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## Italy

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### Italian Olive Oil Overview 2016

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**Report Highlights:**

Italy is the second largest olive oil producer in the European Union (EU) after Spain and accounts for approximately one-quarter of the EU-28 olive acreage. According to the latest industry estimates, Italy's marketing year (MY) 2016/17 olive oil production is forecast at 243,000 metric tons (MT), a 49 percent drop compared to the previous abundant campaign (475,000 MT) due to sudden alternations of hot, cold, and rainy weather that affected the Italian peninsula throughout the year, combined with the olive fruit fly attack in September. Overall, quality is expected to be good.

## Italian Olive Oil Overview 2016

### Production

Italy is the second largest olive oil producer in the European Union (EU) after Spain and accounts for approximately one-quarter of the EU-28 olive acreage. According to the latest industry estimates, Italy's marketing year (MY) 2016/17 olive oil production is forecast at 243,000 metric tons (MT), a 49 percent drop compared to the previous abundant campaign (475,000 MT) due to sudden alternations of hot, cold, and rainy weather that affected the Italian peninsula throughout the year, combined with the olive fruit fly attack in September. Overall, quality is expected to be good.

As reported by the industry, there are approximately 700,000 olive farms in Italy organized in 700 certified production chains, cultivating 1.1 million hectares (ha) of land and more than 250 million olive trees. Puglia and Calabria cover 68 percent of Italian olive oil production. The remainder of production is in the regions of Sicilia (8 percent), Campania (6 percent), Abruzzo (4 percent), Lazio (4 percent), Toscana (3 percent), and Umbria (2 percent). Thanks to approximately 538 different olive varieties, Italy is able to express many different flavors and fragrances that make the country a unique and exclusive olive grove. Leading olive varieties include *Ogliarola*, *Coratina*, *Cima*, and *Cellina* in Puglia; *Taggiasca* and *Lavagnina* in Liguria; *Frantoio* in Toscana; *Casaliva* by the Garda Lake; *Moraiolo* in Umbria; *Carboncella* in the area of Sabina mountains (Lazio); *Gentile* in Abruzzo; *Rotondella* in Campania; *Carolea* in Calabria; *Nocellara del Belice* in Sicilia and *Bosana* in Sardegna.

Nearly 60 percent of Italian olive oil production is extra virgin. Olive trees are slow to grow, taking four or five years to yield their first fruits and another 10 to 15 to reach their full capacity. Olive harvest occurs from October to December. Olives are mostly handpicked and the crop is pressed on the day of picking. This helps differentiate the Italian product by contributing to quality, but raises costs by limiting economies of scale.

### Consumption

With approximately 11 liters per capita per year, Italy is a leading olive oil consumer. More than 80 percent of consumption is extra virgin. Household penetration of olive oil is 90 percent, while the remainder goes to canning and cosmetics industries. Traditional distribution channels where consumers purchase olive oil directly from producers account for one-fifth of Italian production. Local consumers generally focus on perceived quality rather than price in making their purchasing decisions. Product differentiation is important in Italy, with customers increasingly interested in Protected Designations of Origin (PDOs), Protected Geographical Indicators (PGIs), and organic certifications.

### Trade

Italy's MY 2014/15 olive oil imports remained flat at approximately 584,674 MT compared to the previous campaign. Spain remained the leading supplier to the Italian market, accounting for 57 percent of total imports. A significant share of the imported oil is blended and bottled in Italy for export, although some is also imported for domestic consumption. Italy's MY 2014/15 olive oil exports decreased by 14 percent to 325,944 MT, mainly due to reduced volumes to the United States (-11 percent), Germany (-3.6 percent) and France (-2.7 percent), the leading destinations for Italian olive oil, accounting for 30, 13, and 10 percent of total exports, respectively.

**Table 1: Italy's leading olive oil imports**

Partner Country	Unit	2013		2014		2015	
		USD	Quantity	USD	Quantity	USD	Quantity
<b>World</b>	<b>T</b>	<b>1,546,259,636</b>	<b>451,846</b>	<b>1,749,666,451</b>	<b>585,930</b>	<b>2,138,555,253</b>	<b>584,674</b>
Spain	T	720,083,768	209,510	1,501,752,377	514,082	1,203,793,955	332,707
Greece	T	541,880,188	155,362	106,107,712	28,495	543,131,985	138,265
Tunisia	T	216,068,987	66,727	51,170,442	16,606	308,430,272	91,341
Portugal	T	24,923,025	6,300	62,709,051	17,918	57,792,196	14,700
Morocco	T	0	0	2,720,013	943	9,043,229	3,132
France	T	6,828,782	2,399	4,867,770	1,642	4,239,996	1,226
Australia	T	1,628,425	531	4,715,847	1,586	4,150,829	1,147
Chile	T	5,085,656	1,436	2,107,214	633	2,171,795	561
Germany	T	704,512	226	593,628	123	964,890	218
Cyprus	T	450,114	135	0	0	890,645	197
Turkey	T	24,385,156	7,929	7,299,007	2,392	709,418	221
Argentina	T	1,116,000	343	511,861	171	631,011	161
Peru	T	0	0	680,359	218	544,300	150
Bulgaria	T	482,717	158	138,627	55	387,354	146
Austria	T	242,022	33	320,745	37	364,372	72

Source: Global Trade Atlas (GTA)

**Table 2: Italy's leading olive oil exports**

Partner Country	Unit	2013	2014	2015
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		<b>USD</b>	<b>Quantity</b>	<b>USD</b>	<b>Quantity</b>	<b>USD</b>	<b>Quantity</b>
<b>World</b>	<b>T</b>	<b>1,717,415,529</b>	<b>351,901</b>	<b>1,750,566,023</b>	<b>377,524</b>	<b>1,599,531,401</b>	<b>325,944</b>
United States	T	545,236,510	112,238	519,004,295	111,119	499,844,257	98,529
Germany	T	220,596,195	42,385	223,403,067	42,615	211,500,731	41,099
France	T	115,039,650	25,535	102,446,951	32,560	127,649,230	31,690
Japan	T	125,444,068	22,461	134,331,436	24,614	120,715,800	21,066
Canada	T	94,192,594	19,588	113,669,395	25,997	82,524,989	17,526
United Kingdom	T	72,430,755	14,759	70,909,032	14,390	65,000,356	13,182
Switzerland	T	51,365,855	7,767	49,580,039	7,159	46,976,934	6,957
Spain	T	58,613,602	19,428	8,293,388	2,891	32,776,740	11,060
Belgium	T	35,209,654	7,115	36,257,662	7,915	32,439,538	6,705
China	T	38,947,701	8,522	28,623,388	6,529	22,650,857	4,709
Australia	T	31,306,488	7,072	31,954,194	7,295	22,297,889	5,087
Austria	T	25,010,830	4,486	25,395,993	4,952	21,719,468	4,002
Sweden	T	21,732,596	4,224	23,074,860	4,470	20,448,522	3,923
Taiwan	T	13,753,042	2,887	26,601,325	5,774	20,339,271	4,196
Brazil	T	19,476,884	3,716	20,919,950	4,245	17,015,773	3,450

Source: GTA

### Abbreviations and definitions used in this report

MT metric ton = 1,000 kg

MY marketing year: November/October

HS codes: 15091010; 15091090; 15099000