



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL FOR AGRICULTURE AND RURAL DEVELOPMENT

Directorate E – Markets  
The Director (Acting)

Brussels,  
GV/oi (2022) (1.2.5.1) (5141352)

## MINUTES

### ***MEETING OF THE WORKING GROUP ON OLIVES OF THE CDG ON HORTICULTURE, OLIVES AND SPIRITS - OLIVES SECTOR***

***Meeting via videoconference (Interactio)  
on Friday 10 June***

Chair: AGRI E.4

Delegations present: All Delegations present, except The European Forum of Young Farmers (CEJA) and Organics International (IFOAM).

#### **1. Approval of the agenda and of the minutes of previous meeting**

The agenda was approved.

#### **2. Nature of the meeting**

The meeting was non-public.

#### **3. List of points discussed**

As usual, the meeting included discussions on the situation of the olive oil and table olives markets in the EU, including a presentation on the medium-term outlook of the EU olive sector.

##### **3.1. Olive oil market situation**

The European Commission representative introduced the point on the situation of the olive oil sector. World production is forecast at almost 3.4 million tonnes for marketing year 2021/22, 9% above the five-year average. EU olive oil production for 2021/22 is estimated at almost 2.3 million tonnes (increase by 11% year-on-year), whilst production outside the EU is expected to recover by 17% year-on-year.

Extreme weather conditions over summer 2021 (rain deficit, heatwaves and wildfires in the south of Europe) hampered yields in Greece, whilst production rebounded strongly in Italy and Portugal. For marketing year 2021/22, a production recovery in Italy and Portugal to around 329 000 tonnes and 206 000 tonnes respectively is expected, as production in these two Member States is expected to be in an “on” year. In Portugal, the record estimate results from favourable weather conditions, rainfall at the end of October as well as recent super-intensive groves entering in full production. At the same time, production in Spain is forecast at 1.49 million tonnes (revised up from 1.3 million tonnes initial estimate), as the negative impact on olive yields resulting from the lack of rainfall was offset by high oil yields. In Greece, production is expected to decrease by around 16% to around 230 000 tonnes. Greece has been particularly affected by the lack of rainfall during summer 2021, together with heatwaves and wildfires, which have hampered the fruit development.

Final trade data for marketing year 2020/21 was presented to the audience. The beginning of marketing year 2021/22 recorded lower trade flows amid uncertainties on the supply side as the harvest had barely started in the EU, as well as on the demand side driven by higher prices, not only for olive oil, but also for other vegetable oils. In the first half of the marketing year 2021/22, EU imports of olive oil from third countries reached almost 75 000 tonnes, decreasing by 26% compared to 2020/21, and by 13% compared with the five-year average. 83% of the EU imports corresponded to imports of olive oil from Tunisia (62 000 tonnes, of which 53% under inward processing regime). EU exports to third countries decreased by 10% in the first half of marketing year 2021/22 (compared to the previous one), reaching around 377 000 tonnes (although still 8% above the five-year average).

The Russian invasion of Ukraine had an impact on selling prices of olive oil (in particular of refined olive oil and lampante olive oil), on lower availability of sunflower oil originating in Ukraine. In the first three weeks following the invasion, lampante olive oil prices increased by around 15% across Member States, compared to average pre-invasion prices. Since then, prices stabilised in the following weeks, remaining at high levels. At retail level, prices have escalated as a result of increasing transport costs and ramping demand, as consumers were anticipating shortages and stockpiling olive oil. For extra virgin olive oil (EVOO), the price in Spain decreased almost to average levels in the last weeks, reaching EUR 3.41 per kg (16% above the five-year average). In Italy and Greece, EVOO prices slightly increased in the last weeks to EUR 4.30 per kg and EUR 3.41 per kg respectively.

COPA-COGECA informed the audience on the situation on the Spanish market that is currently running smoothly, and on the prospects for next marketing year (2022/23), where production could reach at most 1.3 million tonnes. The expert also raised concerns on how consumption is going to cope with high prices. According to FoodDrinkEurope, the current level of prices and logistic bottlenecks are hampering Spanish exports of olive oil to third countries.

COPA-COGECA then presented the current market situation and the new challenges in the Italian olive oil market. Italy accounts for 820 000 farmers, cultivating around 1 million hectares of olive groves, mainly traditional groves. Italian producers have currently 49 PDOs and PGIs and are developing steadily the organic production of olive oil. In the last decade, production of olive oil has been declining, on the back of climate change and *Xylella fastidiosa*. In the same period, consumption of olive oil in Italy has

remained broadly stable, increasing the need to import olive oil from other origins. For the upcoming marketing year 2022/23, below-average temperatures during spring 2022 have delayed the vegetative cycle, and production is forecast to decrease by around 20% compared to marketing year 2021/22. The Italian operators believe that the Russian invasion of Ukraine should have a limited impact in the Italian olive oil sector, as none of those two countries are an important trade destination. However, input costs have recently increased considerably (fertilisers +200%, diesel +50%, electricity +50%), and should negatively impact Italian producers in the short-term.

Finally, COPA-COGECA presented the situation of the olive oil market in Portugal with 380 000 hectares of olive groves. In the last years, production has strongly increased in the country mainly as intensive and super-intensive groves have entered in full production in the region of Alentejo, thanks to the water availability from one single dam (Alqueva dam). As a result, production in Portugal has rebounded from 54 000 tonnes in 2008 to an average annual production of 138 000 tonnes in the period 2017-2021, and even a record production of 215 000 tonnes in the current campaign 2021/22. Portugal has been awarded with seven PDOs, which represent 3% of the olive oil production. Concerns in the short-term include the low level of mechanisation, particularly in the traditional olive groves, as well as the availability of workers.

European Coordination Via Campesina (ECVC) commented on the traditional olive groves that are essential for the sustainability of the rural areas as they have a positive impact on fixing the population as well as on the economy of these regions.

### **3.2. Medium-term outlook**

The meeting continued with a presentation from DG AGRI on the medium-term outlook for olive oil. The presentation started with the main highlights of the outlook: (1) the recovery of EU olive oil prices in 2020/21 that has stimulated investments in new olive tree plantations, mainly intensive and super-intensive, (2) climate change that will remain a challenge leading to more resistant varieties to be planted, (3) EU exports that will become more important due to increasing EU production, and (4) growth of EU consumption, which is expected to be driven by non-producing Member States.

The presentation also covered challenges as well as policy developments over the medium-term, starting with the CAP Strategic Plans that will start being implemented from 2023. The post-COVID recovery is expected to continue in the coming years, but the economic impact of the Russian invasion of Ukraine (slowdown of economic growth, high inflation, increasing input costs and consumers' lower purchasing power) might hamper the prospects in the olive oil sector.

In the EU, production of olive oil is forecast to increase annually by around 1.3%, on the back of increasing production in Spain and Portugal, and stable production in Italy and Greece.

Regarding trade, EU exports should increase annually by 4% over the medium-term, in line with growing EU production, and sustained growth of global demand. On the other hand, EU imports of olive oil from third countries should decrease annually by 1.4% until 2031, compensated by more intra-EU trade.

Finally, EU consumption is forecast to increase slowly, driven by dynamic markets (France, Belgium, the Netherlands and Germany), where olive oil is set to become more

competitive compared to other vegetable oils. However, increasing prices could limit consumption growth.

COPA-COGECA commented on the medium-term prospects, mentioning that olive oil groves are more efficient as regards water demand compared to other permanent crops; a limited water supply in irrigated groves ensures a satisfactory olive oil production.

FoodDrinkEurope mentioned that Portugal is a clear example of olive oil production rebound, when appropriate conditions are met (water supply, weather conditions). On the other hand, traditional olive groves would face a challenge, as they are less competitive compared to intensive and super-intensive groves, and should therefore be considered in the policy-decision process.

On the Spanish consumption pattern, FoodDrinkEurope commented on the slowdown in the last years and considered that the current higher consumption in Spain was a one-off effect of the Russian invasion in Ukraine. This recent increase in consumption is not expected to solve the decreasing trend; efforts should be made to recuperate consumers and to bring added-value to the olive oil products.

For Italy, COPA-COGECA insisted as well on the water supply, which would be critical to the expected increase in production of olive oil over the medium-term.

### **3.3. Table olives market situation**

In the table olives sector, world production is forecast at 2.9 million tonnes for 2021/22 according to the IOC, increasing by 8% compared to the previous marketing year. EU production of table olives is forecast to increase by 8% in the marketing year 2021/22, compared to 2020/21. The production recovery in Spain at 661 000 tonnes (recently revised up from 645 000 tonnes), should compensate for the strong decrease by 28% year on year (y/y) of the production in Greece. EU trade balance increased by 5% (y/y) in the first seven months of marketing year 2021/22; imports decreased by 7%, reaching 85 000 tonnes, whereas exports increased marginally by around 1% in the same period, reaching 264 000 tonnes.

The Spanish Association of Exporters and Industry of Table Olives (ASEMESA) presented the last point of the agenda on the current situation and new challenges in the table olives sector in Spain. The EU has around 700 000 ha of olive trees for table olives (45.4% of world areas); Andalusia 142 000 ha (representing almost 10% of world areas). As regards the type of olives for table olives, Spain has recorded a strong increase of the variety Hojiblanca in the recent years. This variety is considered a “double use” variety as it can be harvested to produce olive oil as well as table olives. In Spain, the share of “double use” varieties has increased from 30% in 2010 to 61% in 2020, with an area of around 197 000 ha in 2020.

Regarding trade, ASEMESA indicated the main factors that have limited Spanish exports of table olives, in particular the US tariffs on Spanish table olives. Spanish exports of table olives to the US have decreased by 34% in the last five years (decrease by 69% of ripe olives and by 24% for green olives). As US imports have remained stable, other producing countries (Morocco, Egypt and Portugal) have benefited from the US tariffs on table olives and have increase their share in that market. Other factors limiting Spanish exports of table olives are the COVID-pandemic, the Russian invasion of Ukraine, the increasing input costs and Brexit. On a positive note, Spain has also increased its exports

of table olives to other markets in the recent years (South Korea, Chili, Iraq, Romania, India).

#### **4. Next meeting**

Next meeting is tentatively scheduled on 18 November 2022.

#### **5. List of participants**

See in annex.

(e-signed)

Michael SCANNELL  
(Acting Director)

List of participants– Minutes  
*Meeting Of The Working Group On Olives  
Of The Civil Dialogue Group On Horticulture, Olives And Spirits  
by videoconference (Interactio) on Friday 10 June 2022 from 09:30 to 12:30*

<b>ORGANISATIONS</b>
BEUC
CELCAA
COPA / COGECA
ECVC
FOODDRINKEUROPE