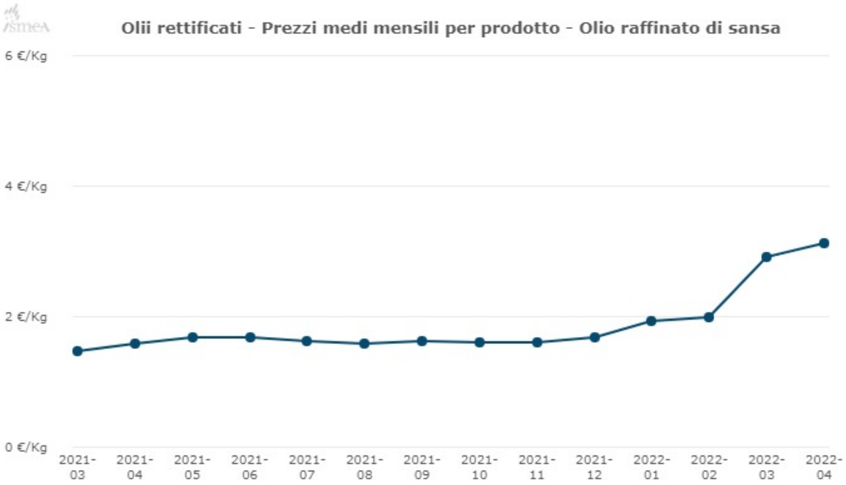
- Tangible effects of political instability on international trade and speculative effects;

- Uncertainty about market prospects;

- Increase of 'substitute' oils for seed oils.

Prices of refined oil





Xylella fastidiosa and olive growing in Apulia

- Over 3,000 infected plants found in the last monitoring campaign;
- Regional action plan to combat the spread of *Xylella fastidiosa* in force;
- Gradual implementation of extraordinary plan for olive-growing regeneration in Apulia;
- The case of the TAR rulings on the uprooting of infected plants.