



Short-term outlook for olive oil

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Outline

Balance sheet 2018/2019

Production prospects of
2019/2020 based on trend
analysis

EU exports expected to be record high in 2018/2019

- **Record highest** production in ES
- Overall **+4% EU production increase**
- **Lower availabilities** in **non-EU** countries

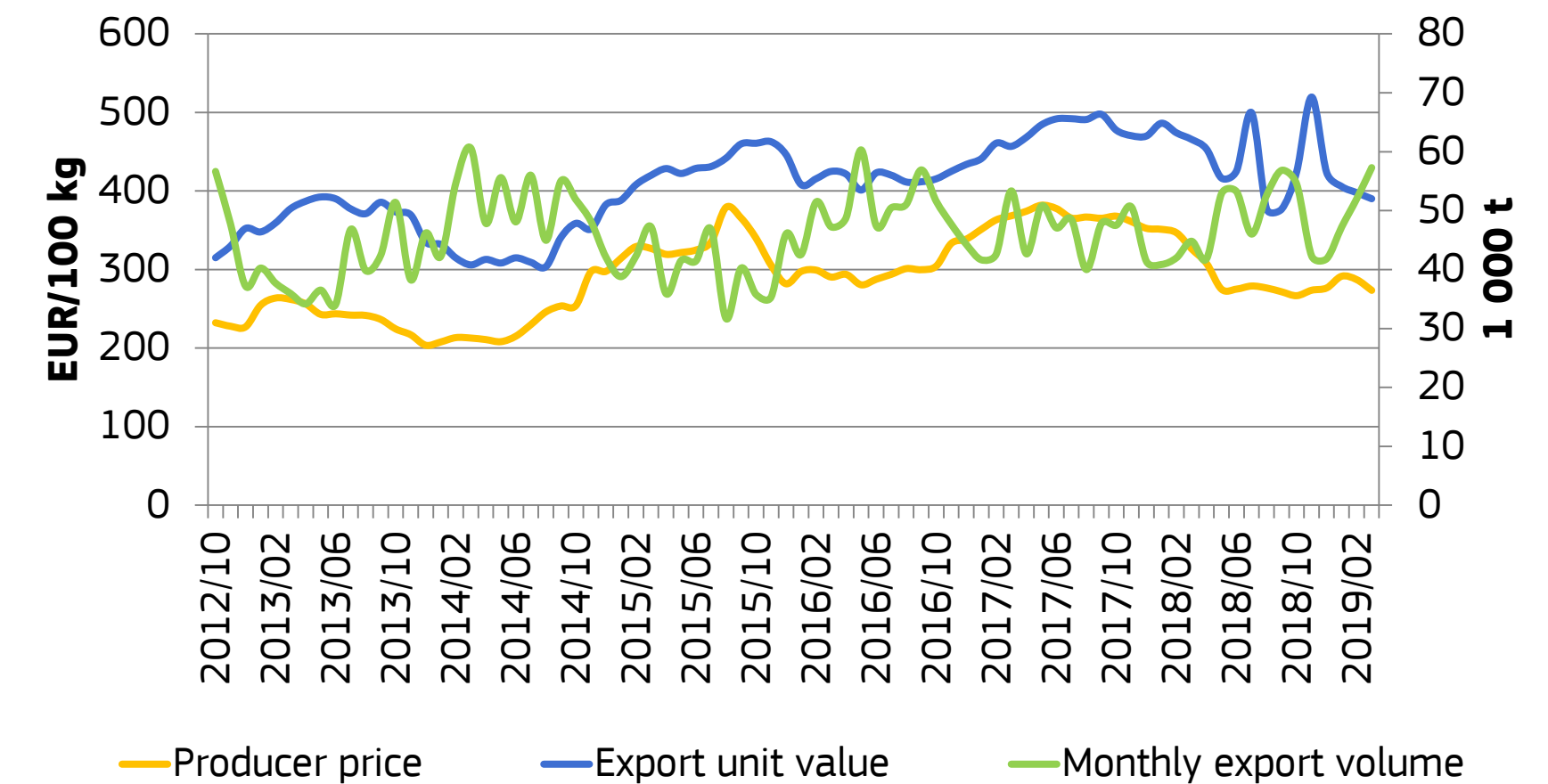


- **Increased availability** on the market
- Strengthen **leading position** of the EU
- **Lower prices** to further **boost trade**



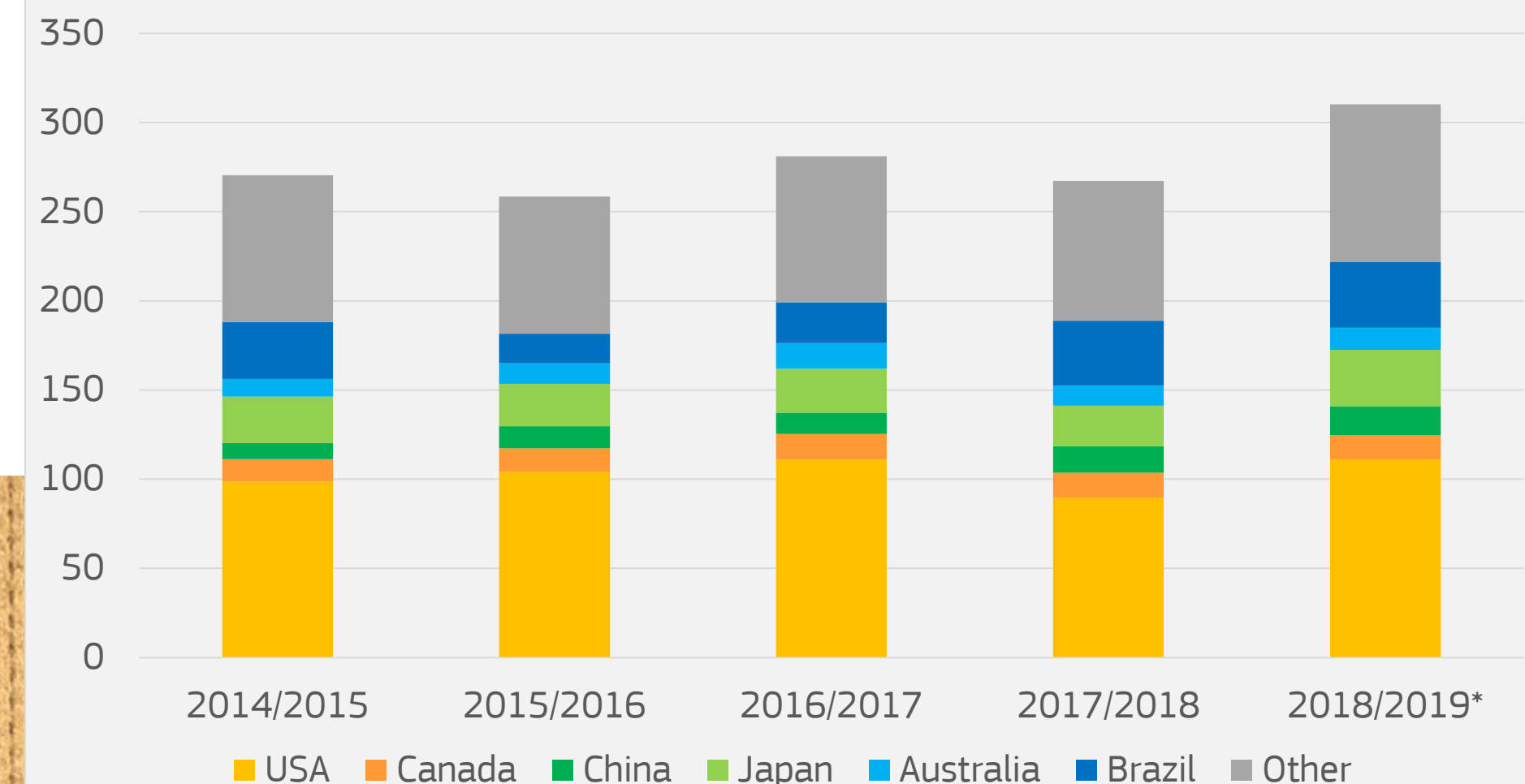
- **Exports** expected to be **record high 676 000 t** (+20% compared to 2017/2018)

EU olive oil prices and monthly exports

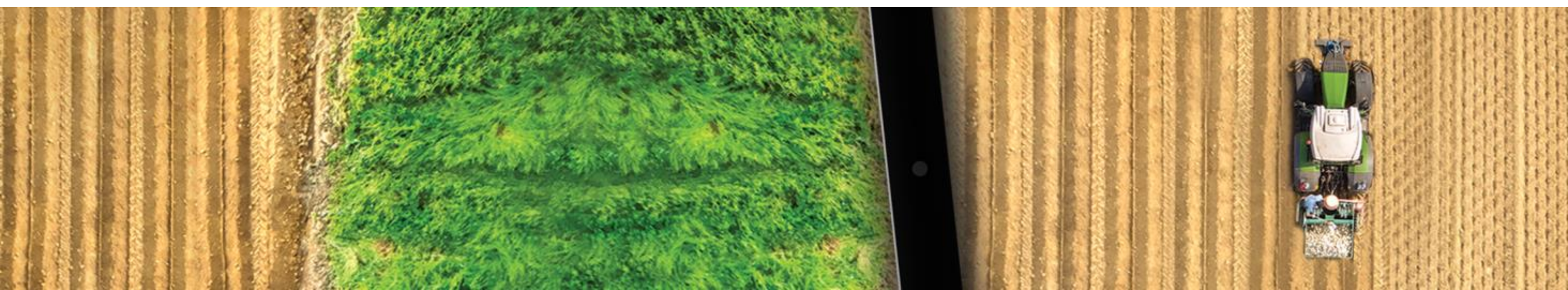


Source: DG Agriculture and Rural Development, based on COMEXT and MS notifications

EU exports by destination (1000 t)

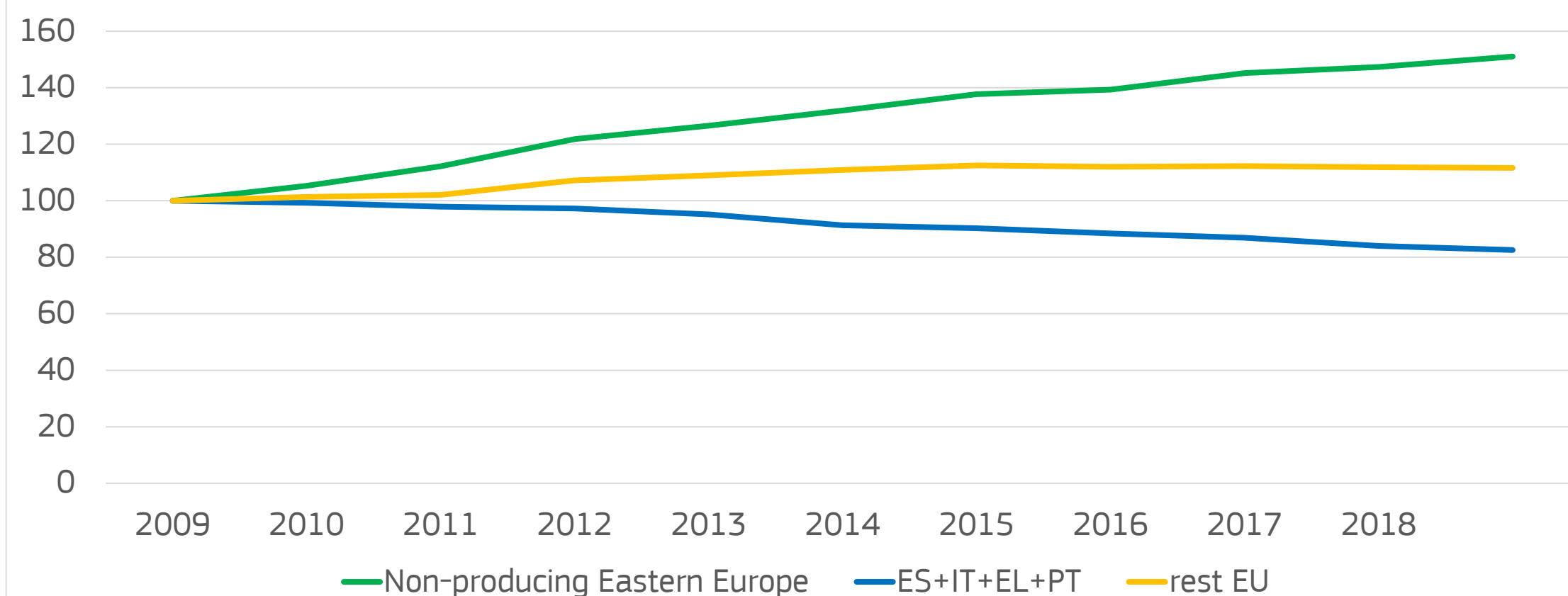


Source: DG Agriculture and Rural Development, based on COMEXT



Divergent consumption trends in the EU

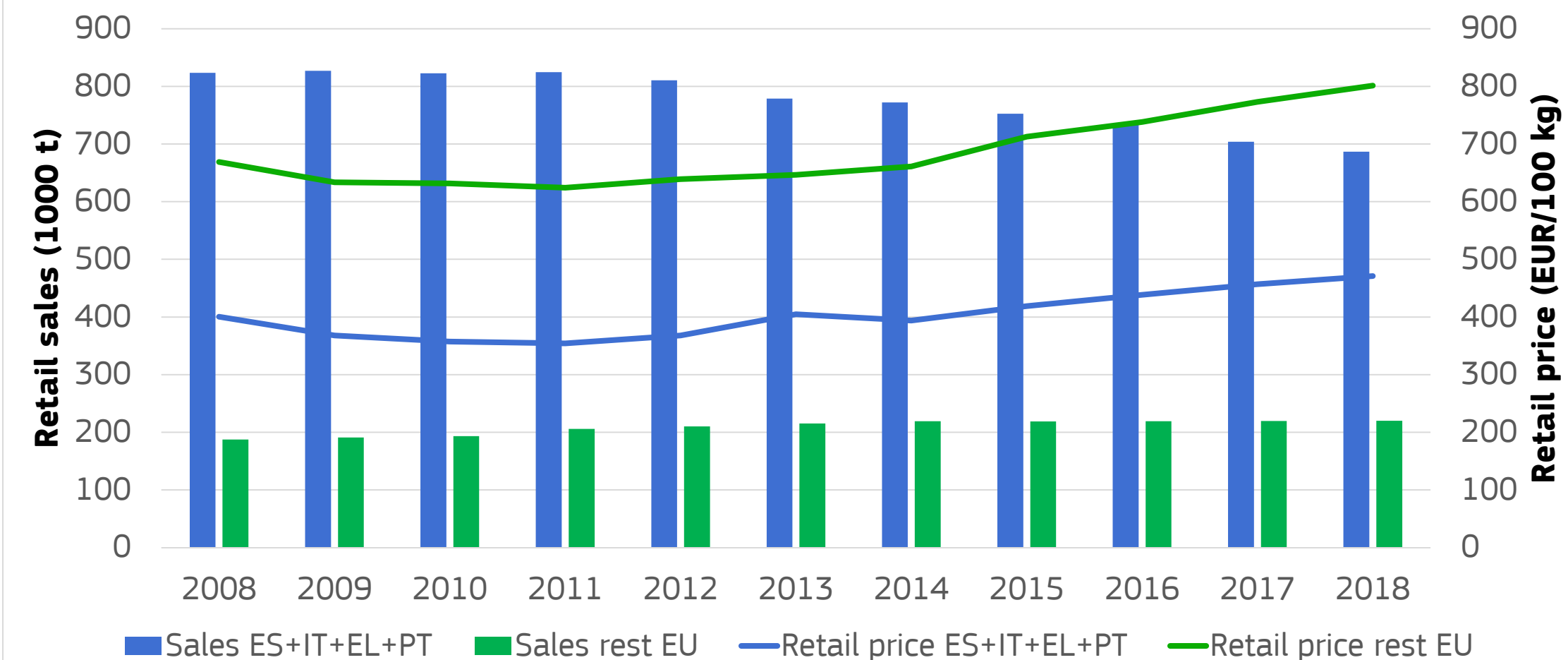
Structural trends in retail sales of bottled olive oil
(index 100 = 2008)



Source: DG Agriculture and Rural Development, based on Euromonitor

- **Dynamically growing** consumer markets **outside main producing EU countries** (but low absolute volume)
- Ongoing **downward trend** in retail sales in **ES, IT, EL** and **PT**

Retail sales and price

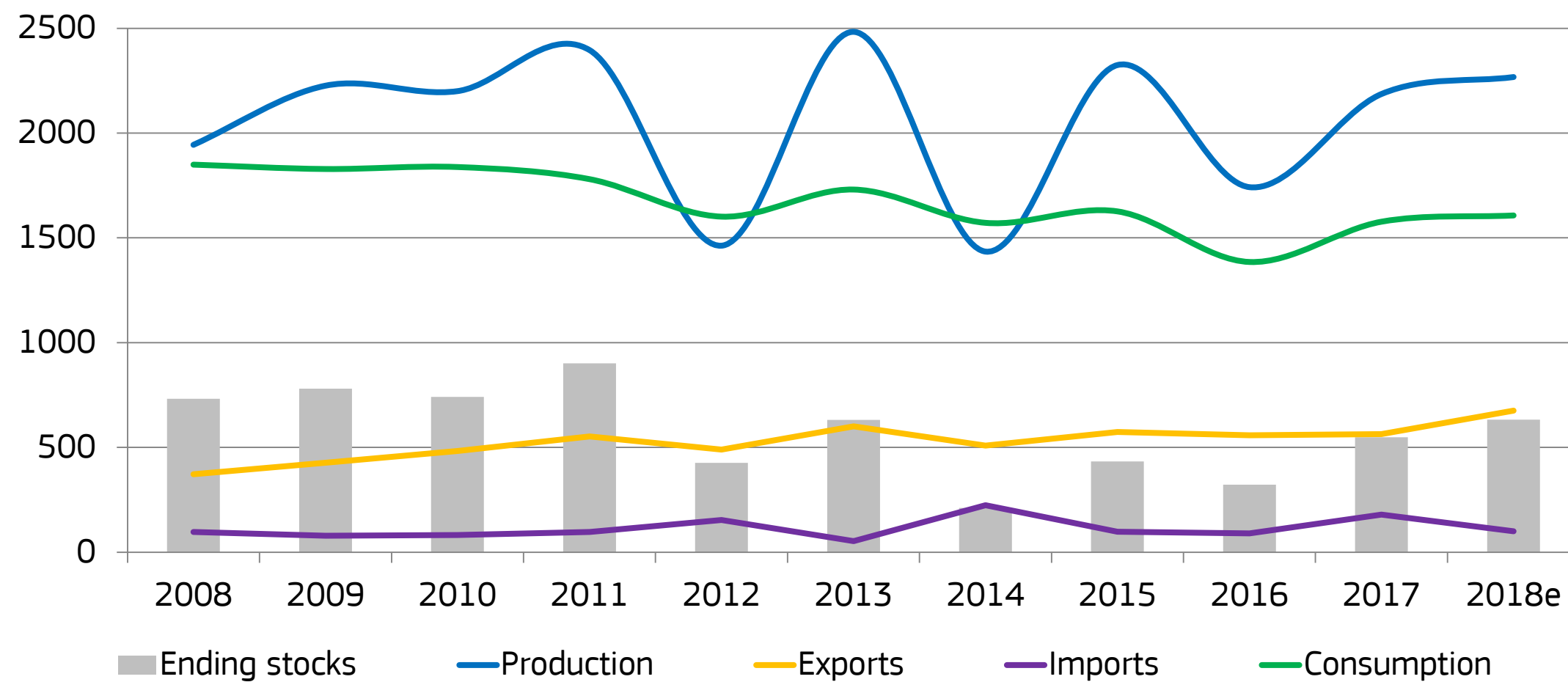


Source: DG Agriculture and Rural Development, based on Euromonitor

- More **price sensitive markets** of ES, IT, EL, PT
- **2018 – record high** retail prices
- ES+IT+EL+PT – 75% of the retail sales in 2018
- Non-producing Eastern Europe – 3%
- Rest EU – 23%

Lower prices expected to support the consumption growth in 2018/2019

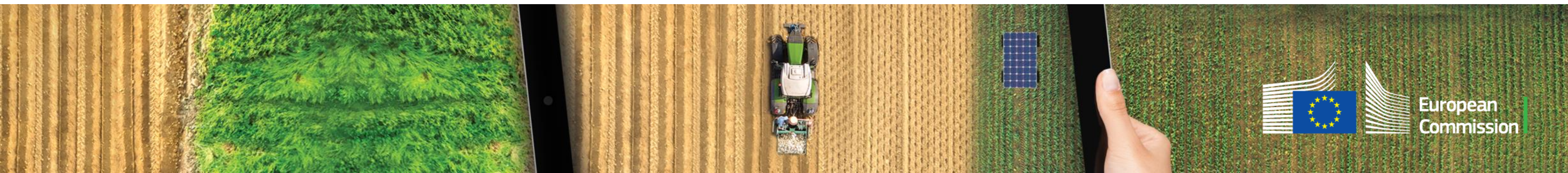
Balance sheet for EU olive oil supply (1 000 t)



Note: 200X refers to the campaign 10/200X – 09/200X+1

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

- **Lowest EU average price** of virgin olive oil **since October 2014** (265 EUR/100 kg in April 2019)
- **-14% below** one year ago
- **Consumption** expected to **grow** by **2%** (2% above last 5-year average)





Production prospects 2019/2020

Trend analysis



Agriculture
and Rural
Development

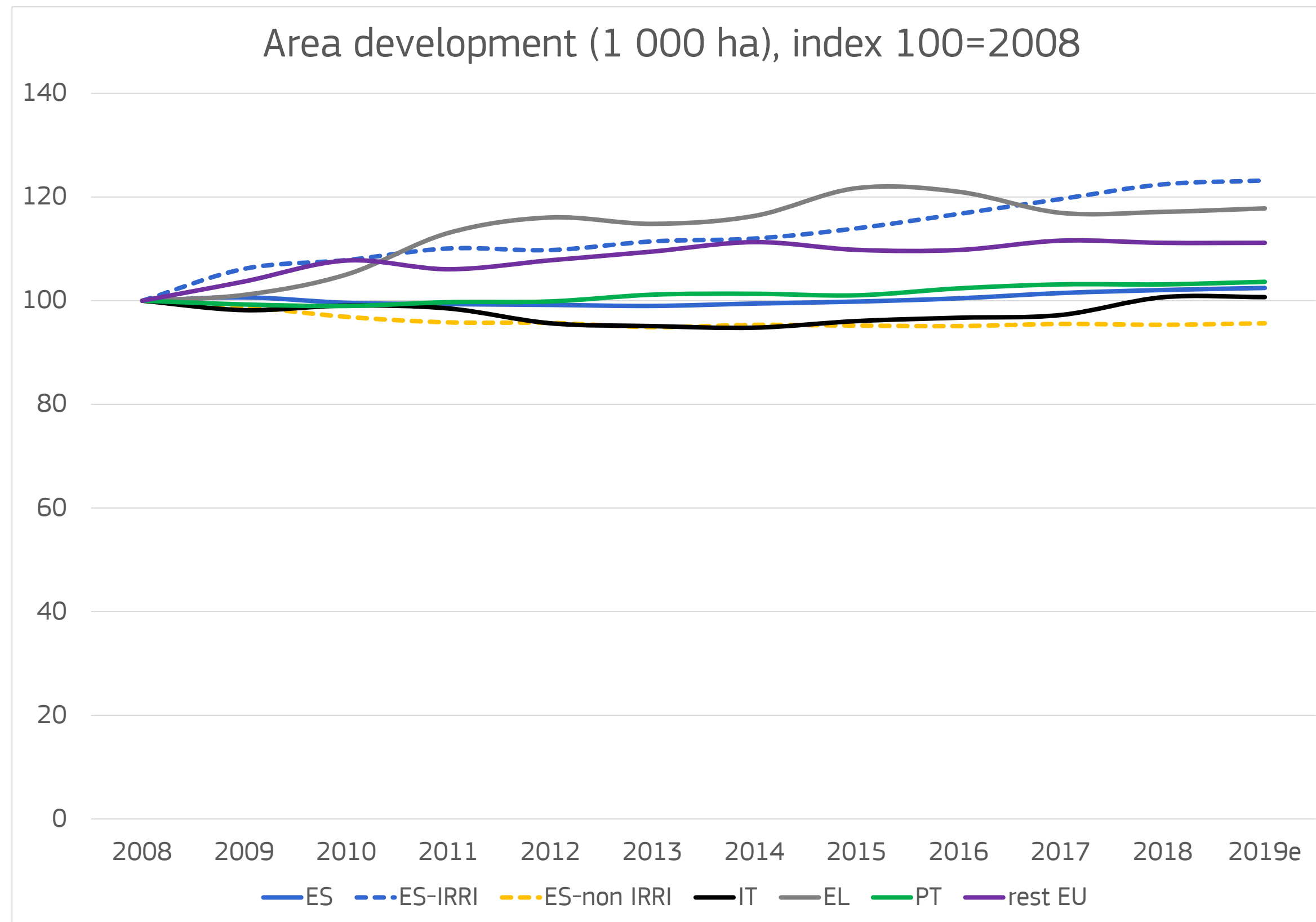
General considerations

- **Areas** development based on **trends**
- **Olive yields** weather-dependent and variable over years
- **Duable farm structures** - larger farms in ES and PT vs. smaller (and traditionally family) farms in IT and EL
- **Average oil yield** (correcting for extremes, current and last 5 campaigns)
- **Weather prospects** (MARS)



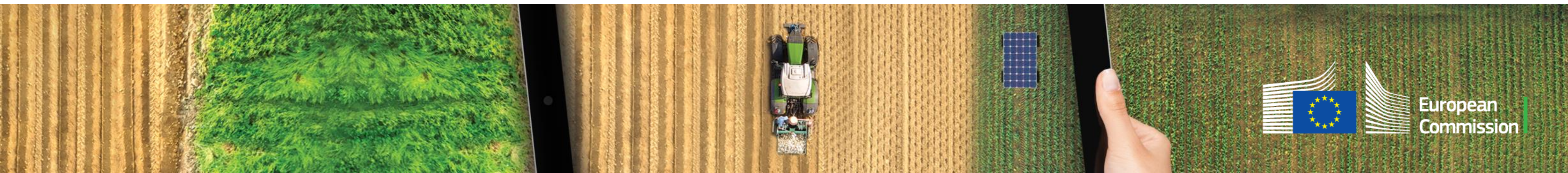
- Attempt to estimate **production prospects 2019/2020**

Area development remains stable but irrigated areas increase



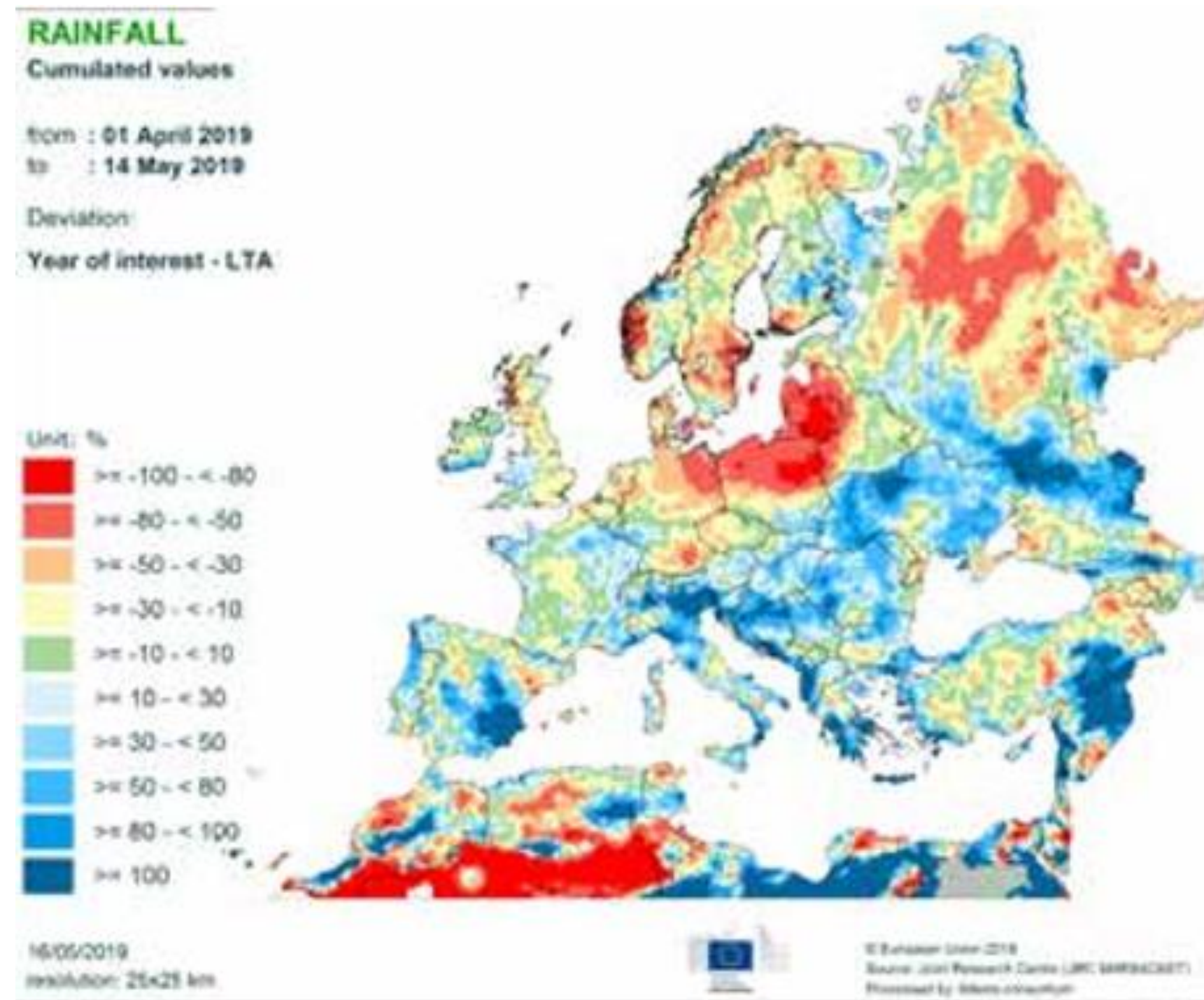
Source: DG Agriculture and Rural Development, based on Eurostat

- Based on the trend analysis, **total EU area** set to remain **stable in 2019**
- **Slightly growing irrigated** areas in **ES (+1%)**



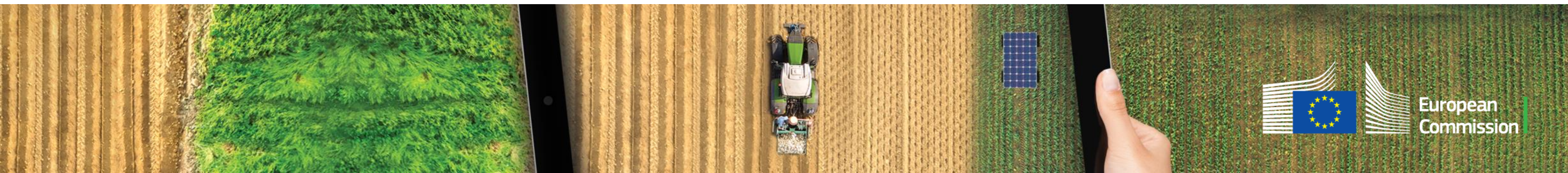
Weather impacting the yields of olives

Cumulated values of rainfall

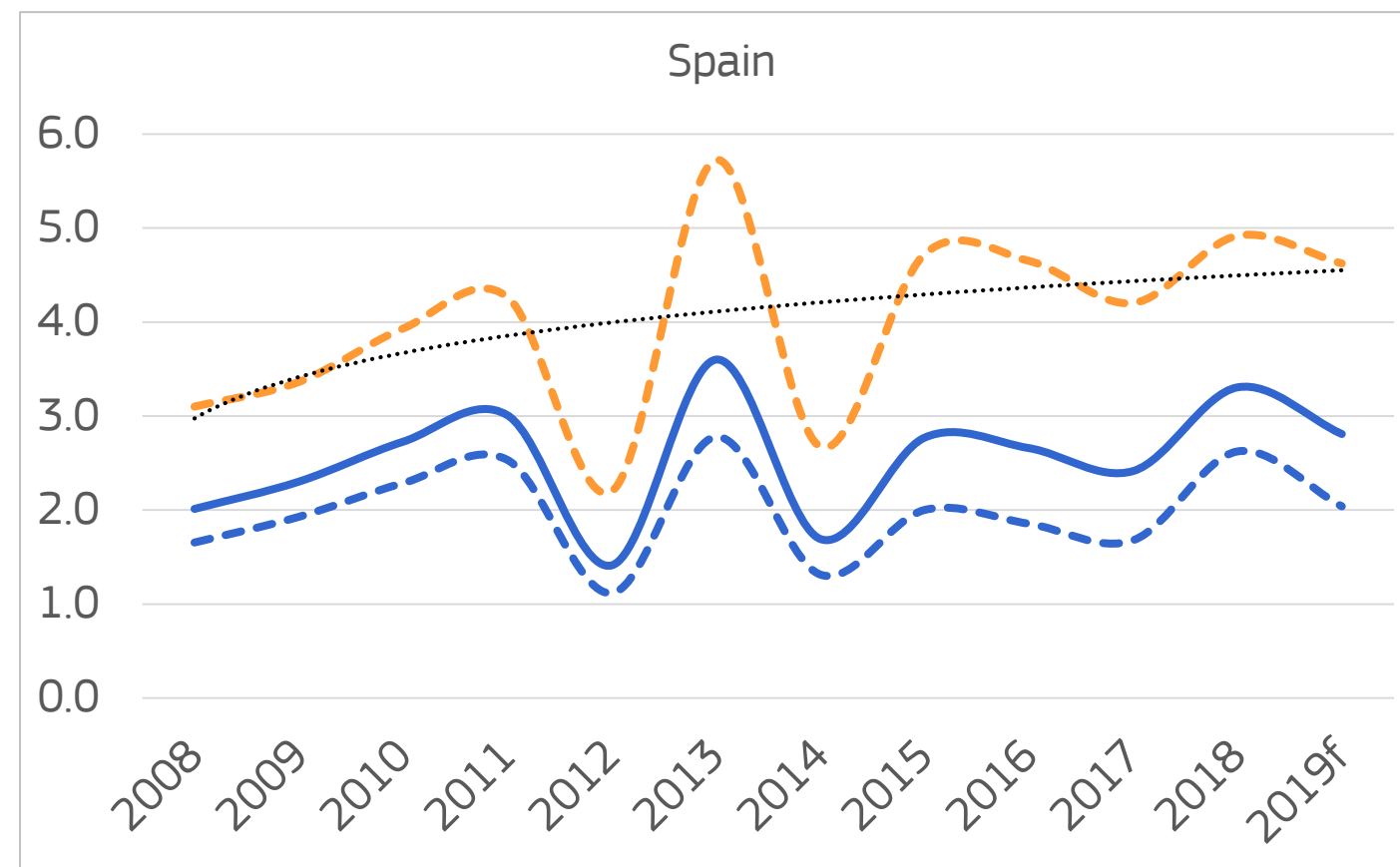


- **Lack of rain** at the beginning of the year 2019
- However, **rainfalls in April and May above seasonal values** in Italy, south-eastern Europe and south-eastern parts of the Iberian Peninsula
- ES water **reservoirs** have **partially recovered** but are still **below the long-term average**

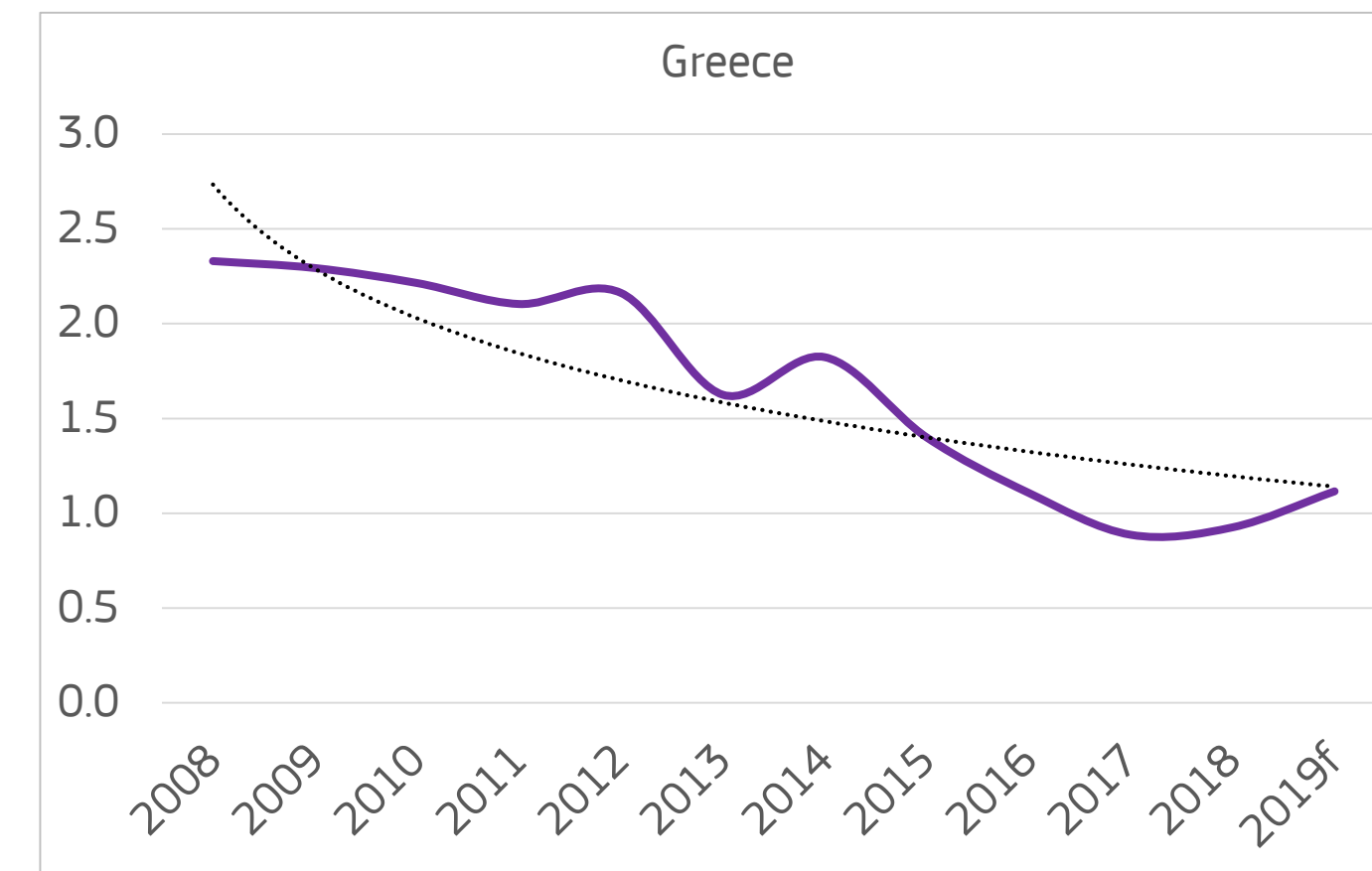
Source: Joint Research Centre MARS Bulletin



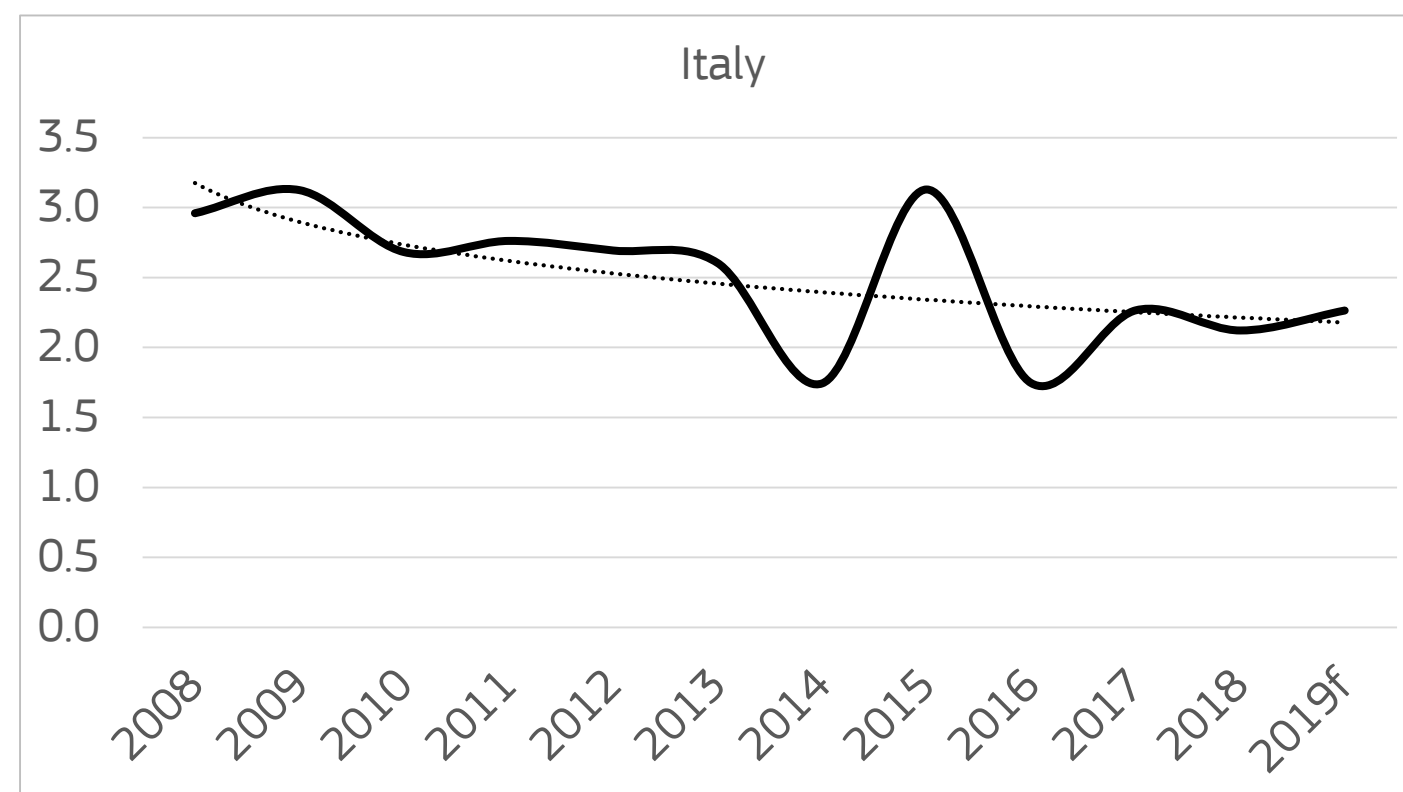
What do the trends in olives' yield development show?



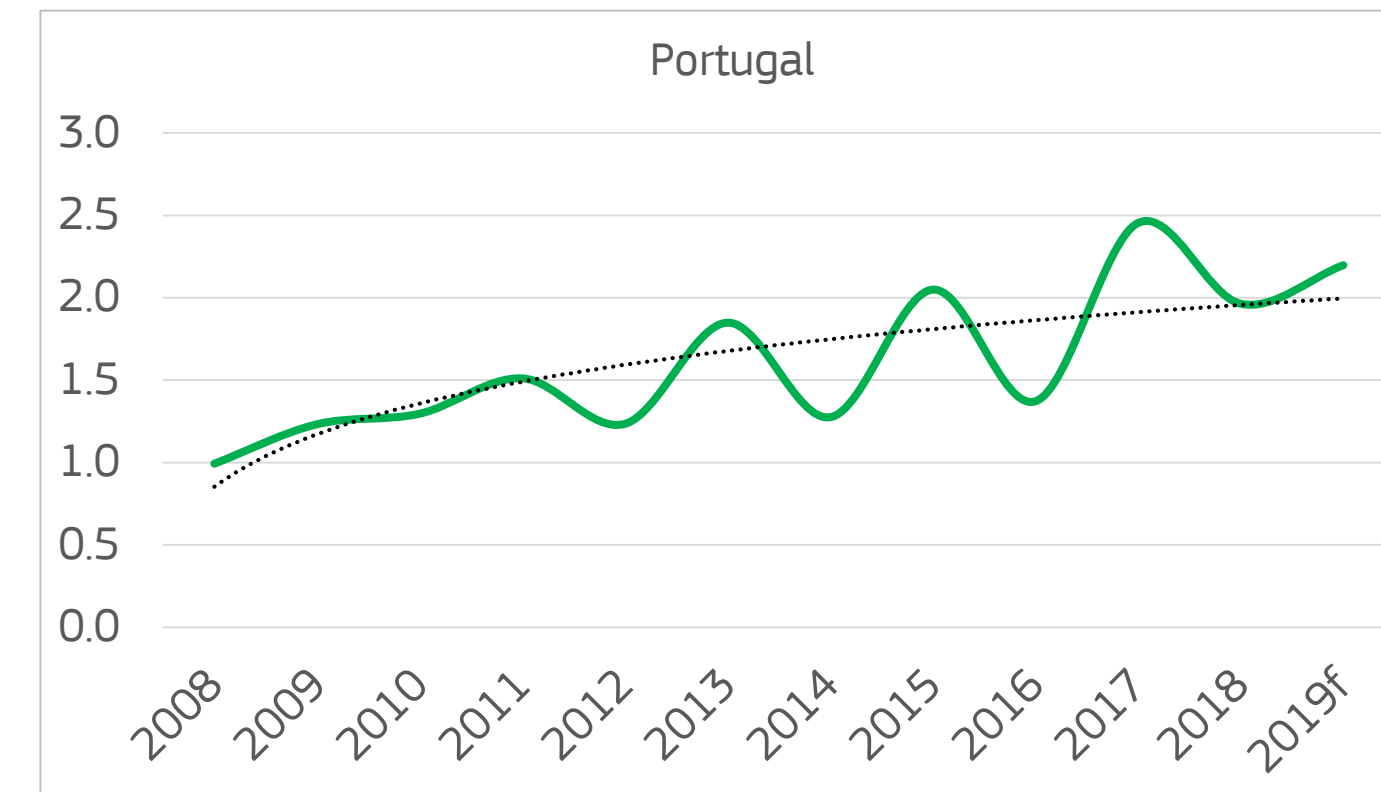
Source: DG Agriculture and Rural Development, based on Eurostat



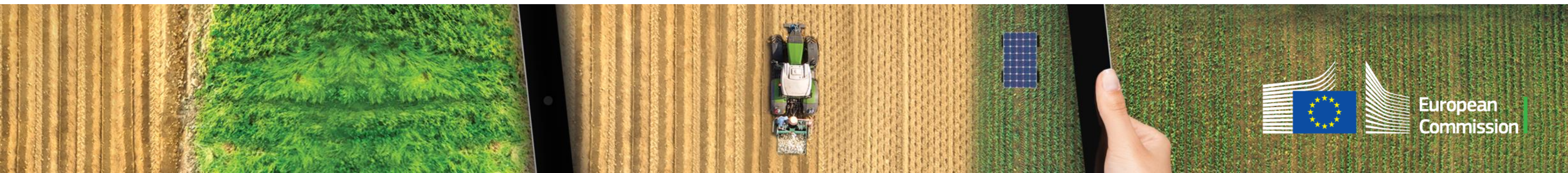
Source: DG Agriculture and Rural Development, based on Eurostat



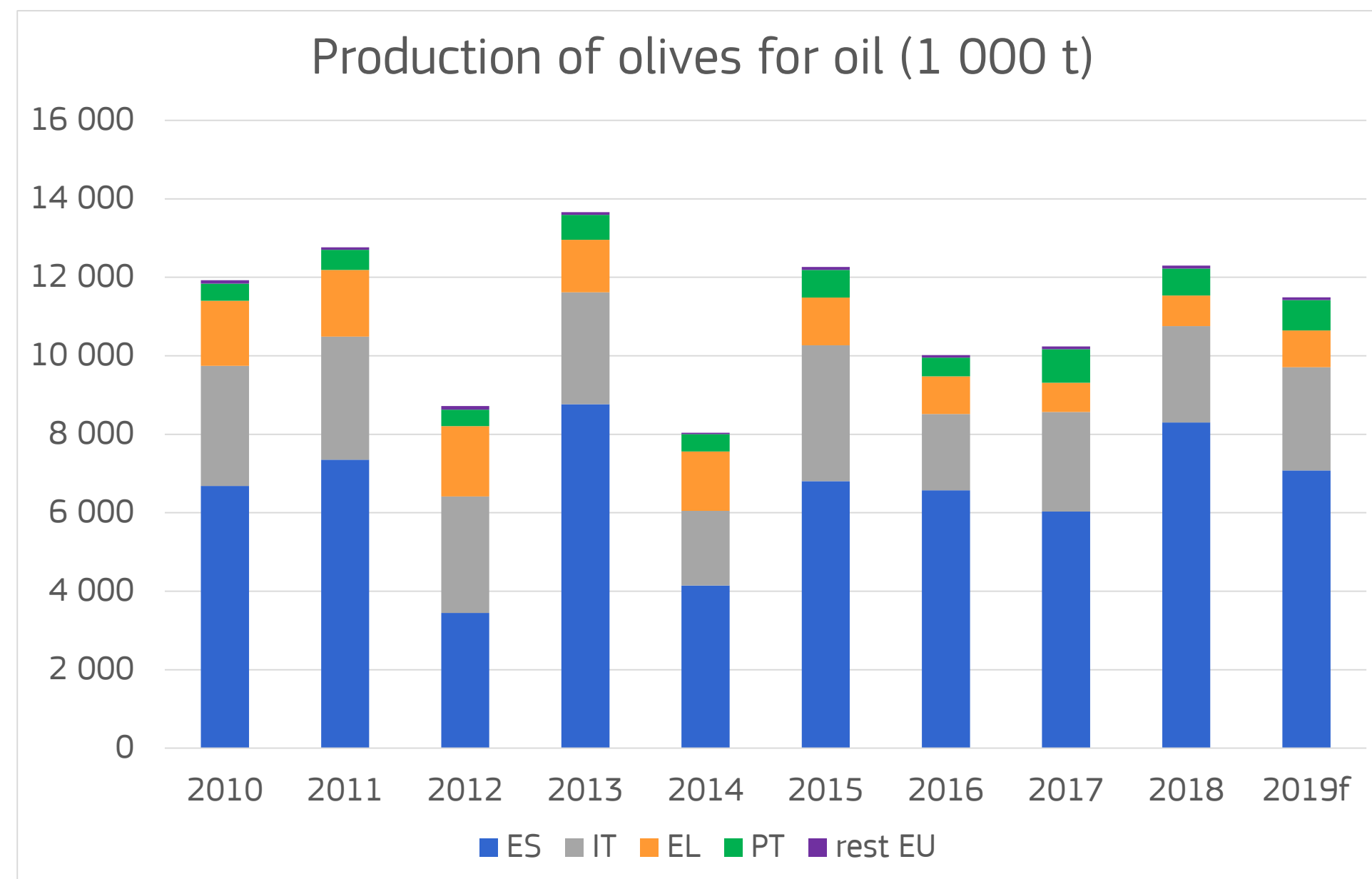
Source: DG Agriculture and Rural Development, based on Eurostat



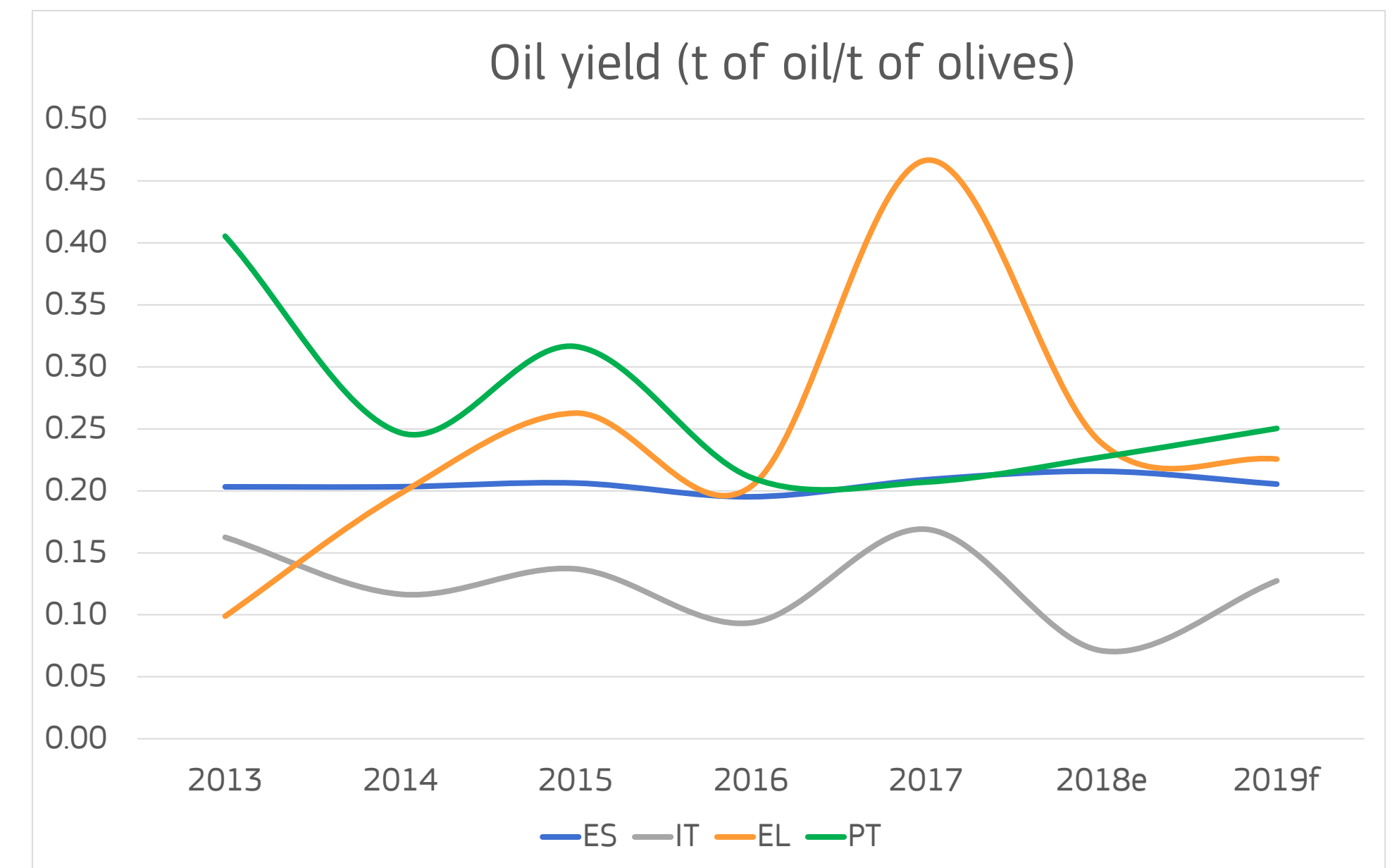
Source: DG Agriculture and Rural Development, based on Eurostat



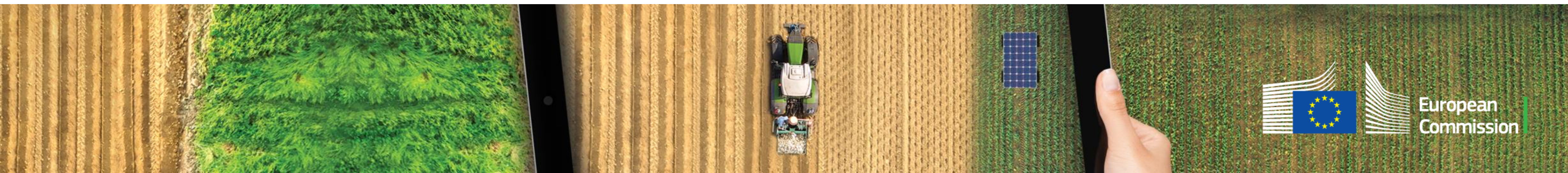
Higher yields would imply more olives for oil



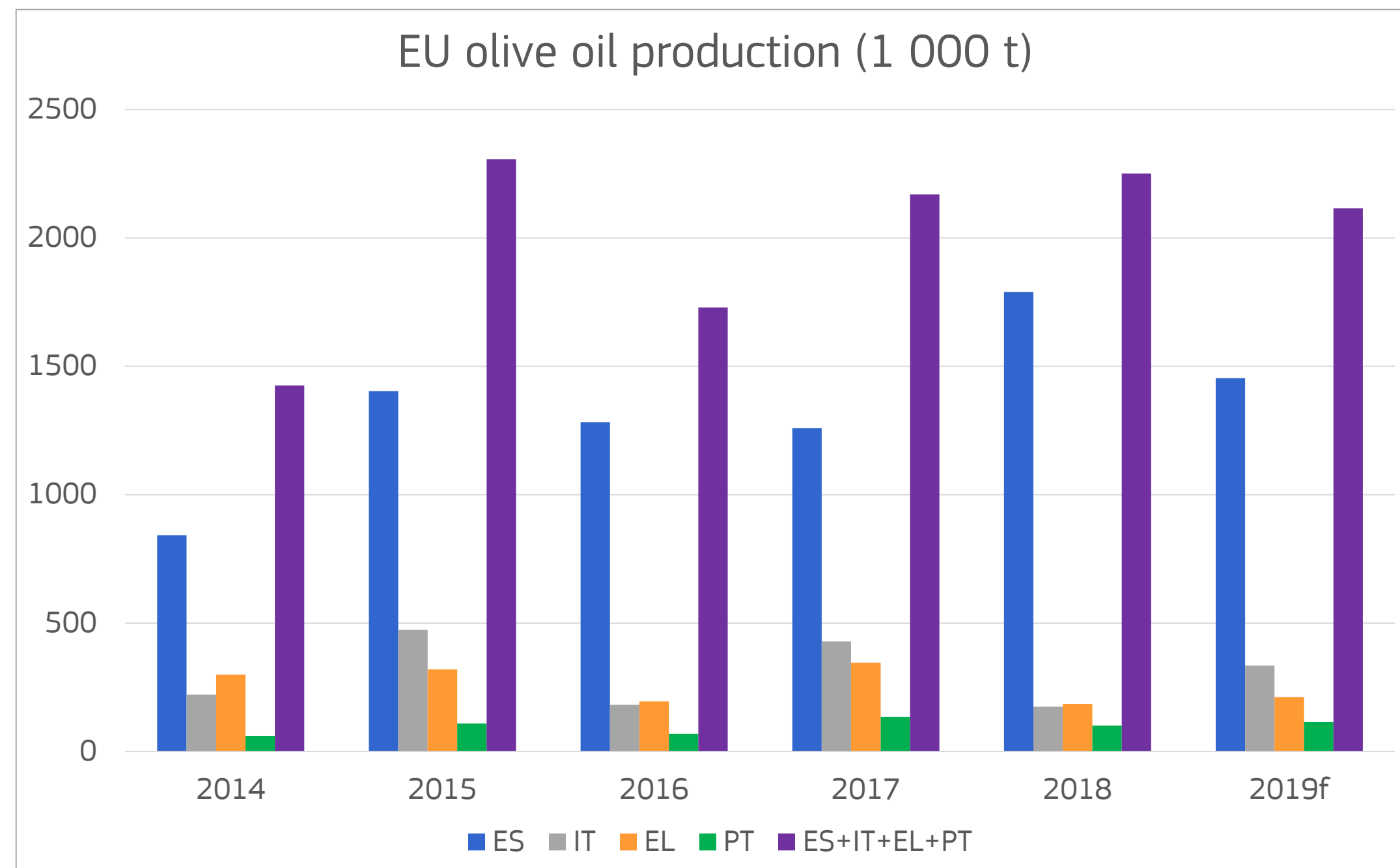
Source: DG Agriculture and Rural Development, based on Eurostat



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



Above-average campaign to come?

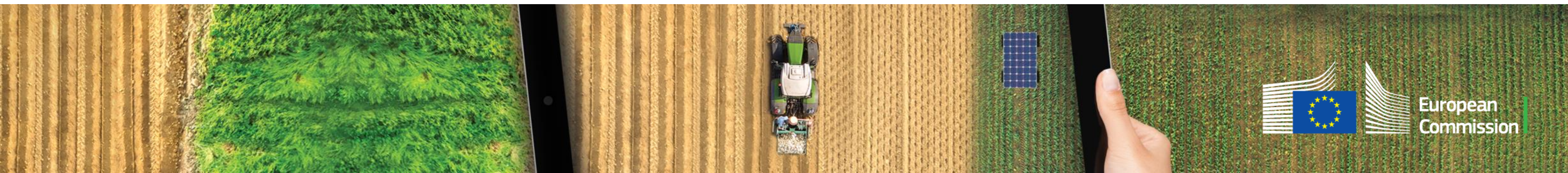


Based on trend analysis:

- **-19% ES**
- **+91% IT**
- **+15% EL**
- **+13% PT**
- **Overall -6%** in the main EU producing countries (+7% above last 5-year average)

Note: 200X refers to the campaign 10/200X – 09/200X+1

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



Thank you

Agricultural Outlook

https://ec.europa.eu/agriculture/markets-and-prices/medium-term-outlook_en

Markets briefs

https://ec.europa.eu/agriculture/markets-and-prices/market-briefs_en

Market observatories

https://ec.europa.eu/agriculture/market-observatory_en

CAP reform

https://ec.europa.eu/agriculture/future-cap_en

