



# Olive market: Prospects at MS-level

Presentation delivered as input for the Working Group on Olives (19 November 2021)

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- Preliminary considerations
- Prospects for the table olive market (ES, GR, IT, PT)
- Prospects for the olive oil market (ES, GR, IT, PT)
- Highlights
- Miscellaneous / Qualifiers
- Questions for market experts

# Preliminary considerations



- It is the **first the time** that AGMEMOD projections are presented at the Working Group on olives
- The modelling framework is consistent with the approach used for other agricultural commodities included in the model
- This set of **projections** focuses on the **key producers at EU level** (which are also they consumers)
- **Market coverage (2021)**

2021	Table olives	Olive oil
Production	100%	99%
Consumption	49%	77%

*NB. Table olives production in FR is excluded from the outlook.*

Opportunity for collecting input from experts

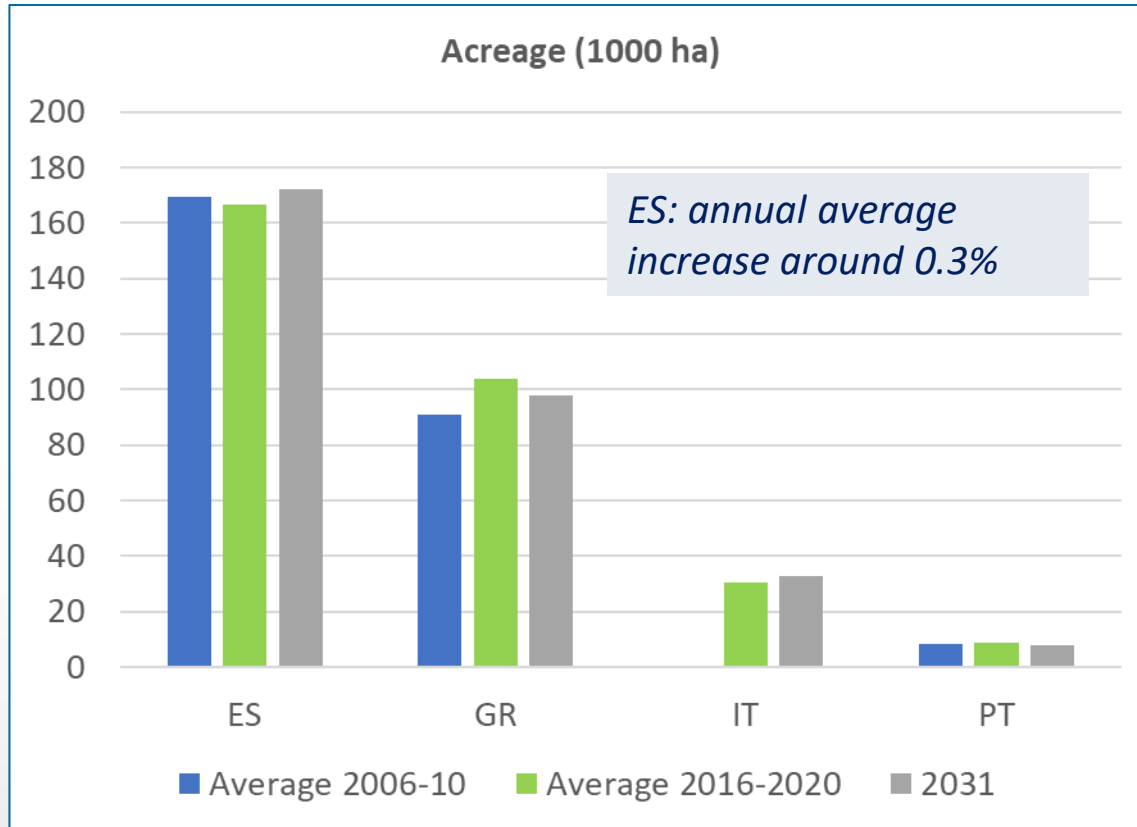
Updated results will be produced reflecting the expert insights provided at the meeting

# TABLE OLIVES



# Prospects for the table olive markets (ES, GR, IT, PT)

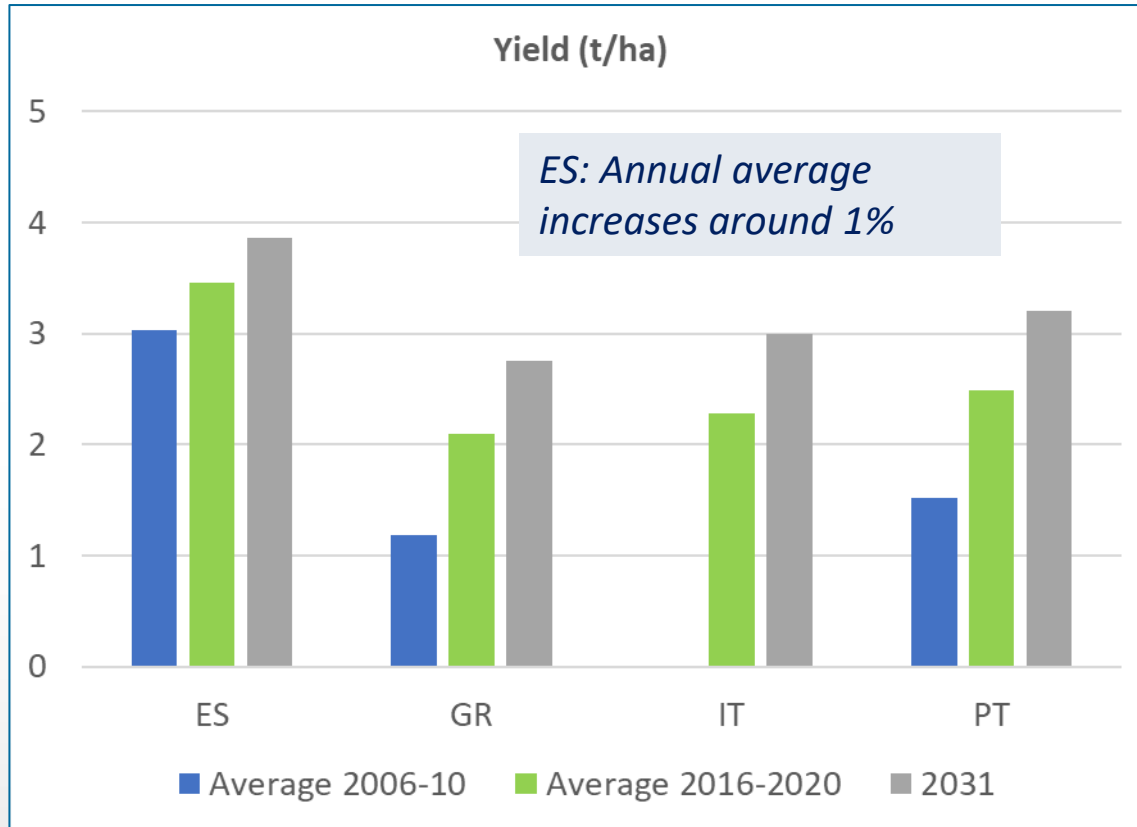
## Acreage



- Acreage is expected to increase in ES, continuing the past trend
- Some expansion is also projected in the case of IT
- Declines are expected in GR and PT – with annual average increases of -0.5% and -1% respectively
- **QUESTION:** Are the projections realistic? Do you have any market insights to expect different developments?

# Prospects for the table olive markets (ES, GR, IT, PT)

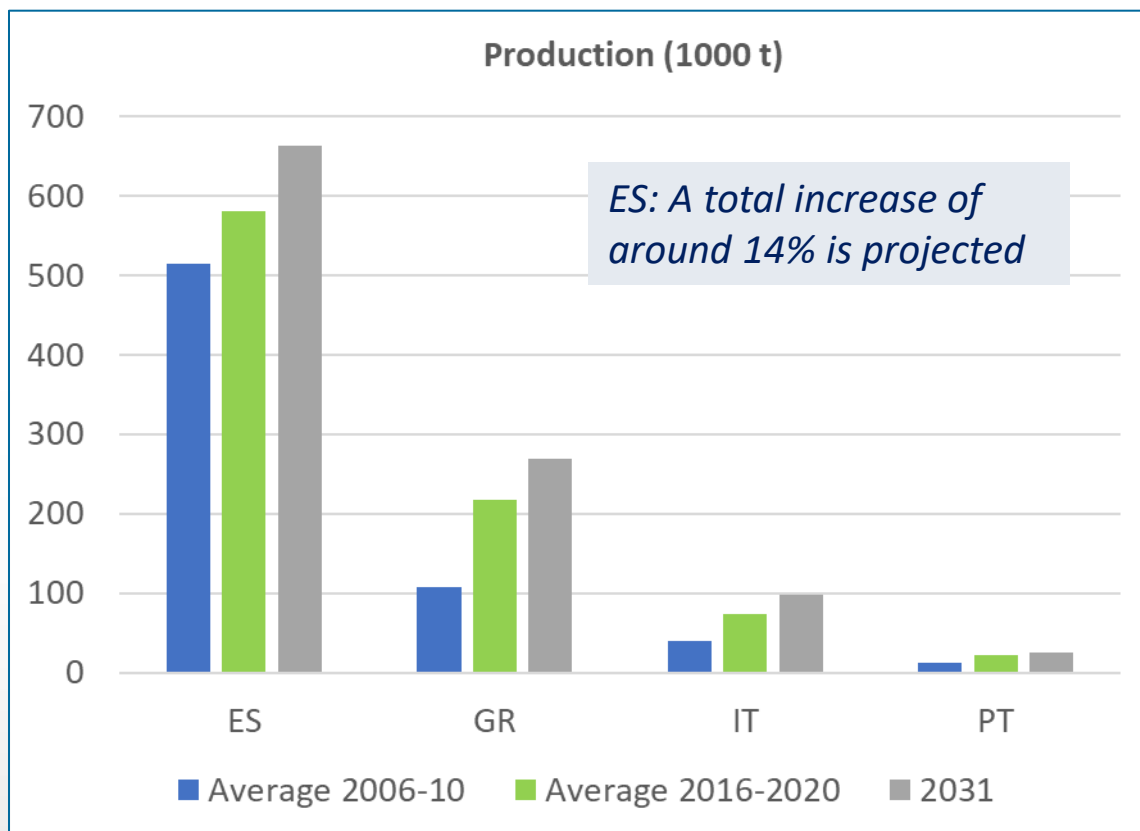
## Yields



- Yields are expected to show increases in all the key countries
- In PT, GR and IT yields are expected to annually increase by more than 2%
- Unexpected climatic conditions and water shortages are an important uncertainty for the realization of these yields
- **QUESTIONS:** Do they experts agree/disagree?

# Prospects for the table olive markets (ES, GR, IT, PT)

## Production

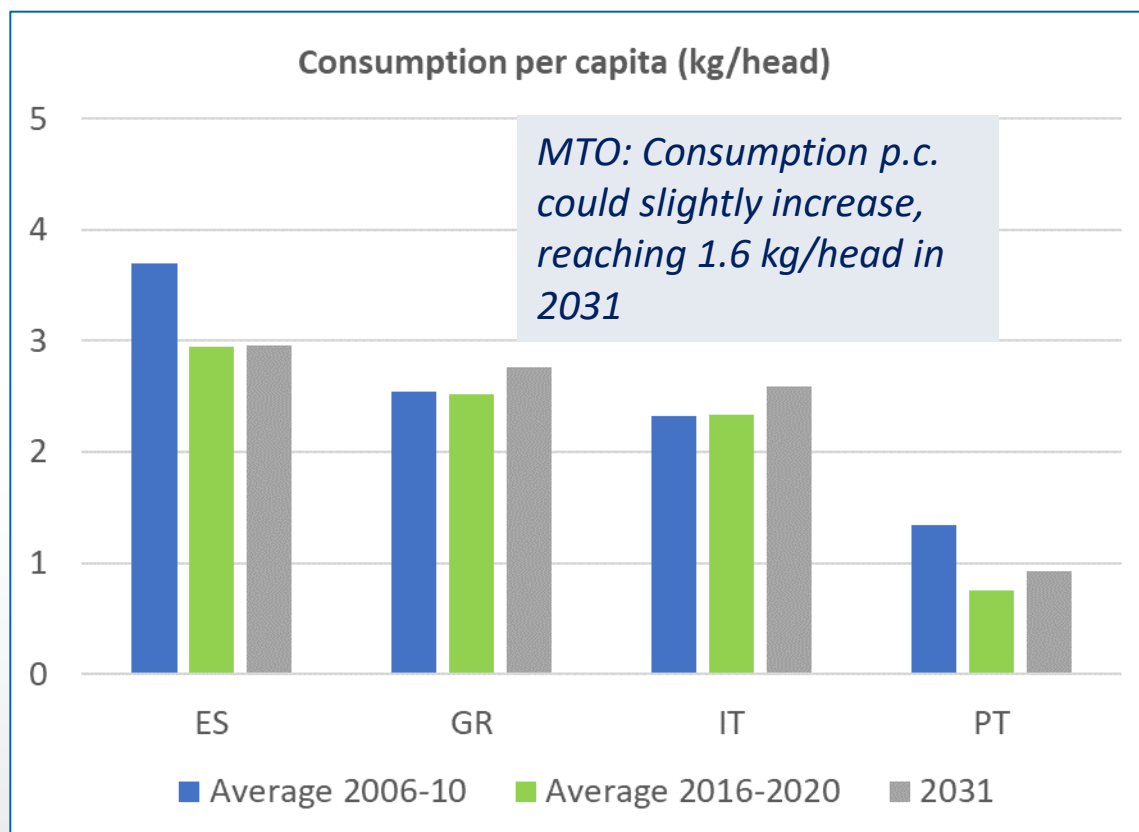


- Production of table olives is expected to increase in all key countries, reflecting increasing yields, as well as the expansion of the cultivated area in ES and IT
- In IT annual average increases of almost 3% are expected for the projection period
- By 2031, PT production could be around 25 thousand tons



# Prospects for the table olives markets (ES, GR, IT, PT)

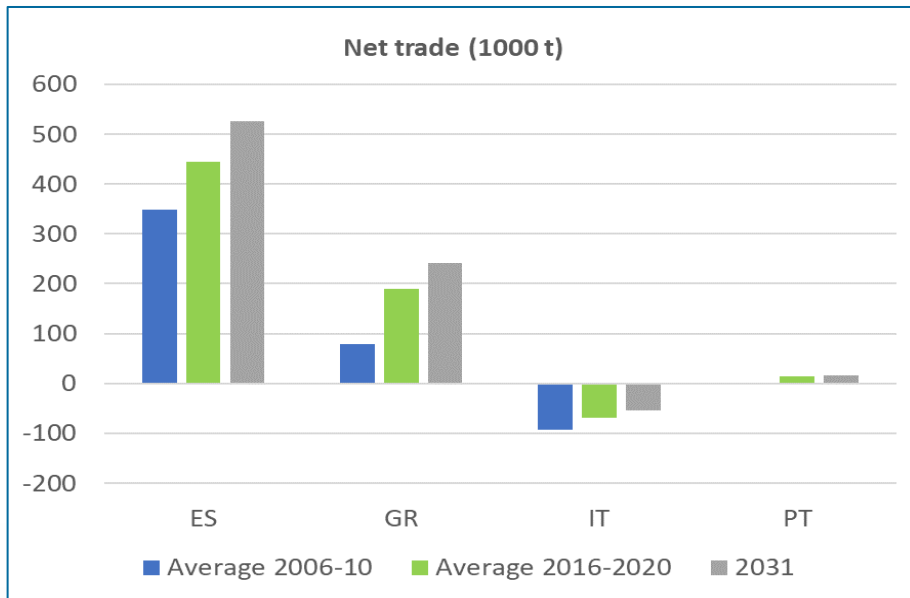
## Per capita consumption (apparent)



- Consumption p.c. in ES is expected to remain around the current level (nearly 3 kg/head)
- For IT, GR and PT, consumption p.c. is projected to increase (reaching 2.6, 2.8 and 0.9 kg/head)
- Health awareness and the popularity of the Mediterranean diet will be key drivers of consumption
- **QUESTION:** Are these developments realistic?

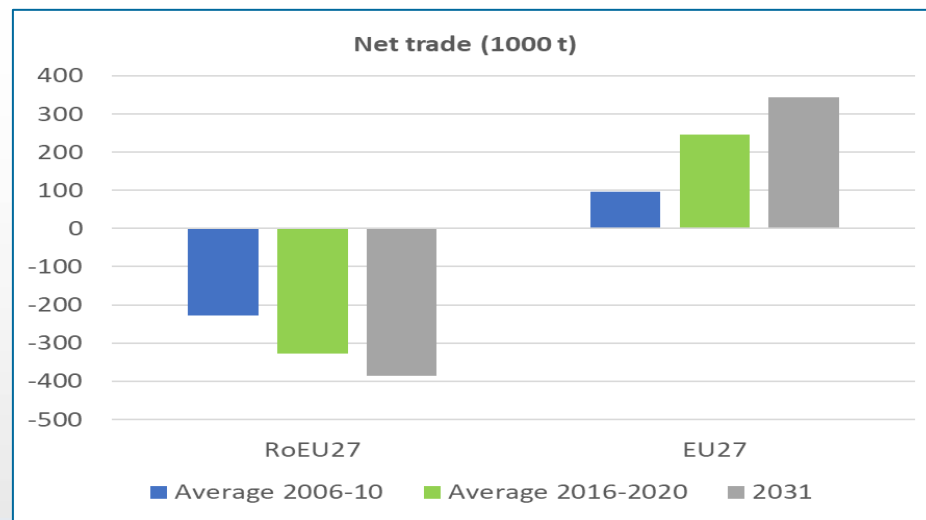


# Prospects for the table olive markets (ES, GR, IT, PT)



- Positive developments for net trade can be expected
- Net exports are projected to increase in Spain, Greece and Portugal, with annual average rates of growth around 1-2%
- In the Italian case, net imports of table olives are expected to decline (imports are around 54 thousand ton by 2031)

- The net imports of RoEU27 are expected to increase
- The key EU producer MS are expected to maintaining their strong position
- Competition from Egypt, Algeria and Turkey could be an important source of uncertainty in the market

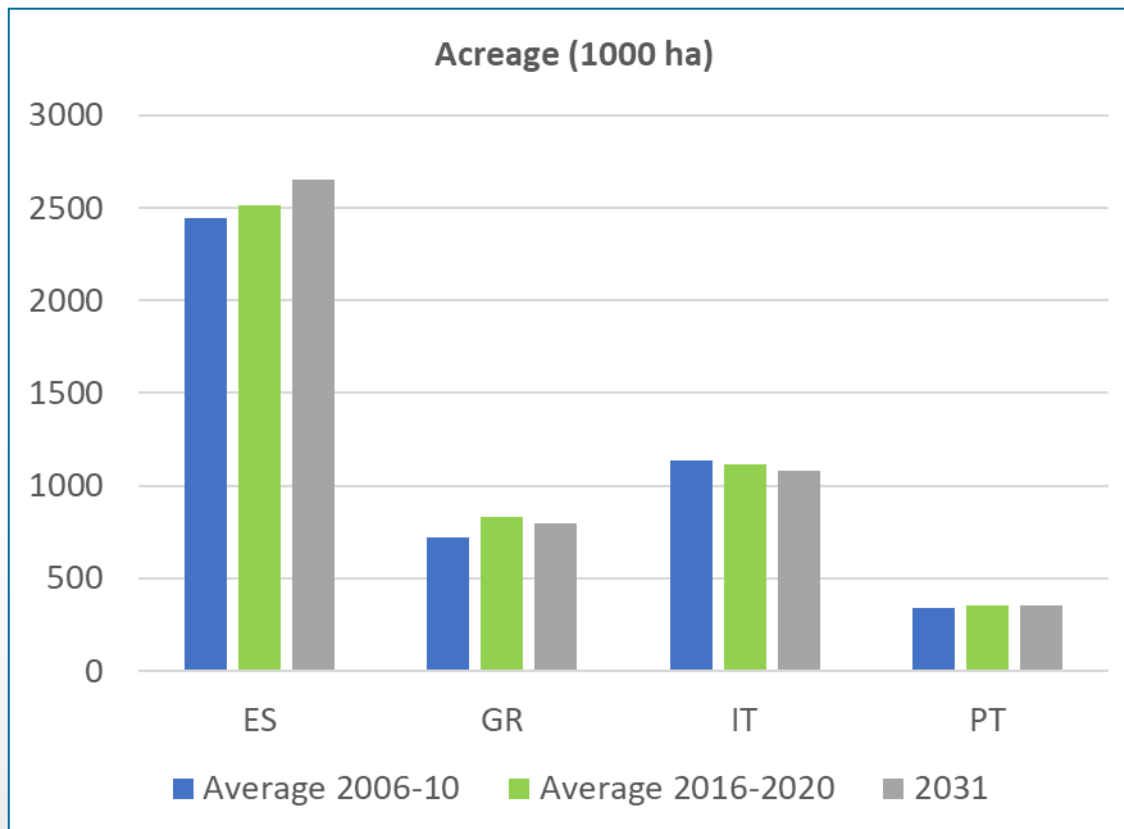


# OLIVE OIL



# Prospects for the olive oil markets (ES, GR, IT, PT)

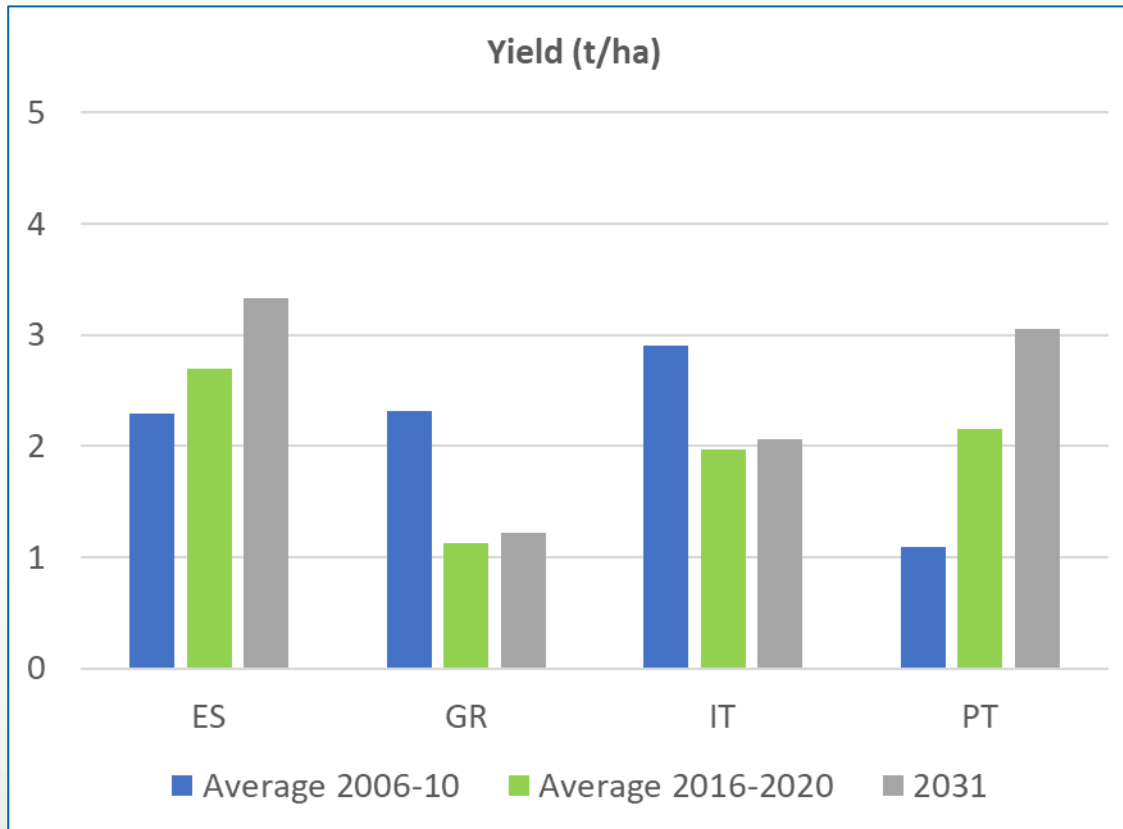
## Acreage



- Areas are expected to increase in ES (overall increase by 5%)
- In contrast, over the period 2020-2031 cultivated areas will decline by 3% in the case of IT
- Acreage is projected to remain stable in the case of PT
- **QUESTION:** Are these projections realistic?

# Prospects for the olive oil markets (ES, GR, IT, PT)

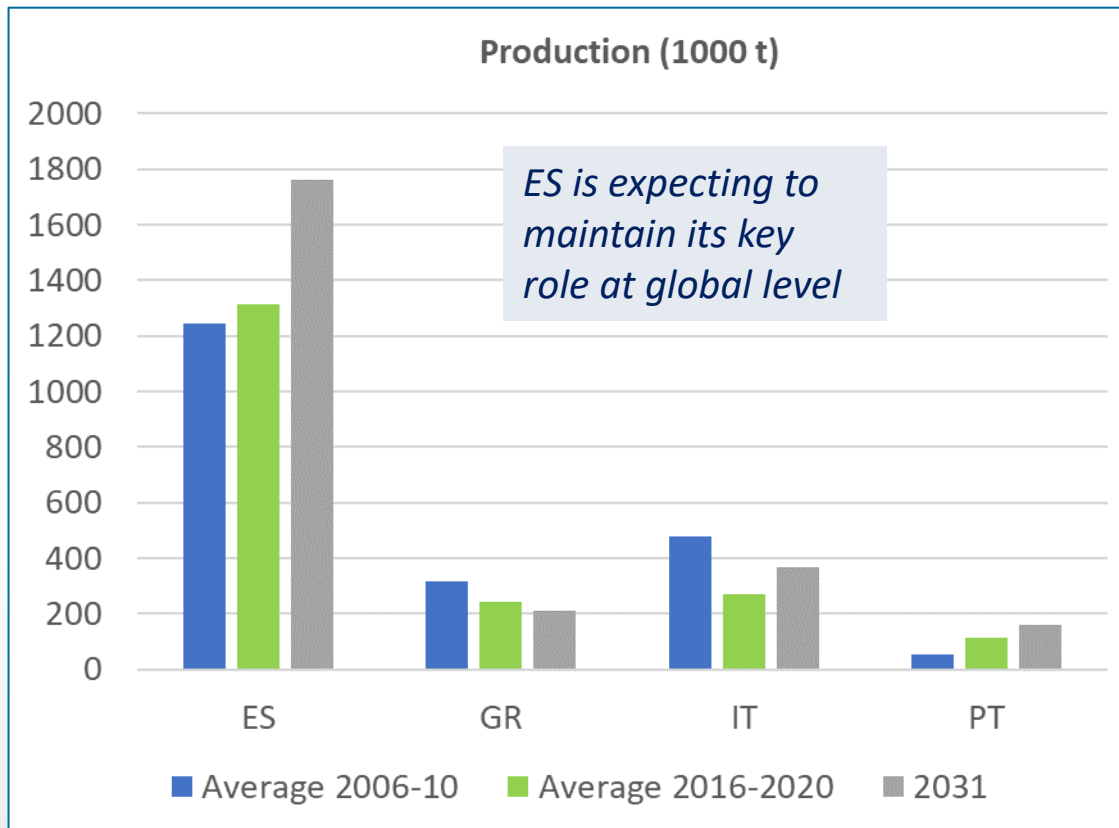
## Yields – olives for oil



- Increases in yields are projected in all countries
- The largest increases are expected in ES and PT
- Drivers: expansion of irrigation, use of new varieties resistant to diseases and others...
- Threats: unusual climatic conditions, water scarcity...
- **QUESTION:** Are these developments likely to happen?

# Prospects for the olive oil markets (ES, GR, IT, PT)

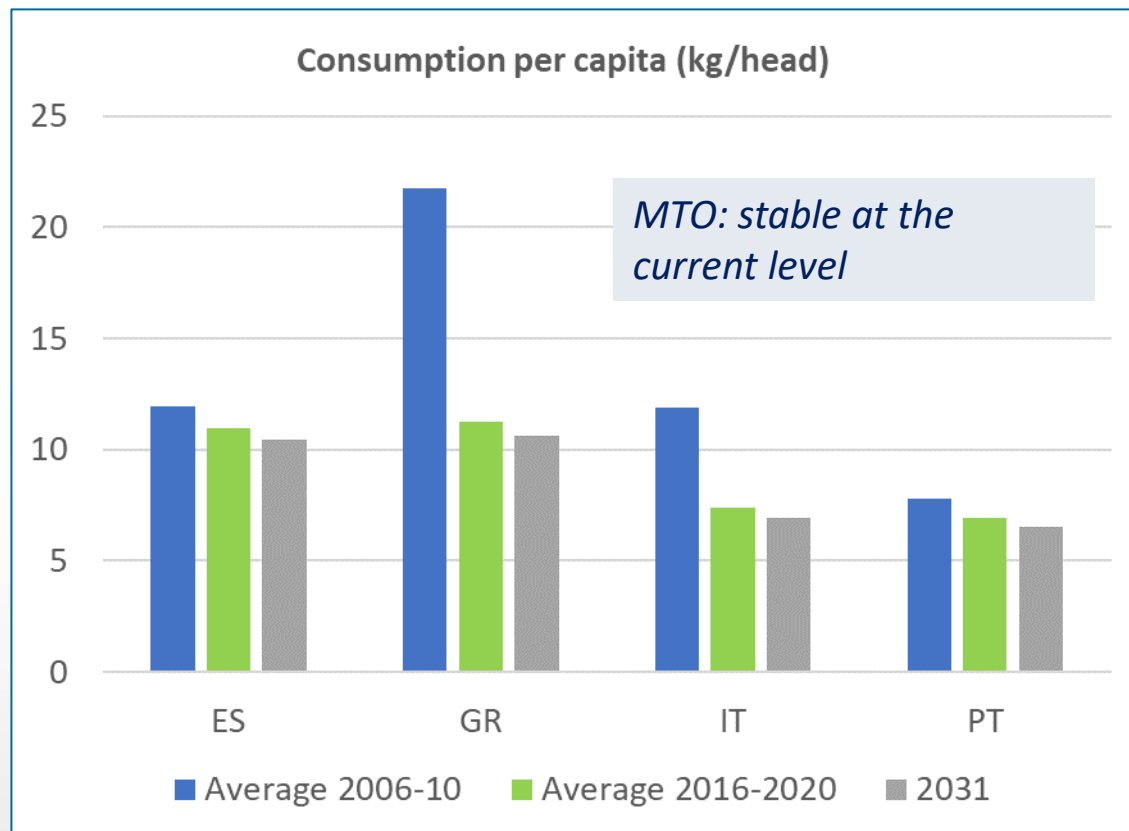
## Production – olive oil



- ES is the key producer country at global level
- Production will increase in ES and IT (around 35% over the total period) and in PT (overall increase by 43%) by 2031; while decline in GR for the same period (-14% respectively)
- **QUESTION:** Are 2031 production figures realistic?

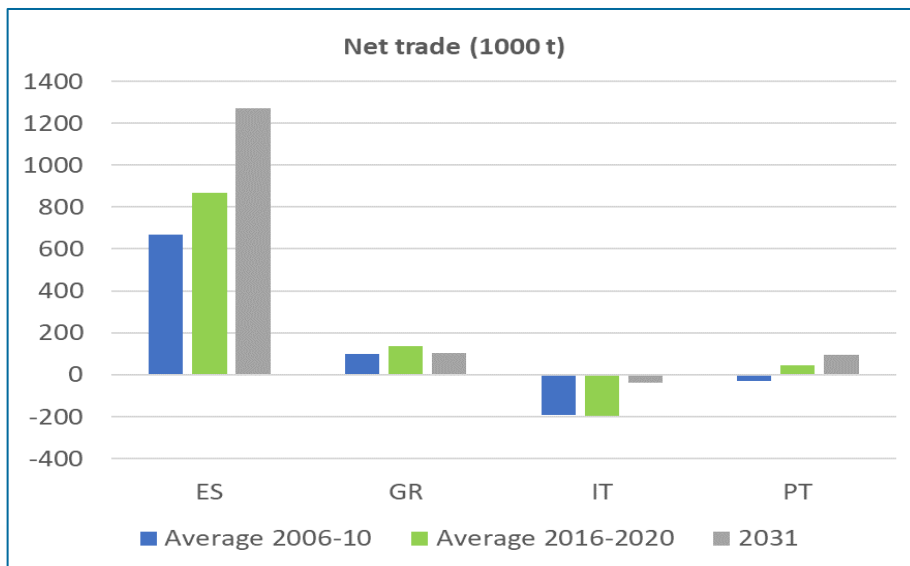
# Prospects for the olive oil markets (ES, GR, IT, PT)

## Per capita consumption (apparent)



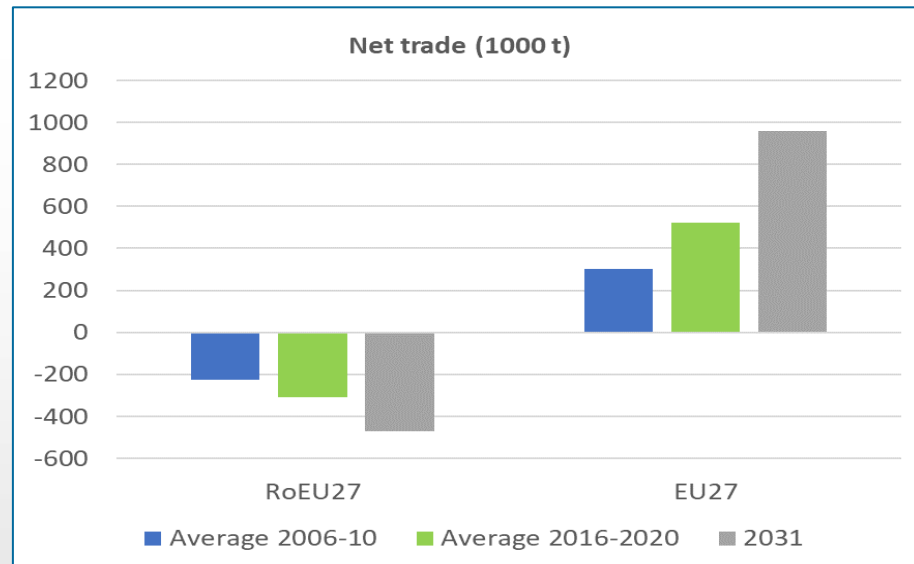
- Declines are expected in the case of the key countries – drivers: less home-cooking, more convenience food ...
- Looking at the EU27 non-producer countries, an increasing trend is expected, reaching consumption per capita 1.5 Kg/head by 2031
- **QUESTION:** Are these development realistic? Is the historical decline reported in Greece in line with the market reality?

# Prospects for the olive oil markets (ES, GR, IT, PT)




- Net exports in ES and PT could annually grow at 3.5% and 7% respectively
- GR is also projected to maintain its net exporting role, although at a lower volumes (-2.5% p.a.)
- Net import position of IT could improve reflecting mainly the expected production increase

- The RoEU27 block will remain an importing region
- For EU27 net exports will increase by 2031, reaching almost 1 million ton
- Competition from outside the EU27 could increase due to the recent expansion of olive groves in the southern hemisphere





- Table olive production is expected to increase due positive yield developments
- Olive oil production is projected to increase in ES, IT and PT, in contrast is likely to decline in and GR
- Key countries: prospects for consumption of both table olives are positive, while declines are projected for olive oil consumption
- Concerns for olive growers
  - Diseases: Xylella Fastidiosa
  - ‘Adverse’ climatic conditions
  - Water scarcity



**QUESTION:**  
Any other concerns?

## *Suggestions/future improvements/sectoral issues*

- Prices have been projected based on past trends and expert information
  - This is a key element in the AGMEMOD framework
  - Additional expert insights on expected developments are welcome
- Existing policies related to the sector need to be better represented -> this is key for scenario simulation
- Environmental issues: extreme weather events, water availability are not addressed in this baseline (which provides insights into the trends that can be expected given the current conditions)

- Do the projections for individual MS seem plausible?
- Are there are specific elements of local nature that should be considered in the case of each market?
- Which are the key drivers that could shape the development of the market?
- Do you have any specific insights in terms of (longer run) price developments that should be considered?
- Are there any national policies that should be included?

# Thanks for your attention

