

Entering the European market for olive oil

New olive oil exporters that want to enter the European market need to put their products through regular laboratory and sensory tests. You may have a competitive advantage if you can offer olive oil with superior sensory characteristics, related to specific production areas, certified organic or backed by good storytelling marketing. The strongest competitors to new olive oil suppliers are currently in Spain, Italy, Greece and Tunisia. As most olive oil is sold in the retail segment, characteristics like freshness, health claims and bottle design are important to European buyers.

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1. What requirements must olive oil comply with to be allowed on the European market?

What are mandatory requirements?

All food products sold in the European Union must be tested for safety, including olive oil and any imported products. Testing for safety includes, for example, complying with established maximum levels for harmful contaminants, such as pesticide residues and heavy metals. In the case of olive oil, in addition, product composition is of utmost importance, because olive oil must meet specific requirements related to acidity, content of specific chemicals and sensory characteristics. The product label should also make it obvious for consumers what type of olive oil it is.

Tariff barriers

Under certain free-trade agreements, most olive oil exporters from developing countries can export olive oil to Europe without paying duties. In order to achieve zero duty status, exporters must submit a certificate of origin that comply with specific rules defined in the free-trade agreement between the exporting country and the European Union. Most olive oil producing countries are members of the [Euro-Mediterranean partnership agreement](#), but the EU also has free-trade agreements with Albania, South Africa, Palestine and some South American countries.

Olive oil can be exported to the European Union under preferential tariffs when it is fully produced within the exporting country and from locally grown olives. A specific tariff quota is used for Tunisian olive oil. After the exported volume reaches 56,700 tonnes, a regular tariff of €124.50 per 100 kg applies.

Contaminants control in olive oil

A specific and frequently updated [European Commission Regulation](#) sets the maximum levels for certain contaminants in food products. In addition to the general contaminant limits set for foodstuffs, it also provides a number of specific contaminant limits for specific products, including olive oil.

Pesticide Residues

The European Union has set maximum residue levels (MRLs) for pesticides in and on food products. Products containing more pesticide residues than allowed will be withdrawn from the European market. The European Union regularly publishes [a list of approved pesticides](#) that are authorised for use. Although high levels of pesticide residues are not very common for olive oil, some European importers do request a detailed test for the

presence of pesticide residues.

The number of incidents regarding too high levels of pesticide residues in olive oil is decreasing, but they do occur. Every three years, the European Union control programme samples 12 of the most consumed food products, including virgin olive oil. In the [latest official test report](#) from 2018, 0.6% of the tested olive oils on the European market contained pesticide residues above the allowed limits. The report also stated a presence of the non-approved pesticide iprodione in virgin olive oil.

Some commonly tested pesticide residues in olive oil include pyrethroids, organochloro pesticides, organophosphorus pesticides, poly-chlorinated biphenyls and nitrogen-containing pesticides.

Microbiological contaminants

The presence of microbiological contaminants is rare in olive oil, as the chance of microorganisms growing is extremely low without the presence of water. Still, freshly produced olive oil naturally contains small amounts of water, allowing some microorganisms to develop. Some studies show that [coliform bacteria can survive and reproduce in olive oil](#) containing low level of phenolic compounds. Therefore, some importers may require standard microbiological tests for imported olive oil although it is not very critical.

Other contaminants

Other commonly requested contaminant controls for olive oil are related to the presence of heavy metals, glycidyl esters, solvent residues, irradiation, dioxins, polycyclic aromatic hydrocarbons (PAHs), and mineral oil hydrocarbons. Commonly tested heavy metals include iron, copper, cadmium, lead, and mercury. Glycidyl esters and solvent residues are found only in refined oils. Presence of PAHs can be connected to the production of olive pomace and smoked oils while presence of mineral oil hydrocarbons is related to packaging materials.

The presence of bisphenol A (BPA) is controlled in plastic packaging, but also in inner lid coatings. The use of BPA is still allowed, but its use is under review. The official opinion of the EU Food Safety Authority will be published in 2020.

Olive oil composition

[EU olive oil legislation](#) defines the different categories of olive oils and olive pomace oils, as well as the relevant [methods of analyses](#) to be used by Member States' control authorities. Legislation includes [marketing standards](#) which must be followed to label different categories of olive oil. European legislation is in line with [standards of the International Olive Council](#) (IOC).

Sales of fake or falsely declared olive oil in Europe is prevented through regular controls. Each European country must perform certain number of controls to ensure that marketing standards for olive oils are respected. In 2019, Italian and German authorities disbanded an organised crime group selling sunflower oil as EVOO. They were adding chlorophyll, beta carotene and soy into the sunflower oil to make it look like EVOO. Regular controls also revealed that some famous brands are selling virgin olive oils as EVOO.

Authenticity tests on olive oil are performed to avoid fraud. Common frauds include adding cheaper vegetable oil, false quality grading, false organic certification and false geographical origin. Authenticity tests include detecting the amount of waxes (revealing the presence of pomace oil), 2-glyceril-monopalmitate (the presence of re-esterified oils), stigmastadienes (the addition of refined oil), ECN42 (the addition of seed oil) and fatty acid composition (to find out if olive oil is a blend). There are also several other tests for authenticity.

Quality requirements

The different categories of olive oils are graded according to quality parameters relating to the physical-chemical features and the organoleptic (sensory) features. High-quality olive oil is commonly defined as the oil with low acidity, high content of polyphenols and good flavour. It is not easy to have all parameters well

balanced. For example, olive oils with high content of polyphenols sometimes have too bitter and pungent flavour.

The main [chemical features](#) related to quality are the acidity level, peroxide index, fatty acid content and sterols composition. Olive oil chemical composition depends mainly on olive cultivars, production region, olive health condition, freshness and production process. Low acidity levels indicate higher quality olive oil. Acidity increases when olives are too mature (fermentation starts), when temperature during crushing is too high, and when the time between harvest and pressing is too long. Storing time also increases acidity.

Chemical tests alone are not enough to establish quality category in olive oil. Additional sensory testing is necessary to define characteristics such as fruitiness and the absence of organoleptic defects. Sensory tests are required only for virgin olive oils and they are performed by a team (panel group) of 8–12 qualified assessors. Officially recognised assessors must participate every year in proficiency tests to prove their competence.

Sensory tests are performed by smelling and tasting. Bitter taste is frequently related to olive oils produced from green olives or olives turning colour, while pungency is related to olive oil produced from unripe olives. Fruitiness, bitterness and pungency are perceived to be positive characteristics. EVOO must not have any sensory defects and must have an average sensory fruity attribute above zero. Virgin olive oil can have sensory defects between 0 and 3.5.

EVOO of protected origin can have unique sensory properties. For these oils and for premium olive oils, additional sensory attributes are evaluated, such as artichoke, citrus, flowers, grass, green and herbs. Fermentation of olive oils is not allowed, according to standards. Still, some speciality oils in France are produced using short fermentation of mature olives.

Packaging requirements

A large amount of olive oil is exported as bulk. Bulk packaging includes various sizes and containers, such as steel drums, reusable (intermediate) bulk plastic containers, flexi tanks and truck cisterns. Bulk packaging can vary in size and range from 200 kg (drums) to over 20 tonnes (flexi tanks). For the food service sector, most pack sizes vary between 5 kg and 25 kg and very often tin cans are used. For specialised olive oil stores and the food service sector, olive oil is also packed into special dispensers between 5 L and 15 L, or in bag-in-box packaging.

For retail sales of olive oil, the maximum container capacity should not exceed 5 litres, according to the European [olive oil marketing regulation](#). Packaging can be larger if the oil is sold to food service (restaurants, hotels) or public segments (hospitals, governments). The most preferred packaging is a dark-coloured glass bottle that protects the oil from light. Transparent bottles do not protect the oil from light, which induces oxidation reactions.

Glass is the preferred type of retail packaging, mostly due to consumer preferences and image of quality olive oil. Still, olive oil is packed in many other materials for retail sales, including plastic bottles (such as PET and PVC), aluminium cans, tinplate cans and coated paperboard. Even ceramics is used for some premium olive oils.

Another packaging requirement is that the content in the packaging corresponds to the indicated quantity (in weight or volume) on the label. Importers check the packaging size and weight to ensure that pre-packed products are within the [limits of tolerable errors](#). Most common sizes of retail olive oil bottles in Europe are between 0.5 and 1 litre. Premium olive oils are mostly packed in sizes of 0.5 L and 0.75 L and sometimes even in smaller bottles of 100 ml, 250 ml, and even in 20 ml single-use bottles for restaurants and catering.

According to the EU olive oil marketing regulation, EVOO can be sold only in single-use sealable containers for retail sale. In retail sales, refilled dispensers should only be used for flavour-infused olive oil, but not for EVOO. This rule has been criticised by specialised shops, because it does not allow reuse of the packaging.

Labelling requirements

As mentioned before, European olive oil marketing standards regulate the information that must be placed on the label and what optional information can be included. According to these regulations, virgin olive oils must be labelled with a 'designation of origin'. However, it is enough to state that the oil is produced within or outside the European Union, or as blend of different origins. This legislation is not favourable for developing country suppliers willing to promote a specific origin.

[European food labelling legislation](#) requests nutritional information. The minimum font size for the mandatory information is 1.2 mm. European [health claims regulations](#) prohibit claims that any food can cure illnesses. Currently allowed health claims labelling for olive oil include only polyphenols, oleic acid, vitamin E and monounsaturated and polyunsaturated fatty acids. Beneficial effects of polyphenols can only be used on the label for olive oil that contains at least 5 mg of hydroxytyrosol and derivatives per 20 g of olive oil.

Tips:

Be sure to perform laboratory tests only in [ISO/IEC 17025:2005](#) accredited laboratories.

Train employees inside your company to perform in-company sensory tests for the regular monitoring of olive oil quality. Follow [ISO 8586:2012](#) training guidelines for sensory assessors.

To be prepared for potential new changes in the MRLs, read the [Ongoing Reviews of MRLs in the European Union](#).

Read more about transport and storage conditions of olive oil on the websites of [Transport Information Service](#) and [Cargo Handbook](#). Packaging material and storage condition can impact the outcome of sensorial tests and phenol levels.

Read our study about [buyer requirements for processed fruit and vegetables](#) for a general overview of buyer requirements in Europe.

What additional requirements do buyers often have?

In addition to the mandatory requirements, many other specific buyer requests have become equally important. These include compliance with food safety, quality and sustainability standards.

Specific quality characteristics

Some buyers may have special quality preferences for olive oils in terms of intensity and olive ripeness. Regarding intensity, all olive oils can be classified as intense (robust), medium and light (delicate). Intensity is defined by the main attributes (fruitiness, bitterness and pungency). Depending on the harvest time, olive oil can be produced from unripe olives (green), from ripe olives and a combination of both. Other types include infused, organic, monovarietal and olive oils from specific regions.

Some buyers specialise in premium olive oils. Although there is no official European categorisation of premium olive oil, it is commonly understood as olive oil that has an extremely low acidity level, if possible, less than 0.3 g per 100 g. Premium olive oils are also promoted with remarkably high positive sensory attributes. The most common marketing method for premium olive oil is through international olive oil competitions. When olive oil wins competition awards, it is then commonly promoted as 'premium', 'high-end' or 'superior quality'.

Food safety certification

Although food safety certification is not obligatory under European legislation, it has become a must for almost

all European food importers. Most established European importers will not work with you if you cannot provide some type of food safety certification.

Most European buyers will ask for [Global Food Safety Initiative](#) (GFSI) recognised certification. For olive oil, the most popular certification programmes recognised by GFSI are:

- [International Featured Standards](#) (IFS)
- [British Retail Consortium Global Standards](#) (BRCGS)
- [Food Safety System Certification](#) (FSSC 22000)

Please note that this list is not exhaustive and food certification systems are constantly developing.

Although the various food safety certification systems are based on similar principles, some buyers prefer one specific standard over the other. For example, British buyers often require BRC, while IFS is more common for German retailers. Also note that food safety certification is only a basis to start exporting to Europe. Serious buyers will usually visit or audit your production facilities before buying.

Corporate Social Responsibility

Companies have different requirements for corporate social responsibility. Some companies require adherence to their code of conduct, or one or more of the common standards, such as the Supplier Ethical Data Exchange ([SEDEX](#)), Ethical Trading Initiative ([ETI](#)), and Business Social Compliance Initiative code of conduct ([BSCI](#)). If the olive oil is meant for the retail segment, suppliers will be asked to follow a code of conduct developed by the specific retailer. Many retailers have their own codes of conduct, such as [Lidl](#), [Rewe](#), [Carrefour](#), [Tesco](#) and [Ahold Delhaize](#).

Tips:

Get food safety certification. Carefully select a certifying company and consult with your preferred buyers about their certification preferences.

Do a self-assessment using the producer starter kit on the [Amfori BSCI website](#).

What are the requirements for niche markets?

Organic olive oil

To market olive oil as organic in Europe, the olives must be grown according to organic production methods under [European legislation](#). Growing and processing facilities must be audited by an accredited certifier before exporters can put the European Union's organic logo on the bottle, as well as the logo of the standard holder, for example, [Soil Association](#) in the United Kingdom, and [Naturland](#) in Germany. A specific niche opportunity to sell organic olive oils at higher prices is to follow [Demeter](#)'s rules of biodynamic certification.

Importing organic products to Europe is only possible with an [electronic certificate](#) of inspection (e-COI). Each batch of organic products imported into the European Union has to be accompanied by an electronic certificate of inspection as defined in the regulation [covering imports of organic products from third countries](#). This electronic certificate of inspection has to be generated via the [Trade Control and Expert System](#) (TRACES).

Sustainability certification

For an overview of developments regarding sustainability initiatives in the European market, read our study on [trends in the European processed fruit and vegetables market](#).

Sustainability is a broad term with many aspects, and there is still no recognised sustainability certification covering all aspects. One increasingly used aspect is to publish CO2 emission rates on products, but it is difficult to have reliable measurements for those claims. In olive oil production, sustainability is mostly promoted through waste reduction and by using production waste as biomass. Currently, the most famous certification schemes focus on environmental impact and ethical aspects.

Fairtrade is the most used ethical certification for olive oil, especially for olive oil from Palestine and Syria. Products carrying the Fairtrade label indicate that producers are paid a Fairtrade Minimum Price. Fairtrade International has a complete minimum price structure for olive oil classified by origin, as well as by category (organic or conventional, and extra virgin or virgin).

The applicable Fairtrade minimum price valid for most olive oil producing countries is currently €3.3 per kilo and €3.8 per kilo for organic EVOO. The Fairtrade premium (an amount paid to producers in addition to the price of their products) is €0.4 per kilo for conventional EVOO and €0.5 per kilo for organic.

Ethnic certification

Islamic dietary laws (Halal) and Jewish dietary laws (Kosher) propose specific restrictions in diets. If you want to focus on the Jewish or Islamic ethnic niche markets, consider implementing [Halal](#) or [Kosher](#) certification schemes.

Tips:

Consult the [Sustainability Map database](#) for information on a wide range of sustainability labels and standards.

Check the [guidelines for imports of organic products into the European Union](#) to familiarise yourself with the requirements of the European organic market.

2. Through what channels can you get olive oil on the European market?

How is the end market segmented?

Olive oil in Europe is mostly used for home consumption, therefore retail sales have the largest share. Olive oil is also used by the food processing industry and by food services. There is no exact data, but the retail segment is roughly estimated at approximately 60% of the European olive oil market. Within the retail segment, the largest volumes are sold through supermarkets, where the share of private labels is growing.

Figure 1: End market segments for olive oil in Europe



Source: Autentika Global

Retail

Retailers sometimes buy directly from developing country exporters, but in most cases they use intermediaries, such as specialised distributors. A recent development is the polarisation of the retail sector into discounters and high-level segments. Consolidation, market saturation, strong competition and low prices are key characteristics of the European retail food market. Online retail sales of olive oil currently accounts for a small share of the market, but they are growing, especially after the COVID-19 pandemic.

Several types of sub-segments (points of sale) of the olive oil retail segment in Europe include the following:

- Retail chains – Increasing share of private label olive oils, including organic and higher quality (such as single-origin) varieties are the main developments for the leading mainstream retailers. Companies holding the largest market shares in Europe include Schwartz Gruppe (Lidl and Kaufland brands), Carrefour, Tesco, Aldi, Edeka, Leclerc, Metro Group, Rewe Group, Auchan, Intermarché and Ahold (Delhaize, Albert Heijn and several other brands).
- Specialised olive oils shops – Relevant for high-quality and single-origin EVOO sales. Some single shops were so successful they opened stores in different locations. [Olive & Vinegar](#) from the Netherlands is a good example that started in the Netherlands and now has shops in several European countries and abroad. There are also national chains that specialise in olive oil, such as [Oliviers&Co](#) in France. In most specialised shops, customers can taste oils before buying and fill their own bottles straight from the glass barrels. Most specialised olive oil shops offer online sales.
- Specialised ‘fine food’ stores – These shops sell a wider range of food and commonly premium olive oils. Some specialised stores are present in the form of luxury food department stores such as [Fortnum & Mason](#) in the United Kingdom. Fine food stores are sometimes present not as individual branded shops, but as food corners in shopping malls or in luxury department stores, such as [La Grande Épicerie](#) in France and [de Bijenkorf](#) in the Netherlands.
- Specialised organic and health food shops – Specifically relevant for suppliers of organic certified olive oils. Many organic shops are part of specialised organic food retail chains, especially in Germany. Some of them import directly. Some European shops selling organic olive oil are also drugstores (for example, [dm](#) and [Rossmann](#)), variety shops (such as [HEMA](#)) or food supplement stores (such as [Holland & Barret](#)).
- Specialised ethnic shops – These shops provide specific opportunities for entering the market without competing with the leading retail brands. The most relevant types of ethnic shops for olive oils sales, are shops selling food from the Middle East and North Africa.
- Specialised ethical shops – These are a niche segment that provides opportunities for Fairtrade and ethical certified suppliers. Sales of Fairtrade certified products are strong in the United Kingdom and Scandinavian countries.
- Online retailers – Online retailers usually sell premium olive oils, often from specific destinations or from single producers. Online olive oil shops are often part of the business of regular traders.

Food industry

Most food industry processors use ordinary (not virgin) olive oil as an ingredient. However, the number of products with EVOO as an ingredient, is on the rise. Adding olive oil to food products improves the consumer's image of the product. This means the price can be raised for the final retail products. Most food industry companies are supplied through wholesalers and do not import olive oil directly. The biggest users of olive oil in the European food industry include:

- Ready meals – Producers of chilled, canned or frozen ready meals use olive oil as an ingredient. The majority of those products include Italian style products, such as pizzas, pastas, and pesto sauce, or Spanish style products, such as frozen paella. Mediterranean style ready meals also using olive oil as an ingredient are appearing on the market, such as Greek style salads and pita breads, or Middle Eastern tabbouleh salads.
- Canned fish – Producers of canned tuna, mackerel, sardines and anchovies use oil in most of their products. Many canned fish producers are replacing other vegetable oils with olive oil to increase quality and improve product image.
- Canned food – Apart from fish, this item includes processed and canned vegetables, such as grilled artichokes, grilled peppers, chopped garlic and canned pasta sauces.
- Spreads – Several producers of margarines are introducing new options to improve the image of the product, including adding olive oil to decrease the content of unhealthy fats in the final product.
- Other food industry products – These include other products where olive oils is used as an ingredient, such as dips, sauces, condiments (such as mayonnaise), table olives, dressings and bakery snacks.

Food service

The food service segment (hotels, restaurants, catering and public organisations) is usually supplied by specialised wholesalers and distributors. The food service segment usually does not import directly, except in few cases of fast food chains which are served by exclusive distributors. Increasing consumption is specifically relevant for Mediterranean types of restaurants and fast food chains, such as pizza and tapas bars. Also, some high-end or luxury restaurants serve premium olive oil.

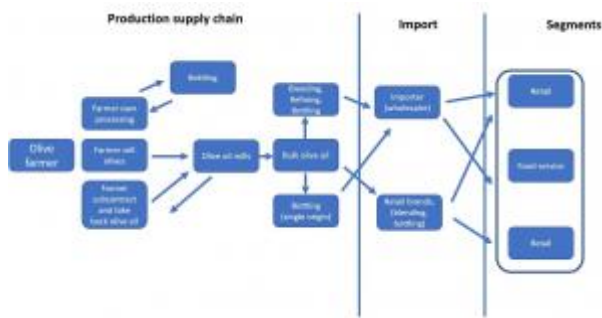
The food service segment is quite significant in Europe, in terms of olive oil use. For example, the Netherlands alone has approximately 40 thousand players in the food service segment. In order to reach final buyers in this segment, it is necessary to use specialised distributors, and specific packaging, such as 5 L tin cans.

Most olive oil used for food preparation in restaurants is not virgin. However, olive oil served together with dishes is mostly EVOO. Until recently, in many European countries, olive oil served with dishes was of inferior quality from refillable containers. However, some countries introduced rules for restaurants to serve EVOO from original bottles. For example in [Greece](#), since 2018, EVOO must be served in sealed bottles like wine, to be opened at the table.

Through what channels does olive oil end up on the end-market?

In terms of volume, the most important channel for olive oil in Europe are large producing and bottling companies. They import bulk olive oil for blending and production of their own retail brands. However, independent specialised olive oil importers are also an important channel, especially for companies willing to enter high-end segments in the European market.

Figure 2: European market channels for olive oil



Source: Autentika Global

Importers (Wholesalers)

Unlike many other food sectors in Europe, in the olive oil sector the largest importers are not traditional wholesalers, but companies selling olive oil under famous retail brands. These companies import bulk olive oils from their own production locations to different destinations in Europe. Specialised importers, in turn, import either bulk or bottled olive oil and sell it to the food service segment or to specialised shops.

Some specialised importers are also exclusive distributors for certain olive oil brands. In many cases, these importers also import other products, not just olive oil. However, exclusive distributors usually do not sell more than one olive oil brand.

For new suppliers, the challenge is to establish long-term relationships with leading brands, which usually already work with selected suppliers. Well-known importers perform regular audits and visits to producing countries. As a new contact, at the start of the relationship, you often need to offer the same quality, but at better prices than your competitors. On the other hand, specialised importers of premium olive oil offer better prices, but ask for exceptional quality, new flavour profiles and interesting stories behind your product or brand.

Many different types of importers specialise in importing olive oil. Some import a wide range of products, others import different types of oils and other condiments, such as vinegars. There are still importers that specialise in importing only olive oil. The most important types of olive oil importers are the following:

- **Leading retail brand producing companies** – These are companies that buy most of the olive oil in the world. They are relevant for bulk exporters, but less relevant for suppliers of bottled oils. They have strict quality assessment procedures before selecting new suppliers. For new suppliers willing to export bottled olive oil, these companies can be even considered competitors. Examples of the largest companies include [Deoleo](#), [SOVENA](#), [Migasa](#), [Salov](#), and [Acesur](#).
- **Retail bottling companies and brand distributors** – These companies are often bottlers of different types of edible oils, but some are multinational companies selling many different products and international brands. They can be interesting for bulk olive oil exporters that often blend olive oil from different destinations. Some examples include [Avril Group](#), [Unilever](#), [Princess Group](#), [MH Foods](#), and [Di Luca & di Luca](#).
- **Specialised olive oil importers** – The different types of olive oil specialist importers range from those importing oil only from specific destinations, to importers importing bulk and different types of oil. Some of them act as bulk wholesalers, while some are specialised in trading premium olive oil and supplying olive oil shops. Examples include [Peter Kölln](#), [The Oil Merchant](#), [Artisanal Olive Oil Company](#), [Assisi](#), [Or Andaluz](#), [Henry Lamotte Oils](#), [the gift of oil](#), [Meyer & Co](#), and [Imex Delikatessen](#).
- **Specialised natural and organic food importers** – Among these specialist importers providing opportunities for suppliers of organic olive oil are [Le Temps des Oliviers](#), [Bio Planète](#), [Naturata](#), [Raw Living](#), [Oliva Oil](#) (Biologisch Pakhuis) and [Gebana](#).
- **Other importers** – Some importers provide opportunities for niche markets. They include single-origin olive oil importers, fair-trade and sustainable products importers, and ethnic food importers.

What is the most interesting channel for you?

Specialised olive oil and vegetable oil importers are the best contacts for exporting olive oil to the European market, particularly for new suppliers willing to reach the retail segment more easily. However, selling olive oil in mainstream supermarkets can be very difficult and requires high distribution and logistics capacities.

Specialised importers usually have good knowledge of the European market and monitor the situation in olive oil producing countries closely. On the other hand, large-scale producers willing to provide standard quality and competitive prices can also consider working with the larger producing and bottling companies. If your company is certified for socially responsible practices or produces certified organic olive oil, you can look for opportunities with specialised importers of these products.

Tips:

Study the exhibitor lists of large trade fairs, such as [ANUGA](#), [SIAL](#) and [Alimentaria](#), to find potential buyers for your olive oil. If you aim to supply to supermarket private labels, search for opportunities at [PLMA](#).

In order to more easily reach the food service segment, look for suppliers at specialised food service events, such as [SIRHA](#) and [Internorga](#).

If you are producing premium olive oil, enter your product in international competitions to attract potential buyers. Consider also exhibiting at specialised fine food exhibitions, such as [the International Food & Drink Event](#) and [Speciality Fine Food Fair](#).

Understand the retailers' demand for sustainable products and make yourself more competitive by investing in different certification schemes, such as those involving corporate social responsibility (CSR) practices. Food safety certification is a minimum requirement if you want to reach the retail segment.

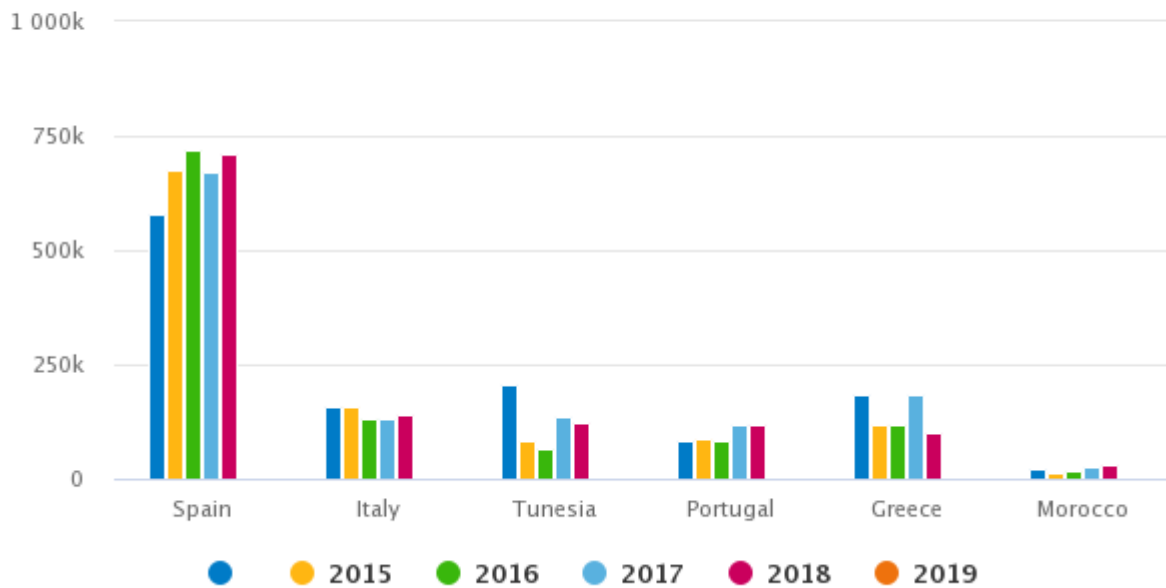
3. Which countries are you competing with?

Which countries are you competing with?

The main competitors for emerging olive oil suppliers are in Europe, namely in Spain and Italy. Exports from those two countries supply more than 70% of all European olive oil imports. Greece and Portugal are two other important supplying countries within Europe. Tunisia is the main non-European supply country, followed by Morocco. Spain is characterised by large-scale production and price-competitive assortment. In Italy and Greece a large number of small-scale producers produce high-quality olive oil, while Tunisia has the strongest organic product range.

Figure 3: Leading suppliers of olive oil to Europe

in tonnes



Source: ITC TradeMap and Eurostat

Spain, the leading world supplier of olive oil

Spain is the leading olive oil producing country in the world, and the largest supplier to other European countries. In 2019, Spain exported 1.19 million tonnes of olive oil, of which 60% was EVOO, 26% non-virgin olive oils, 11% other virgin olive oil and 9% olive pomace oil. EVOO had the highest export growth rate, growing from 589 thousand tonnes in 2017, to 725 thousand tonnes in 2019. Most of Spain's olive oil exports to other European countries, especially to Italy, are in bulk.

Approximately 65% of Spanish olive oil is exported to other countries in Europe. In 2019, the leading export destination for Spanish olive oil was Italy (1/3 of all olive oil exports), followed by the United States (12%), Portugal (11%), France (9%) and the United Kingdom (4%). Canada was the fastest growing export destination for Spanish olive oil, importing 1.5 thousand tonnes in 2015 and almost 10 thousand tonnes in 2019. A significant part of the olive oil exports from Spain to Italy belong to large European companies that have facilities in both countries.

In 2019, the United States imposes new tariffs on approximately half of the [120,000 tonnes of Spanish olive oil](#) being exported to the United States.

Spain is the world's largest producer of olive oil. Having the largest olive tree planted area in the world, Spain accounts for 50% of the total olive area in Europe. The largest share of olive oil production is located in Andalusia (80%) followed by Castile-La Mancha (8%), Extremadura (5%) and Catalonia (3%). With 28 protected designations of origin for olive oil, Spain is fully export oriented, has a growing production but stagnating domestic consumption.

Spain grows 260 olive cultivars, but the most important is Picual, which makes 50% of Spain's olive trees. Olive oil produced from the Picual variety is favoured because of its high level of polyphenols and long shelf life. Other important Spanish varieties include Hojiblanca, Cornicabra, Arbequina, Lechín of Seville, Verdial, Empeltre and Picudo. More than 1,800 olive mills process Spanish olives into olive oil, but an estimated 40% of Spanish olive oil is produced by large oil groups

Italy, high export prices

Italy is the second-largest olive oil exporter in the world. In 2019, Italy exported 338 thousand tonnes of olive oil, valued at €1.4 million. Italian domestic production is not sufficient for that volume of exports, so the country imported almost twice more than exported in 2019: 602 thousand tonnes. The export prices of Italian olive oil are higher than those of other leading producing countries, which is partially explained by the large share of EVOO (74% of total), Italy's famous retail brands, a significant organic assortment and the well-built reputation of Italian products.

Approximately 40% of all Italian olive oil exports goes to other European countries. In 2019, the leading export destination for Italian olive oil exports was the United States of America (28%), followed by Germany (12%), France (8%), Japan (7%), and Canada (5%). The Russian Federation and the Netherlands were the fastest growing export destinations for Italian olive oil exports in the last five years. Italian olive oil exports to the Russian Federation doubled from 3.4 thousand tonnes in 2015 to 6.9 tonnes in 2019. In the same period, exports to the Netherlands increased from 2.9 thousand tonnes to 5 thousand tonnes.

Italian production is concentrated in the south, with Puglia as the leading producing area, followed by Calabria and Sicily. More than 400 olive cultivars are grown in Italy. The most common one is Coratina (especially in Puglia), famous for its high oleic acid content and oxidative stability. Other popular varieties are Ogliarola Salentina, Cellina di Nardò, Carolea, Frantoio and Leccino. Olive farms in Italy are relatively small compared to Spain; there are more than 800 thousand olive farms currently operating in Italy.

Tunisia, the leading exporter of organic olive oil to Europe

Tunisia is the leading olive oil producing country outside of Europe. In the 2019/20 season, Tunisian olive oil production is estimated to exceed 300 thousand tonnes, likely making Tunisia the world's second-largest olive oil producing country. Tunisia is already the largest exporter of organic olive oil in the world. Total Tunisian olive oil exports in 2019 are estimated at approximately 170 thousand tonnes. Europe is the main export destination for Tunisian olive oil (almost 80%), followed by the United States.

Countries in the European Union imported 121 thousand tonnes of olive oil from Tunisia in 2019. This was a decrease compared to 2018, but mainly because of the overproduction in Europe. Of this quantity, 54% was EVOO, 34% virgin lampante, 9% olive pomace oil and 3% other olive oils. 95% of olive oil from Tunisia is exported as bulk and 5% as bottled.

In 2019, Spain was the largest importer of Tunisian olive oil in Europe, with a 48% share, followed by Italy with 43% share. Spain is also importing almost all exported olive pomace oil from Tunisia. Olive oil export to Europe is fluctuating mainly because of the variable production. Export is also influenced by the already mentioned tariff quota of 56,700 tonnes. Some Tunisian exporters (for example CHO) established companies in the European Union in order to get access to the quota.

Greece, the long production history and unique varieties

Greece is the third-largest European olive oil producer and the fourth-largest exporter. In 2019, Greece exported 124 thousand tonnes of olive oil at a value of €370 million. Approximately 65% of these exports were EVOO, followed by olive pomace oil (15%). More than 80% of all Greek olive oil exports went to other European countries.

Italy is the leading market importing Greek olive oil, taking 53% of all Greek olive oil exports, followed by Germany (9%), the United States (8%) and Spain (6%). Greece's olive oil exports grew the most to Germany and the United States recently. Greek olive oil exports to Germany grew from 8.9 thousand tonnes in 2015 to 11 thousand tonnes in 2019, and to the United States from 6.8 thousand tonnes to 10 thousand tonnes in the same period.

Most olive oil production in Greece is concentrated in Peloponnese (Messenia and Ilia), Crete (Iraklion and Chania), Mitilíni and Ionian Islands (Corfu). The leading olive variety in Greece is Koroneiki followed by Mastoidis and Adramitini. Approximately 9% of Greece's olive trees dedicated to olive oil production are organically certified.

Portugal, high production

Portugal shows continuous olive oil export growth at an annual average of 10% in the past five years. In 2019, Portugal's olive oil exports reached 190 thousand tonnes valued at €564 million. More than 60% of Portuguese olive oil exports are destined for other European countries. Portugal mostly exports high-quality olive oil: more than 70% is EVOO.

The main target market for Portuguese olive oil is Spain, where 43% of Portugal's exports went to in 2019, followed by Brazil (32%) and Italy (15%). Since 2015, Portuguese olive oil exports to Brazil grew the most on an annual average, almost doubling from 32 thousand tonnes in 2015, to more than 60 thousand tonnes in 2019. Other growing destination countries for Portuguese olive oil, albeit in small volumes, are the United States and Poland.

Approximately half of the olive oil production in Portugal is concentrated in Alentejo, followed by Trás-Os-Montes and Beira Interior. The two leading olive varieties used in oil production are Galega Vulgar and Cobrançosa. Other important varieties include Carrasquenha, Cordovil, Maçanilha Algarvia, Verdeal and Madural. The number of olive trees is significantly growing and production is being modernised in Alentejo. This intensive growth is partially connected to the construction of the nearby Alqueva dam, enabling water for regular irrigation.

Morocco

Morocco is the second-largest olive oil producing country outside Europe; Tunisia is first. Production of olive oil in Morocco is continuously growing — in select years, Morocco's production was the world's fourth-largest. Exports of olive oil from Morocco reached more than 40 thousand tonnes at a value of €71 million in 2019. A 54% share of Morocco's exported olive oil in 2019 was EVOO, followed by olive pomace oil. Morocco exports large volumes of olive pomace oil to Spain: 13 thousand tonnes in 2019.

Approximately 75% of Moroccan olive oil exports go to Europe. Moroccan olive oil exports are quite concentrated: more than 90% is exported to only three countries. In 2019, the leading export destination for Moroccan olive oil was Spain (63%), followed by the United States (23%) and Italy (7%). Aside from being the largest markets, Spain and the United States are also the markets with the most significant recent export growth for Moroccan olive oil.

Although in Morocco is modernising its olive oil production, it still has a large presence of traditional oil mills. The leading olive variety in Morocco is Picholine Marocaine, used in more than 96% of the country's olive oil production. Other popular varieties are Picholine du Languedoc, Dahbia and Meslala. Morocco is also continuously improving the quality of its olive oil. Several years ago, lampante olive oil was the most exported, but now EVOO represent the largest share of olive oil exports, and Moroccan olive oil has now won several awards in international competitions.

Which companies are you competing with?

Many olive growers, grower cooperatives, olive oil mills, refineries, blending and bottling companies supply to European markets, each of them with their own export strategies. The sector is showing polarisation in terms of size due to price competition. The number of small farmers and oil mills is decreasing while large-scale production and processing is increasing. An estimated half of olive oil retail sales in the world is bottled by only five or six large companies.

Some of the leading exporters are listed in the examples below, but many other potential competitors are not mentioned in this study. Direct competitors are different for each olive oil exporter and they can be better

analysed in terms of individual export marketing strategies. For example, direct competition for producers of premium olive oils are not the leading massive-scale producers, but producers selling oils in the high-end segment.

Spain

More than 1,800 olive mills, 1,600 packing companies, 6,000 pomace mills and more than 20 refineries process olive oil in Spain. More than 840 of these business are located in Andalusia, especially in Jaén province. Andalusia has the largest number of olive oil processors, and the largest olive mills in terms of capacity, some of which can process 2.5 thousand tonnes per month. Most Spanish mills use two-phase decanter centrifuges, and do not operate independently, but related to packing facilities.

Despite the large number of olive mills, up to 50% of Spain's producing cooperatives belong to large cooperatives that gather operations such as growing, processing, packing and exporting. Some of the largest Spanish olive oil cooperatives are [Dcoop](#), [Olivar de Segura](#), [Jaencoop](#), [Almazaras de la Subbética](#), [Oleoestepa](#), [Interoleo](#), Cooperalia, [Oleotoledo](#), [Montes Norte](#) and [Unió](#). The largest individual olive oil processor in Spain, and in the world, is [La Cooperativa Nuestra Señora del Pilar](#) with 14 production lines (member of Jaencoop).

Other larger individual processors in Spain include [Nuestra Señora de los Remedios](#), [San Isidro de Loja](#), [Fertinez](#) and [Bravoleum](#). The largest olive oil bottling and blending companies in Spain are [Deoleo](#), [Sovena](#), [Migasa](#), [Acesur](#), [BAIEO \(Borges\)](#) and [Maeva](#).

Among the leading players in Spain, the following two stand out.

- [Dcoop](#) – The largest olive oil producer in the world, Dcoop currently produces approximately 7% of the world's olive oil, and exports to almost 70 countries. Dcoop consists of a group of 180 cooperatives (the largest in Europe), of which 113 produce olive oil. In addition to producing bulk olive oil, Dcoop runs four modern bottling facilities operated by the subsidiary [Mercaóleo](#), which packs and blends olive oil for several brands, including [Pompeian](#), one of the leading brands in the United States.
- [Deoleo](#) – The world's largest olive oil bottler, with factories in Spain and Italy and subsidiaries in 15 other countries, Deoleo produces olive oil under the brands Bertolli, Carbonell, Carapelli, Sasso, Hojiblanca, and Koipe, as well as other edible oils, vinegars and sauces, which are sold in more than 80 countries.

[Spanish Olive Oil Interprofessional](#) is the Spanish olive oil sector industry organisation, which works as an umbrella association of growers, cooperatives, factories, bottlers and exporters. [ASOLIVA](#), the [Spanish Olive Oil & Pomace Olive Oil Exporters Association](#) is an association of 50 Spanish olive oil exporting companies.

Italy

Compared to Spain, Italian production is characterised by the presence of a larger number of small-scale olive mills. Italy had 4,480 active olive mills in 2019 (2.5 times more than in Spain), and 220 industrial olive oil processors. It is estimated that more than 60% of these mills are run by small family companies. Approximately 19% of Italy's olive mills are in Puglia, 14% in Calabria, 12% in Sicily, and 9% in Tuscany. Most of these olive mills belong to individuals, and only roughly 20% of them are operated by cooperatives, mostly in Puglia and Toscana.

Although 76% of olive mills in Italy use less than 500 tonnes of olives for crushing, most of the olive oil is produced by medium-scale mills crushing between 1,000 and 5,000 tonnes of olives. The large number of small processors can negatively influence competitiveness, but Italian producers and blenders are specialised in exporting retail-packed oils. An estimated 40% of quality retail brands in Europe are Italian brands. Italy also has 46 PDO olive oils, the largest of which in production volume is Terra di Bari, from Puglia.

In spite of the large number of olive oil mills in the country and their many production types and capacities, some examples of large bulk olive oil producers, storage companies and refining companies in Italy include [Castel del Chianti](#), [Oleificio Zucchi](#) and [Verdeolio Mediterraneo](#). Some of the large storage and processing

companies in Italy include [Casa Olearia Italiana](#), [Fiorentini Firenze](#) and [Montalbano Agricola Alimentare Toscana](#).

Several large Italian bottling companies also own oil mills, such as [SALOV](#) (Filippo Berio and Sagra), [Monini](#), [Fratelli Carli](#) (Olio Carli), [Olio Dante](#) (Dante), [de Cecco](#), [Farchioni](#), [Pietro Coricelli](#), [Olitalia](#), [Basso](#), [Desantis](#) and [Rubino](#). Spanish olive oil giant Deoleo runs two facilities in Italy. Among the many players in Italy's olive oil scene, the two largest players are:

- SALOV – Salov distributes its range of oil products under the Sagra brand in Italy, and under the Filippo Berio brand worldwide. The company's main facility is situated in Massarosa, Italy, and it also has three subsidiaries in the United Kingdom, the United States and in the Russian Federation. They also have an office in Singapore and a strategic partnership in Japan. The company's products reach 75 countries.
- Monini – Monini S.p.A. is the Italian joint-stock company specialised in the production of extra virgin olive oil, headquartered in Spoleto. Monini products are present in almost all European countries. The company has subsidiaries in Poland and the United States. In addition to olive oils, Monini also produces balsamic vinegars and cosmetic products.

Tunisia

Olives are grown in many areas in Tunisia, but mainly in the warm coastal areas and the Low Steppes. Tunisia's two leading olive varieties are Chemlali and Chetoui. Other important varieties include Oueslati, Zalmati, Zarrazi, Gerboui and Sayali. Modernisation of olive mills in Tunisia is taking place, but a large share of processing is still done by traditional presses and mills. The largest number of mills is located in Sfax and Sahel. There are more than 40 olive oil packing facilities in Tunisia.

Although the number of olive oil producers in Tunisia is much larger, some interesting export oriented companies to mention include [CHO Group](#), [Sadira](#), [Huilerie Loued](#), [Sara Huiles](#), [Agromed](#), [Barhoumi](#), [Fermes Ali Sfar](#) and [Hovea Oleum](#).

- CHO Group controls 20% of Tunisia's production and has subsidiaries in several countries. The company is an exporter of bulk olive oil and organic olive oil but also produces the brand [Terra Delyssa](#). It has subsidiaries in Europe and the United States.

Greece

Some of the most notable Greek producers, traders and exporters include [Terra Creta](#), [Nutria](#), [Olico Brokers](#), [ABEA](#) and [Cretanthos](#). There are more than 450 different olive oil brands in Greece; the most known are [Elanthy](#), [Altis](#) (by [Upfield](#)), [Minerva](#), (by investment fund [Diorama](#)), [Gaea](#) and Iliada (by company [AGROVIM](#)). Many small mills produce PDO olive oils. Currently, Greece has 17 PDOs. Approximately 90% of Greece's olive oil exports are in bulk, and 10% under branded names of many different companies.

Although most olive mills in Greece are smaller and less technologically advanced than those in Spain and Italy, Greek olive oil is generally characterised by low acidity and therefore high quality. An 80% share of Greek olive oil mills use three-phase technology, and 70% are owned by cooperatives controlled by farm owners. The leading exporters are Nutria, Gaea, Minerva and Upfield.

Portugal

Many Portuguese olive producers work together in cooperatives. Producers from Alentejo, for example, formed the [Centre for the Study and Promotion of Alentejo Olive Oil](#) (CEPAAL) with 28 producers who grow, crush and bottle olive oils. The largest Portuguese independent player is [SOVENA group](#).

- SOVENA is a Portuguese company owned by [Nutrinveste](#), producing brands such as Andorinha, Olivari, Fontoliva, Soleada and Flor de Olivo. SOVENA organises production through their own company [Oliveira da Serra](#), on more than 10 thousand ha, which is considered the largest olive growing investments in the world. Olive crushing is done in the largest Portuguese olive mill, in Ferreira do Alentejo, and at a newer mill in Avis.

Morocco

One of Morocco's leading olive oil producers is [Lesieur Cristal](#), but there are many [olive oil producers and exporters in Morocco](#). One of Morocco's leading companies is [Atlas Olive Oils](#), which cultivates more than one million olive trees on three estates at the foot of the Atlas mountain. The company has a modern olive mill and several olive oil brands. Two of their premium brands — Les Terroirs de Marrakech and Desert Miracle — have won awards in international competitions. The company is also producing olive oil-based food supplements.

- Lesieur Cristal is part of France's [Avril group](#). In addition to olive oil under its leading brands Jawhara and Mabrouka, Lesieur Cristal also produces other vegetable oils, as well as oilcakes and soaps.

Tips:

To learn more about the Spanish olive oil industry, check the websites of [Spanish Olive Oil Interprofessional](#), [Spanish Olive Oil & Pomace Olive Oil Exporters Association \(ASOLIVA\)](#), [Spanish Federation of Industrial Producers of Olive Oil \(Infaoлива\)](#) and [National Association of Industrial Packagers and Refiners of Edible Oils \(ANEIRAC\)](#).

Learn more about the Italian olive oil industry from the websites (Italian only) of the [Association of Italian olive oil producers \(ASSITOL\)](#), [Italian Olive Consortium \(UNAPROL\)](#) and [Institute for Agricultural Market Services \(ISMEA\)](#).

Find the contacts of Tunisian olive oil companies on the [Tunisian Olive Oil](#) website and learn more about the Tunisian olive oil sector on the [National Office of Olive Oil](#) (in French).

To learn more about the Greek olive oil industry, visit the website of the [Federation of Greek Olive Oil Industries \(SEVITEL AMKEPE\)](#).

Regularly visit leading European trade fairs, such as [ANUGA](#), [SIAL](#) and [Food Ingredients](#) to meet your competitors and potential clients.

Which products are you competing with?

The main substitute products for olive oil are other types of vegetable oil. The most produced oil in Europe is rapeseed oil, followed by sunflower and soybean oil. Sunflower oil is also the most imported type of vegetable oil in Europe. Above all, butter is still very popular and the most traded product of all fats in European countries. Consumption of olive oil is increasing in Europe, but it is largely influenced by price.

Olive oil is considered a high-value product, and it is important to offer high-quality olive oil to final consumers. Incidents involving fake olive oil and low-quality olive oil passing off as EVOO could negatively influence the reputation of olive oil among European consumers. One possible threat is that if olive oil does not offer more health and quality benefits than other oils, consumers may switch to cheaper alternatives, such as sunflower, rapeseed and other oils. The popularity of coconut oil has increased in Europe in the last few years, although online negative information has since affected coconut oil consumption.

Several other types of oils belong in the premium segment, but they are more used as cosmetic ingredients. These include argan oil, avocado oil, jojoba oil and macadamia oil. Some of these oils, especially oils produced from nuts (like hazelnut, walnut and almond) and pumpkin seed oil belong in the high-end segment, fetching higher prices than olive oil. Chia oil and sacha inchi oil, mostly used in cosmetics, are also increasingly sold as food.

Tip:

Visit the websites of the [Federation of European Vegetable Oils Industry \(FEDIOL\)](#), [European Association of Dairy Trade \(Eucolait\)](#), and the [European Dairy Association \(EDA\)](#) to better understand the competition to your product.

4. What are the prices for olive oil on the European market?

Prices of olive oil vary according to the type of olive oil. The cheapest olive oils are lampante and olive pomace oil, and the most expensive are EVOO premium oils. Bottled olive oils reach the highest export prices, but most of the European trade consists of bulk olive oil, which normally fetches lower prices. The prices of olive oil also depend on the oil quality, and there are several different price segments.

Italian olive oil fetches significantly higher prices than Spanish, Portuguese and Greek oils. The European Union had a record harvest of 1.76 million tonnes in 2019, which caused standard quality EVOO's prices to collapse. Nevertheless, Italian olive oil still had a much higher average selling price. The average price of Italian EVOO was considerably higher (€469.8/100 kg), than Spanish (€221.1/100 kg), and Greek (€260.1/100 kg). FOB Prices of premium bottled olive oil usually reach more than €5/kg and some can even go over €10/kg.

According to ISMEA surveys, Italian extra virgin olive oil prices in the first quarter of 2020 declined -44% compared to the first quarter of 2019, while Spanish product declined -21%. In absolute values, in the first quarter of 2020, the average price of Italian extra virgin olive oil is €3.1/kg, compared to €5.61/kg in the first quarter of 2019. For Spain, however, the average price is currently €2.13/kg compared to €2.68/kg in the same period last year.

Prices for some PDO olive oils can be higher than €12/kg. For example, the estimated production price for PDO Italian olive oil Brisighella is estimated at €22/kg for 2019. In final retail sales, a litre of this oil can reach almost €100. Another example is PDO Garda olive oil. In 2019, producer price was €17 and the retail price was over €30/l.

Figure 4: Average weekly prices of EVOO from Spain, Italy and Greece



Source: European Commission

The price breakdown below is a very rough indication, considering that many different factors affect production costs, such as quality, variety, origin, food safety certification costs, consultants, social security, taxes and sales network margins.

Table 1: Olive oil retail price breakdown

Export process steps	Type of price	Price breakdown	EVOO price per litre (example)
Production of olives	Raw material price	5%-6%	€0.33/kg for olives, based on the assumption that the price of 100 kg of olives is €60 and that producing 1 L of oil requires 5 kg of olives.
Crushing and production of bulk oil	FOB or EXW price	50%	€3
Import, shipping, handling and storing	CIF price	58%	€3.5
Bottling	Wholesale price (value-added tax included)	60%-70%	€4
Retail sales of the final packed product	Retail price	100%	€6


Tip:


Check prices in the leading producing countries on the websites of [Precio Aceite de Oliva](#) and [ISMEA](#).

This study was carried out on behalf of CBI by [Autentika Global](#).

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