

Voluntary Report – Voluntary - Public Distribution

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Report Name: EU Olive Oil Production Update 2024

Country: European Union

Post: Madrid

Report Category: Oilseeds and Products

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Report Highlights:

After two consecutive years of short olive oil production, MY 2024/25 olive oil output in the EU is expected to revert to average levels on good flowering conditions and a mild summer. Fall precipitation will be critical to final production volumes. The production recovery may permit the EU to become more active in export markets, rebuild decimated stocks, and increase domestic consumption.

Production, Supply, and Demand

Table 1. EU Olive Oil Production Supply and Demand

Oil, Olive Market Year Begins	2022/2023		2023/2024		2024/2025	
	Nov 2022		Nov 2023		Nov 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
European Union						
Beginning Stocks (1000 MT)	449	449	210	272	219	262
Production (1000 MT)	1,392	1,392	1,524	1,510	1,825	1,950
MY Imports (1000 MT)	193	179	250	215	185	205
Total Supply (1000 MT)	2,034	2,020	1,984	1,997	2,229	2,387
MY Exports (1000 MT)	659	448	650	595	600	650
Industrial Dom. Cons. (1000 MT)	15	15	15	15	20	20
Food Use Dom. Cons. (1000 MT)	1,150	1,285	1,100	1,125	1,340	1,340
Total Dom. Cons. (1000 MT)	1,165	1,300	1,115	1,140	1,360	1,360
Ending Stocks (1000 MT)	210	272	219	262	269	377
Total Distribution (1000 MT)	2,034	2,020	1,984	1,997	2,229	2,387

(1000 HA) ,(1000 TREES) ,(1000 MT)

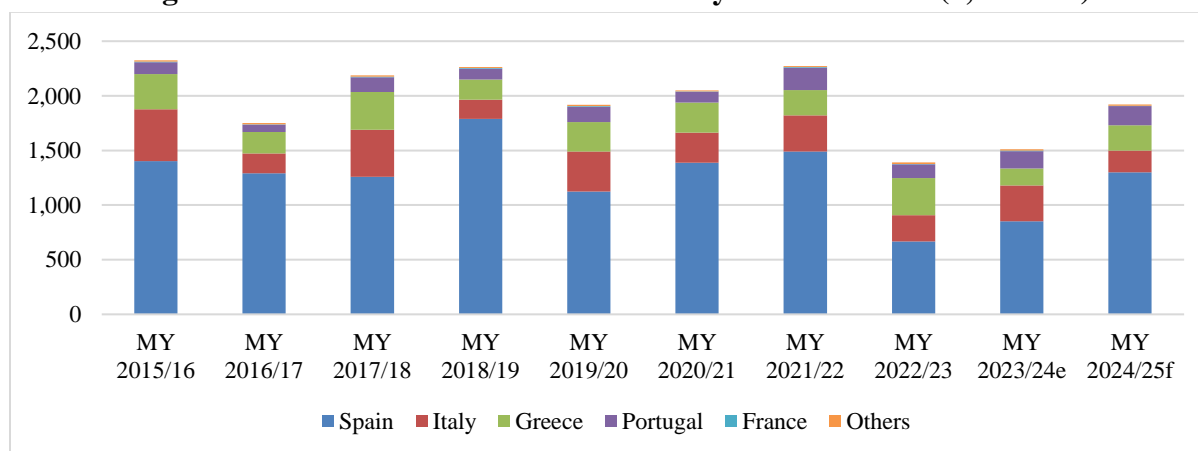
Source: FAS Europe Posts.

N.B.: Post trade and production data include only HS Code 1509.

Production

Based on precipitation levels, temperatures during the olive tree flowering season, and the subsequent mild summer in terms of temperature in the European Union's (EU) ¹ main olive oil producing Member States (MS), olive oil output in MY 2024/25 is expected to revert to average levels and exceed 1.9 million metric tons (MMT). Italy is the exception to the rule, as extreme heat throughout the summer pushed olive oil output below previous season levels.

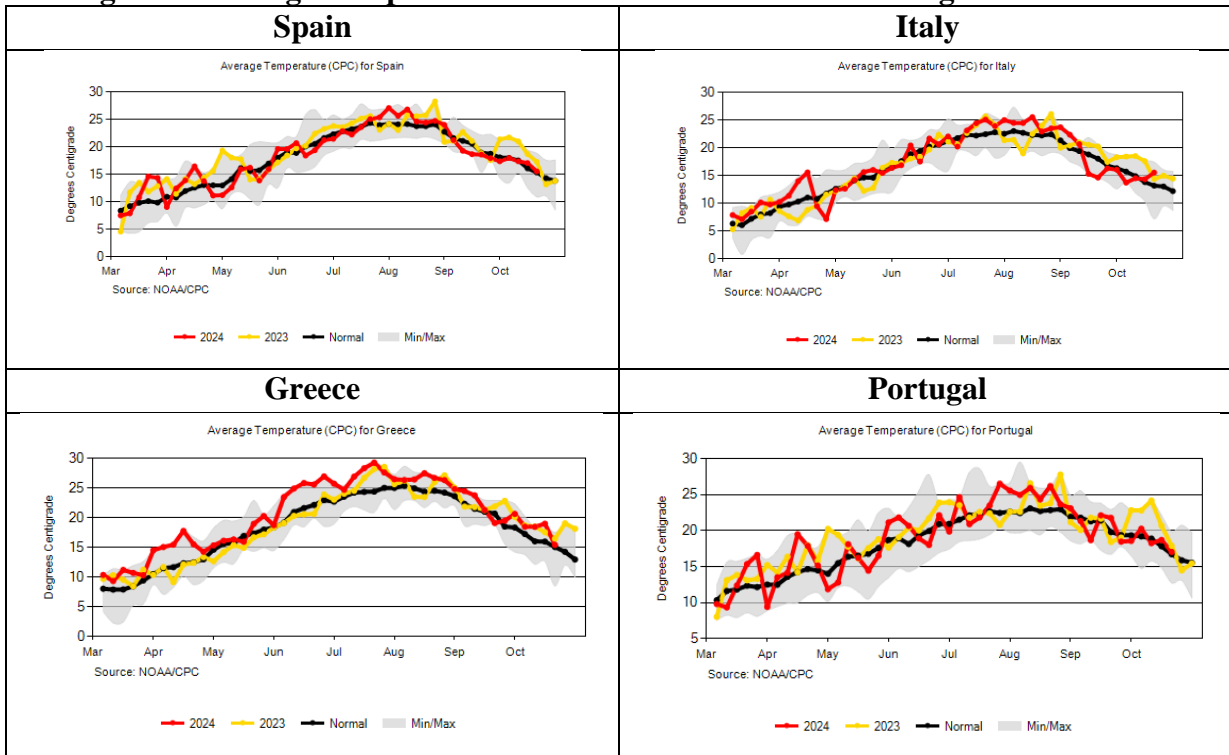
Figure 1. Olive Oil Production in the EU by Member State (1,000 MT)



Source: International Olive Oil Council data and estimates from FAS offices in Europe.

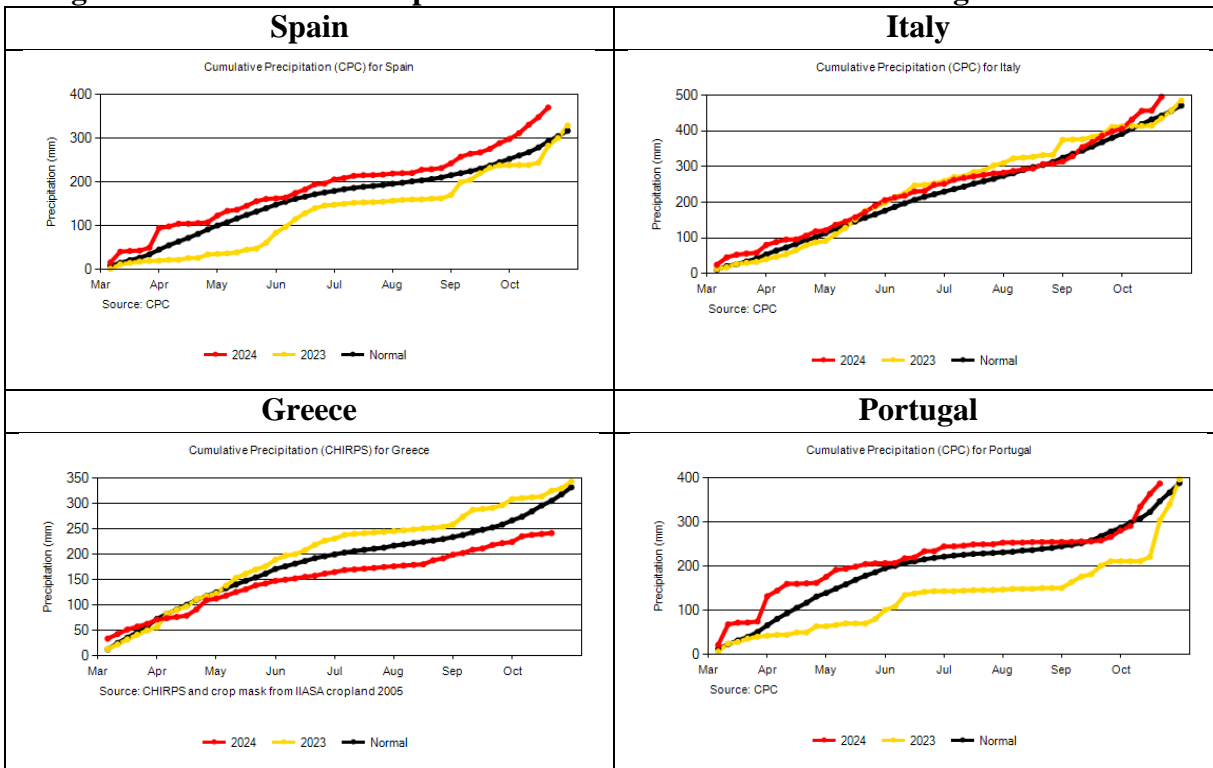
¹ The EU is the world's largest olive oil producer, accounting for over 60 percent of the world production. Main olive oil producers in the EU include Spain, which produces nearly seventy percent of the bloc's olive oil output, followed by other major producers such as Italy, Greece, and Portugal. To a much smaller extent, olive oil production also exists in France, Cyprus, Croatia, and Slovenia.

Figure 2. Average Temperature in Main EU Olive Oil Producing Member States



Source: IPAD/Foreign Agricultural Service/USDA.

Figure 3. Cumulative Precipitation in Main EU Olive Oil Producing Member States



Source: IPAD/Foreign Agricultural Service/USDA.

Olive harvest in the EU, other than early harvest production, starts in November and runs until the end of winter/early spring. Spring conditions determine flowering, and summer temperatures influence fruit development. Likewise, summer and fall precipitation patterns also play a role in final output levels. Olive trees' alternative bearing² limits production volumes, particularly in the most traditional plantations. However, modern and irrigated plantations entering production continue to soften the impact of alternative bearing in olive oil production levels across the EU.

After two consecutive years of extreme weather conditions slashing production levels, the outlook for MY 2024/25 is more favourable in Spain. The combination of moderate spring temperatures across the country that favoured flowering, combined with abundant precipitation across the crop cycle, restored soil moisture and filled dams, securing sufficient water supplies for both the rainfed and irrigated olive orchards, particularly in Andalucía and Castile-La Mancha and have led to increased production expectations. After a dry and warm summer, early fall precipitations contributed to improve the production outlook further. The first official estimates indicate that olive oil production in Spain in MY 2024/25 could revert to average levels and amount to nearly 1,300 thousand MT. Nevertheless, this figure is subject to Fall and Winter precipitation.

Industry sources peg Greece's MY 2024/25 olive oil production at 230,000 MT, up from MY 2023/24 levels, when adverse climate conditions, alternative bearing, and phytosanitary issues slashed yields. In MY 2024/25, good weather conditions during fruit-setting favored production recovery, although summer drought curbed the more promising initial yields forecasted both in the Peloponnese and Crete.

In Italy, MY 2024/25 olive oil production is expected to stay at 200,000 MT, down from MY 2023/24 output due to a combination of the effects of the natural alternate bearing cycle of olive trees, drought, and heatwaves in southern Italy.

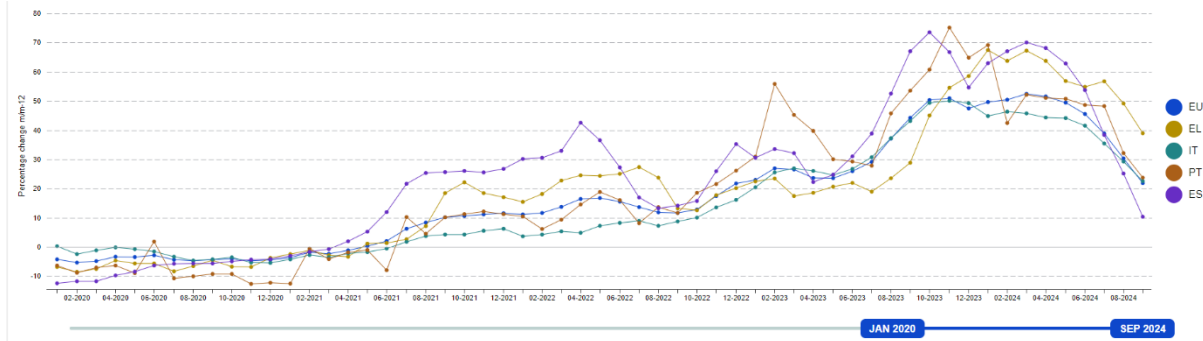
In MY 2024/25, favorable spring flowering conditions, mild summer, and early fall precipitation should allow for a production recovery in Portugal. In the absence of official estimates, industry sources peg the country's olive oil production at 175,000 MT. In Portugal, water infrastructure combined with intensive and super intensive olive plantations in the irrigated area of the Alqueva Dam in the Alentejo region made the country's olive oil production more climate-resilient and hence more stable in the context of adverse weather conditions, namely drought. However, a large part of production is in rainfed regions in the center and north of the country, which ultimately witness larger deviations from the average due to alternative bearing and water availability.

² Olive trees tend to bear fruit in two-year cycles, where an improved crop normally follows a small crop.

Consumption

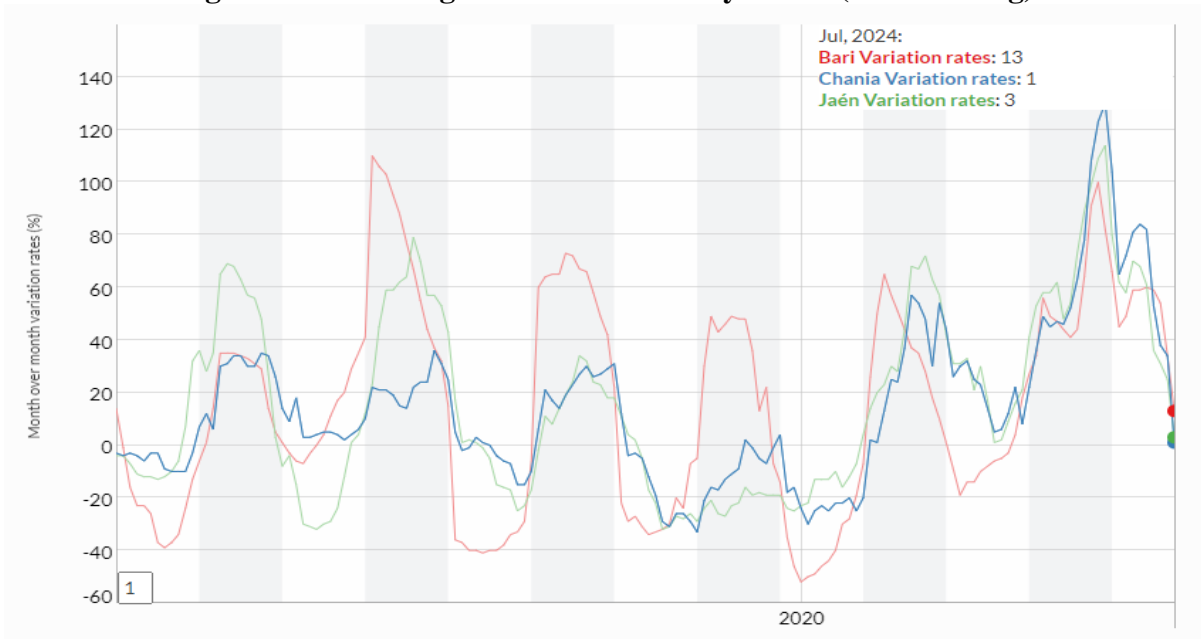
In line with the anticipated improved supply, olive oil consumption in MY 2024/25 is expected to rebound compared to MY 2023/24. In MY 2022/23 and MY 2023/24, stemming from the lack of olive oil supply globally, producer and consumer prices reached historically high levels, which forced price sensitive consumers to switch away from olive oil and food processors to use alternative vegetable oils in their formulas.

Figure 4. Olive Oil Consumer Price Index in Main Producing and Consuming MSs*



Source: [Food price monitoring tool \(europa.eu\)](https://foodprice.europa.eu)
*12 months- Percentage of change.

Figure 5. Extra Virgin Olive Oil Monthly Prices (Euro/100 Kg)



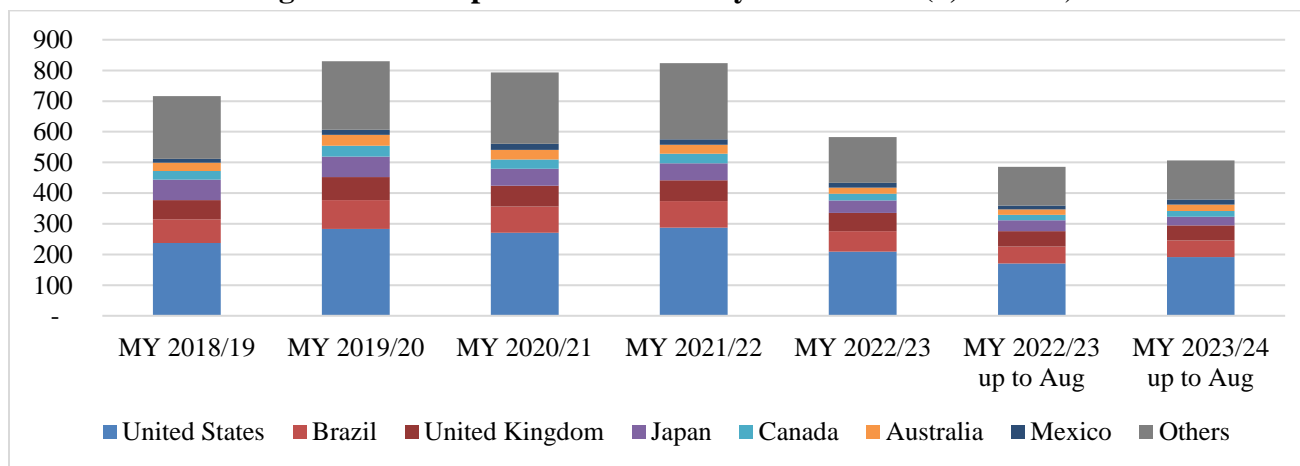
Source: [International Olive Council](https://www.internationalolivecouncil.org/)

Trade

Following two consecutive short EU olive oil crops that prevented the expansion of exports, the more positive outlook for MY 2024/25 is expected to allow for an export recovery³. Despite the short crop, available data up to August shows that the EU managed to increase its olive oil exports marginally at the expense of lower ending stocks, a stagnating domestic market, and somewhat larger imports, particularly from Tunisia and Turkey.

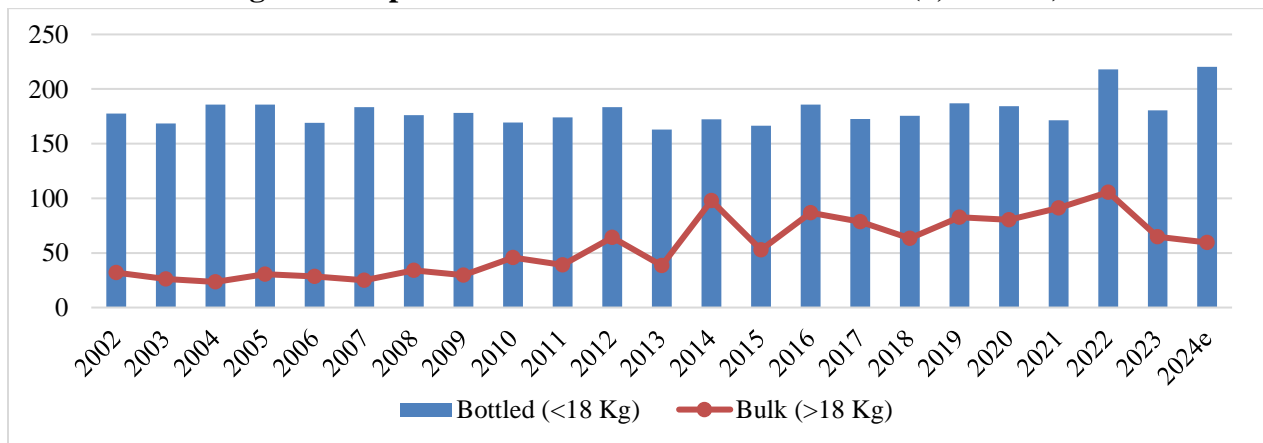
The United States (Figure 7), which accounts for over one third of the export market, followed by Brazil and the United Kingdom (each of them accounting for 10 percent of the export market), are the main destinations for EU olive oil exports (Figure 7). Exports of bottled olive oil to the United States proved more resilient than bulk exports, which after years of continued expansion, registered a steep decline as of 2022 in response to the global shortage and soaring prices.

Figure 6. EU Exports of Olive Oil by Destination (1,000 MT)



Source: Trade Data Monitor, LLC.

Figure 7. Exports of Olive Oil to the United States (1,000 MT)

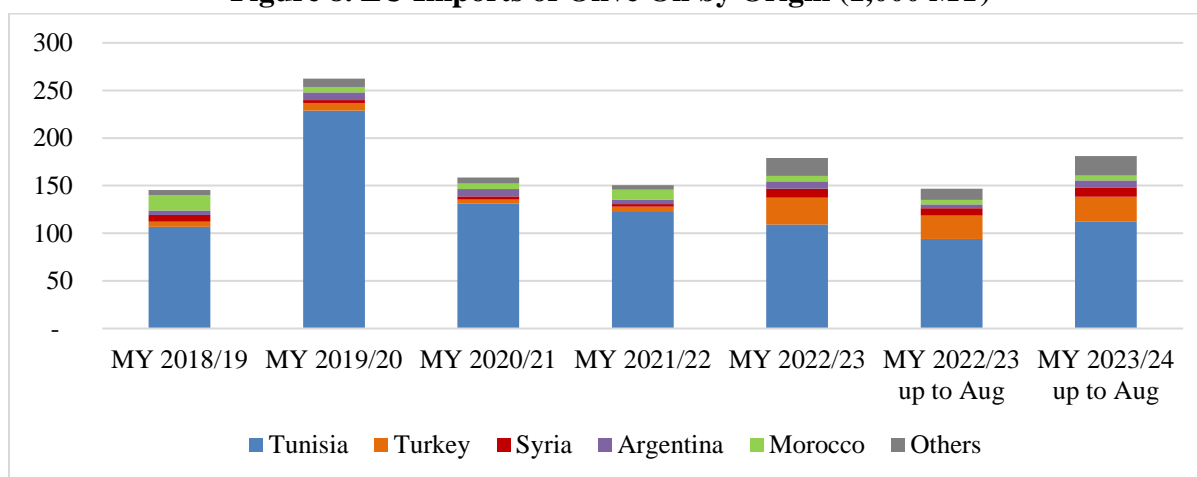


Source: U.S. Census Bureau Trade Data and FAS Madrid estimates.

³ Of the EU olive oil producing Member States, only Spain, Greece and Portugal present a production surplus.

Ample olive oil supplies in the EU’s main suppliers (Tunisia and Turkey) should allow for EU olive oil imports to remain steady in MY 2024/25. Similarly, in MY 2023/24, the large availability of olive oil in Tunisia resulted in increased imports from this region, which ultimately contributed somewhat to easing the tight EU balance. Tunisia is the EU’s largest olive oil supplier and on average accounts for over 75 percent of the bloc’s imports (Figure 8). Normally, the 56,700 MT Tunisian olive oil import quota⁴ is fully allocated during the [first tender](#) of every year. However, the Inward Processing Regime (IPR) allows EU operators to import olive oil in bulk, avoiding entry tariffs on the condition that the product is later re-exported to third countries.

Figure 8. EU Imports of Olive Oil by Origin (1,000 MT)



Source: Trade Data Monitor, LLC.

Stocks

The better production prospects for MY 2024/25 following the mild and rainy spring helped alleviate the tight stock situation that created tension in producer and consumer prices (Figure 4 and Figure 5). After hitting bottom in MY 2023/24, MY 2024/25 ending stocks on October 31, 2025, could be just below 400 thousand MT.

Acknowledgements

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Attachments:

No Attachments.

⁴ Outside quota or preferential agreements, olive oil imports to the EU are subject to a 124.50 Euros/100 Kg duty.