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## KEY MESSAGES

### Olive oil: -25%

EU olive oil production in 2022/23

### Wine: +1.5%

EU wine production in 2022/23

### Apples: +18%

EU apples destined for processing

### Oranges: +20%

EU fresh oranges imports

## SPECIALISED CROPS

### HIGHLIGHTS

EU olive oil production is expected to decline in 2022/23 by 25%, with a drop observed in almost all main EU producing countries, except EL. To some extent, the lower availability is likely to be covered by increased imports while EU exports could decline, especially into some more price-sensitive markets. In addition, lower availability in main EU producing countries and ongoing pressure on consumer prices might lead to the EU consumption decline (-9%).

Contrarily to the olive oil, 2022/23 EU wine production is forecast to increase (+1.5% year-on-year). The final production figures will be determined by water and thermal stress, impacting both quantity and quality of grapes, and potentially leading to an early harvest. EU consumption could resume its historically decreasing trend from 23 L to 22.6 L per capita after two years of perturbations due to the COVID-19.

2022/23 EU consumption of fresh apples is expected to go slightly down to 12 kg per capita, mainly due to a rising inflation pressure and a general reduction in fresh fruit consumption. The higher electricity price, the high production in PL and the expected lower quality should increase the share of usable apple production used in processing. EU orange production is expected to decline in 2022/23 to one of the lowest levels since 2015/16, due to adverse weather conditions particularly in ES. Despite the low orange production and expected higher prices, the amount for fresh consumption could decrease less than that for processing.

# OLIVE OIL

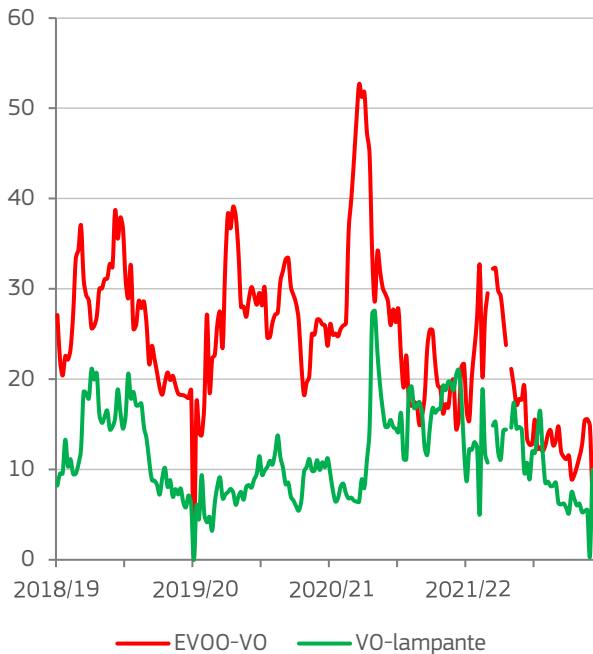
## 2021/22 EU EXPORTS ABOVE EXPECTATIONS

Despite an initial expectation of EU exports to be reduced by 4% in 2021/22, shipments in Oct-Jun remained around 1% below the same period last year. Increasing exports to the US and China (incl. July) compensated for losses in other main export destinations (Brazil, Canada, Japan, Australia), together with increasing shipments to some growing destinations. Therefore, 2021/22 EU exports could be similar as last year, further supported by the euro/dollar exchange rate, and still a competitive price compared to other vegetable oils. On the contrary, EU imports continue declining, as the main provider (Tunisia) likely keeps certain stocks in its domestic market, and they therefore could only reach around 145 000 t.

The EU consumer price of olive oil continues increasing but at a lower rate than other vegetable oils (+12% year-on-year in August) which supports growing demand, combined with a recovery of tourism. Therefore, 2021/22 EU consumption could grow by 11% as anticipated in the previous outlook report.

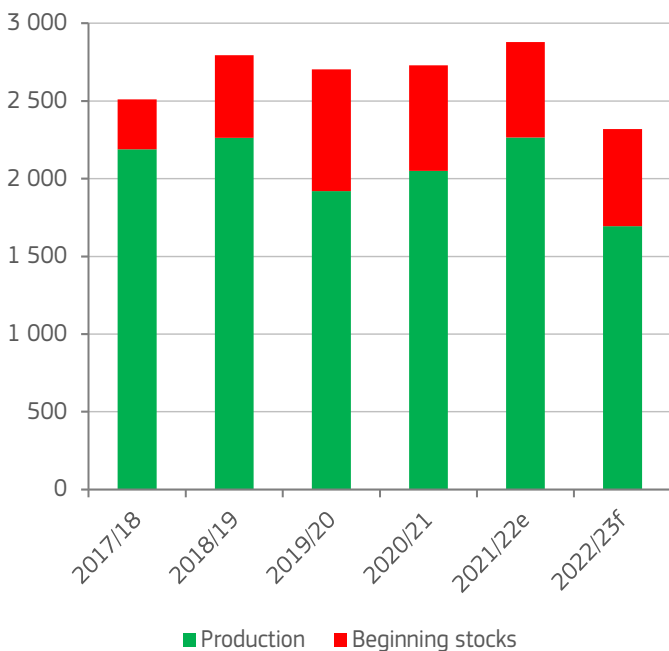
Increasing production costs in addition to an overall pressure on fat markets contribute to a diminishing producer price differential across olive oil categories. In August, ES national price of extra virgin olive oil reached close to EUR 400/100kg (38% above 5-year average), closely followed by virgin (EUR 385/100kg) and lampante category (EUR 377/100kg).

Price differentials between different categories of olive oil in Spain (EUR/100 kg)



Note: EV00 – extra virgin olive oil, VO – virgin olive oil  
Source: DG Agriculture and Rural Development, based on MS notification.

Initial availability of olive oil in the EU (1 000t)



Source: DG Agriculture and Rural Development, based on MS notifications and publicly available information.

## LOWER THAN EXPECTED 2022/23 EU PRODUCTION

Heat during the flowering period, combined with water deficit during the olives' growth phase negatively impacted 2022/23 EU olive oil production both in volume and quality. In ES and IT, production reduction could be around 30%. In the case of PT, adverse weather conditions and off-year in alternate bearing cycle, could to some extent be offset by the production in more intensive systems located in Alentejo, less affected by drought. Nevertheless, it could still be almost 40% below last year. Among main EU producing countries, only EL could recover, providing supplies for the internal market. However, 2022/23 EU olive oil production might only reach 1.7 million t (25% below last year, and 20% below 5-year average). Despite high ending stocks of the previous season (625000t), the initial availability in 2022/23 could be the lowest compared to the previous 5 marketing years.

An expected good harvest in Tunisia (around 250 000 t), could allow some stock release, and therefore higher EU imports are expected (200 000 t) while EU exports could drop by 10%, assuming worsening economic outlook, thus a lower demand in more price-sensitive markets. In addition, lower availability in main EU producing countries and ongoing pressure on consumer prices might lead to the EU consumption decline (-9%). Overall, ending stocks might be reduced by around 45% (to close to 350 000 t).



# WINE

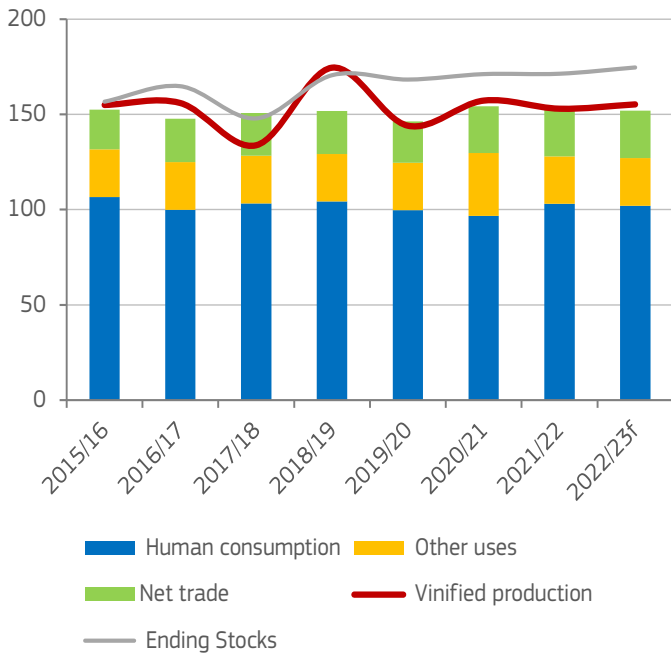
## 2022/23 EU WINE PRODUCTION AND ITS QUALITY ABOVE AVERAGE

In 2022/23, EU wine production is estimated to be 2.5% above 5-year average (+1.5% year-on-year), and so it could reach around 155 million hl. This is mainly due to a larger production expected in FR (around +15% year-on-year). This is likely to compensate for the drop in ES (-10% year-on-year) while overall volume in IT should remain close to 2021/22 marketing year.

The final production figures will be determined by water and thermal stress, impacting both quantity and quality of grapes, and potentially leading to an early harvest. Above-average temperatures lasting for weeks could decrease the total production, but could also increase the quality of wine in 2022/23 marketing year due to a significant reduction of fungal infections.

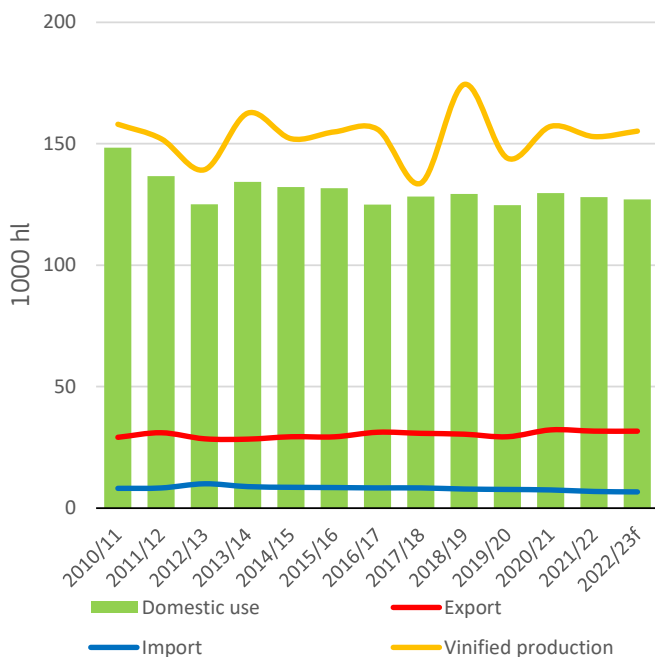
2022/23 EU wine consumption could decrease by 2% year-on-year (from 23 l to 22.6 l per capita). To some extent, this change can partly be explained by change in the EU population. At the same time, this marks a return closer to a longer-term trend.

EU wine production, consumption, net trade and ending stocks (million l)



Source: DG Agriculture and Rural Development, based on Eurostat.

EU wine production, domestic use and trade



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

## HIGH AND STABLE EU WINE EXPORT

2022/23 EU wine exports, driven by quality wines which cover more than two thirds, are expected to remain on the same level as the last marketing year (31.6 million hl, 2.3% above 5-year average). The main EU export markets in 2022/23 could remain the US (with a current share of 30% in value) and the UK (18%), followed by Switzerland, Canada and China. EU shipments of PDO and PGI wines to Russian Federation are decreasing both in terms of volume and value but increasing flows of cheaper wines could offset the decline overall.

EU exports of varietal wines and “other wines” are expected to follow an increasing trend. However, this might be affected negatively if rising costs of energy, transport and costs of packaging are sustained.

2022/23 EU wine imports are forecast to follow a declining longer-term trend, driven by a drop of imports of PDO wines. They are expected to decrease to 6.7 million hl (-2.5% year-on-year and 12% below 5-year average).

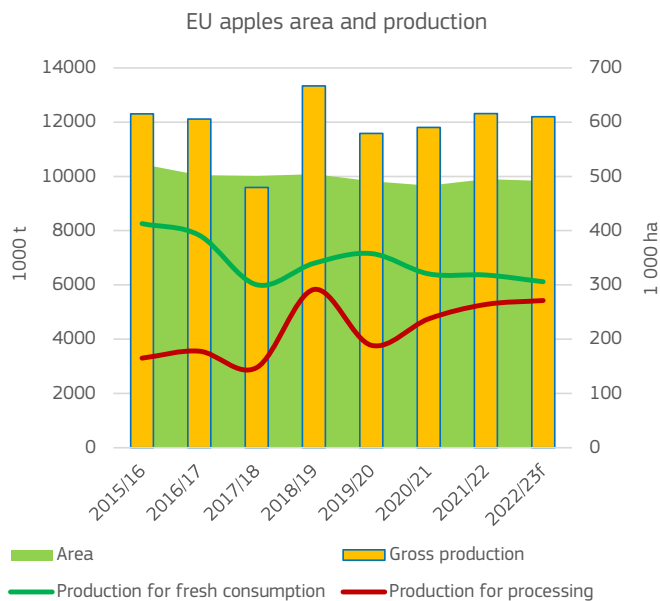


# APPLES

## RECORD SHARE OF APPLES FOR PROCESSING

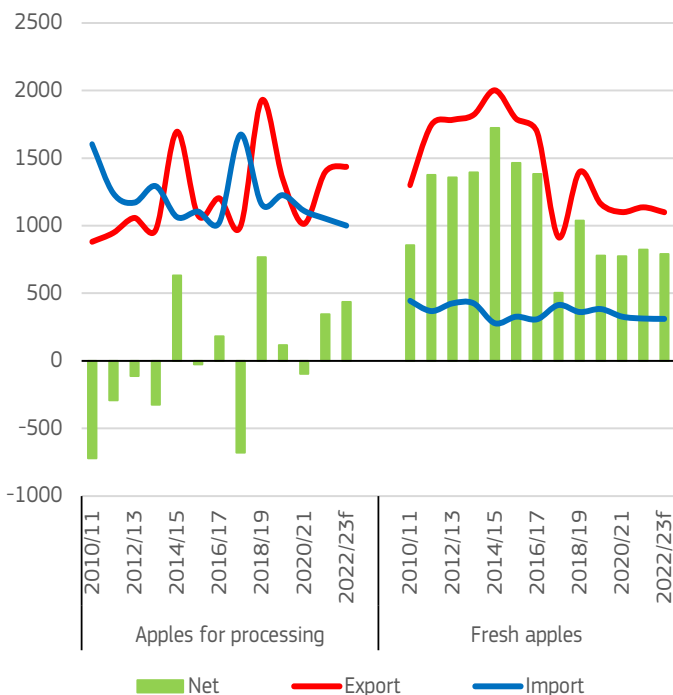
2022/23 EU apple production is expected to be around 12.2 million t (similar level as last year, 2.5% above 5-year average). On one hand this is driven by, for a second year in a row, a quite generous crop expected in PL due to favourable weather conditions whereas. On the other hand, the heatwave, drought and the irrigation restrictions in Western and Southern Europe during summer months would have resulted in a lower than usual production, with apples of a smaller size, with less colour but of a higher sugar content. In the EU, around 6.1 million t of apples are expected to be sold for fresh consumption (-4% year-on-year and 6% below 5-year average).

The increase of electricity price (particularly relevant for the storage cost of the sector), the high production in PL, together with the expected lower quality, should increase the share of usable production used in processing. In volume terms, this is expected to be 5.4 million t (18% above 5-year average). In PL, as high as 75% is estimated to go to processing. EU apple processing sector should likely absorb this increase as China is expected to have a 20% lower production due to weather issues.



Source: DG Agriculture and Rural Development, based on Eurostat.

## EU trade of apples (1000 t)



Source: DG Agriculture and Rural Development, based on Eurostat.

## DECREASE IN EU CONSUMPTION OF FRESH APPLES

EU consumption of fresh apples is expected to go down in 2022/23 to 12 kg per capita (compared to 12.2 kg in 2021/22). This is mainly due to rising inflation pressures and a general reduction in fresh fruit consumption already observed in the first half of the year. The lower consumption would also be in line with a lower availability of the fresh produce as mentioned above. At the same time, EU apparent consumption of processed apples is expected to be high (11 kg per capita) which is in line with a long-term increasing trend (10% above 5-year average).

An expected high availability of apples for processing could help to increase EU exports of processed apples in 2022/23 by 3% (15% above 5-year average) and weigh on imports of those products. These are likely to decrease by 5%. EU imports of processed apples are in line with a declining long-term trend (14% below 5-year average).

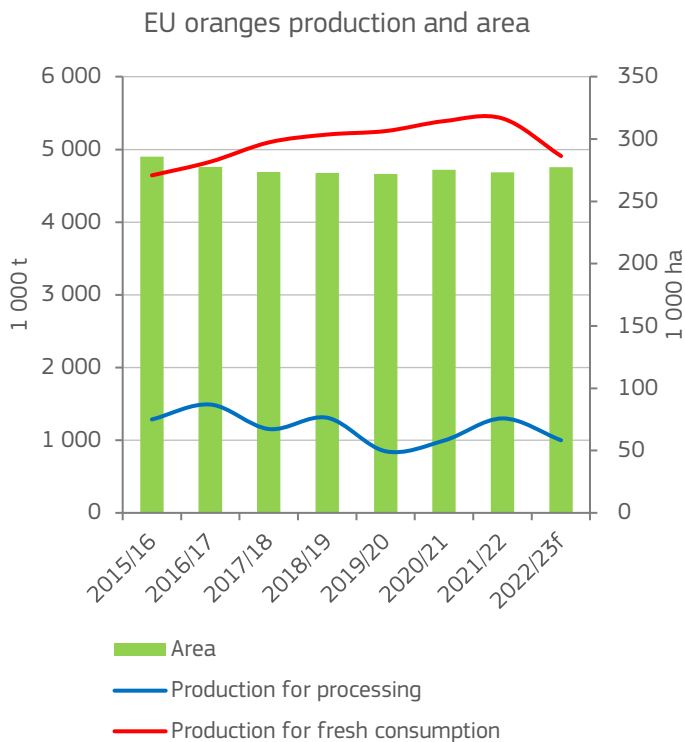
EU exports of fresh apples could decrease by 3% year-on-year (3% below 5-year average), driven by increasing energy and transport costs. On the other hand, EU imports of fresh fruits are expected to remain on the same level as in 2021/22, and so 13% below 5-year average. As a result, ending stocks could drop by 23% year-on-year.





# ORANGES

## LOW EU PRODUCTION FORECAST FOR 2022/23



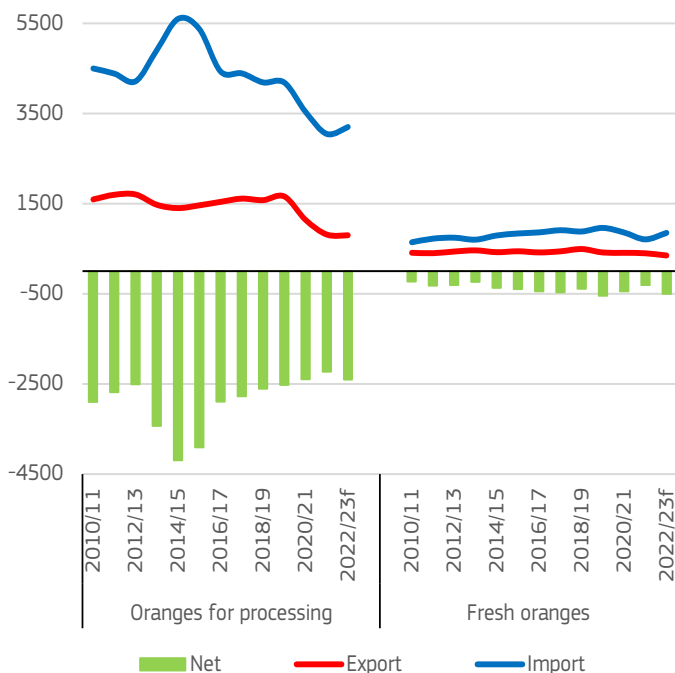
Source: DG Agriculture and Rural Development, based on Eurostat.

In 2022/23, EU orange production is expected to decline by 12% year-on-year to one of the lowest crop levels in the last years. It could reach 5.9 million t (7% below 5-year average). This low production is driven by a 20% drop in ES (still accounting however for more than a half of the EU production) due to an excessive rainfall during the flowering and setting phases of the fruit followed by extremely high temperatures in later stages; as well as restrictions on irrigations in some regions during the heatwave hitting the EU during over the summer.

Despite the low orange production (and resulting expected higher prices), the amount destined to fresh consumption could be relatively maintained (83% of total production) while some drop is likely to occur for the processing. In total, 4.9 million t of the EU orange production are expected to be consumed fresh (7% below 5-year average), and the remaining part (around 1 million t) could go into processing (13% below 5-year average).

EU per capita consumption of fresh oranges should go down to 12 kg (compared to 12.8 kg in 2021/22) because of the lower availability as well as a generally lower consumption expected due to the increasing inflation and worsened economic outlook.

EU trade of oranges (1000 t)



Source: DG Agriculture and Rural Development, based on Eurostat.

## REBOUND IN EU IMPORTS OF FRESH ORANGES

EU imports of fresh oranges are expected to recover to 850 000 t (+20% year-on-year, 4% below 5-year average) after the decrease experienced in 2021/22 caused by large volumes and low prices in ES, lower production and exports from Egypt as well as decrease from South Africa due to the transition in SPS requirements. The expected increase during 2022/23 campaign is based on assumption of a lower availability of the EU produce (and consequently higher prices) and the fact that now traders of South African oranges have adapted to the new SPS requirements.

On the contrary, EU exports of fresh oranges should further decrease to 350 000 t (-12% year-on-year, 17% below 5-year average) driven by a lower EU production (especially in ES) and competitions from extra-EU exports markets like UK and Switzerland.

EU imports of processed oranges (in contrast to a downward trend) are expected to increase to 3.2 million t (+5% year-on-year and 20% below 5-year average) to compensate for a low domestic production while the exports are expected to remain unchanged.

