



SHORT-TERM OUTLOOK

FOR EU AGRICULTURAL MARKETS
IN 2019 AND 2020










AUTUMN 2019










Edition N°25










Agriculture
and Rural
Development










Market developments in the EU

SPECIALISED CROPS

OLIVE OIL 	2018/2019		2019/2020	
Production		+3.5%		-9.2%
Exports		+15%		-6.2%
Imports		-25%		-26%
Consumption		-11%		+11%

TOMATOES 	2018		2019	
Production		-7.0%		+3.9%
Exports		+3.9%		+31%
Imports		-2.3%		+8.4%
Consumption		-0.0%		+1.2%

APPLES 	2018/2019		2019/2020	
Production		+38%		-18%
Exports		+106%		-27%
Imports		-30%		+5.3%
Consumption		+15%		-13%

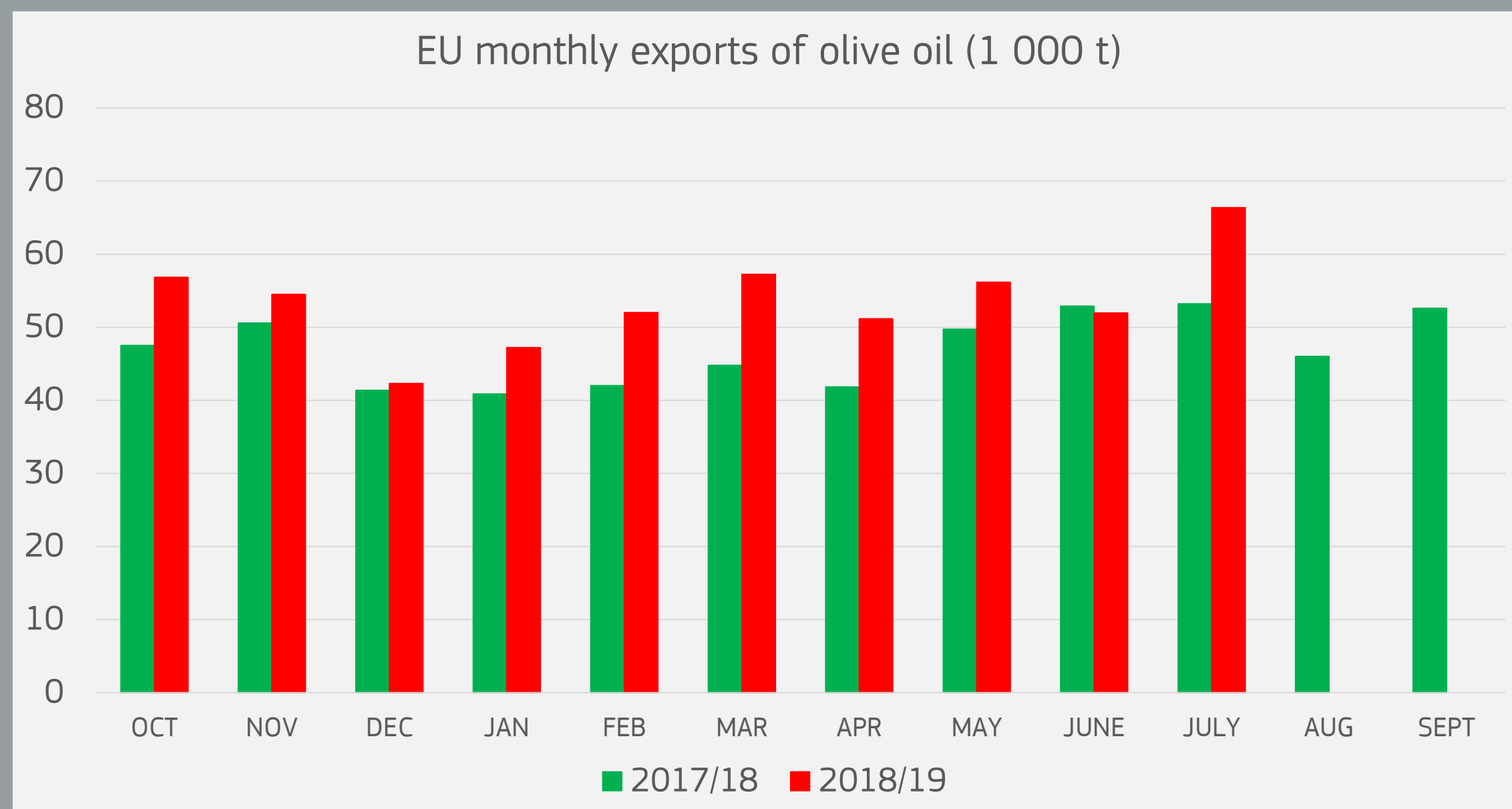
PEACHES NECTARINES 	2018		2019	
Production		-8.3%		+3.7%
Exports		-27%		+4.3%
Imports		+3.6%		+8.0%
Consumption		-6.4%		+3.7%

Note: compared with previous season



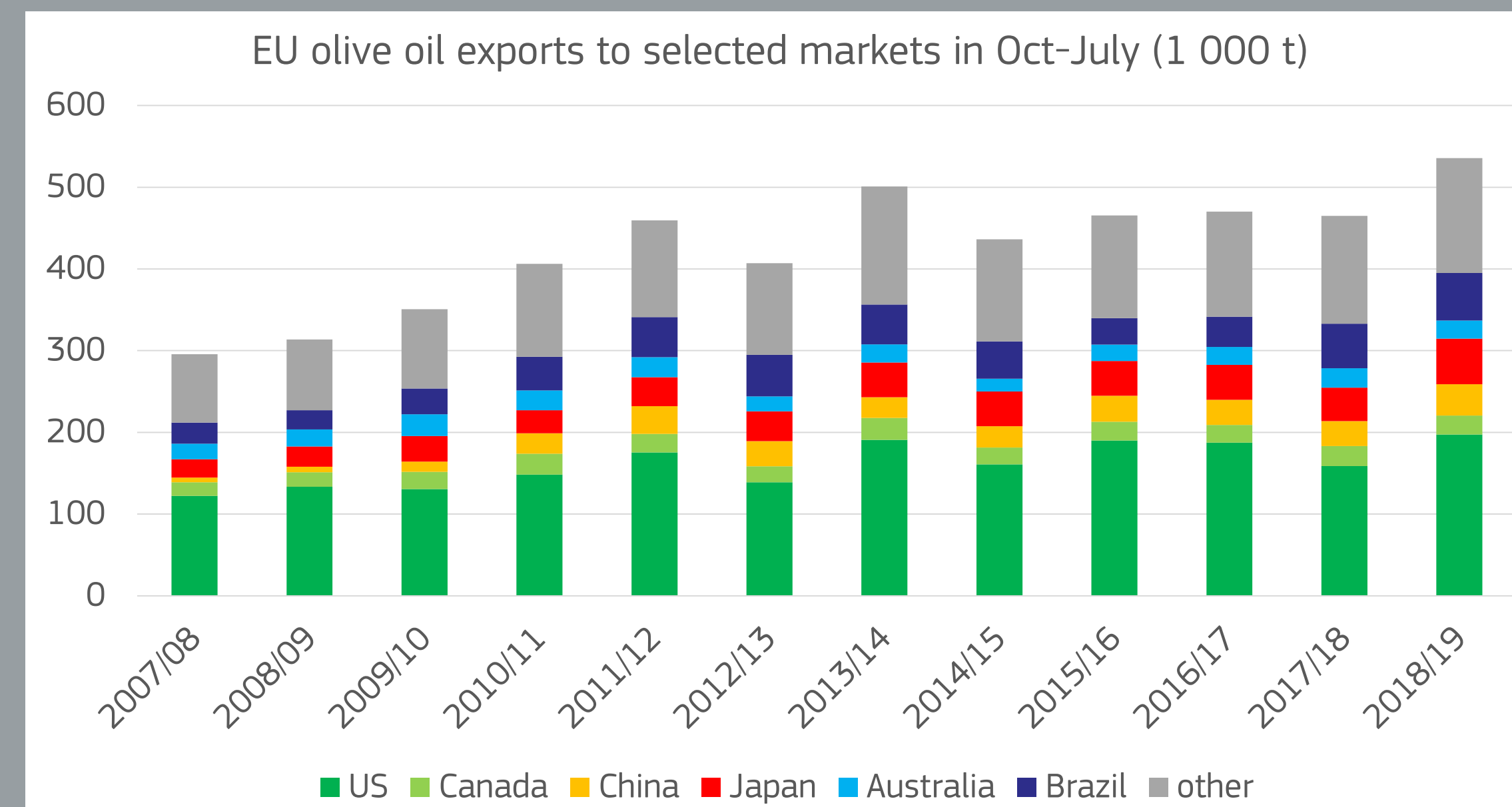
Olive oil

Record EU exports in the 2018/2019 campaign



Source: DG Agriculture and Rural Development, based on Eurostat

Continuously growing global demand for EU olive oil

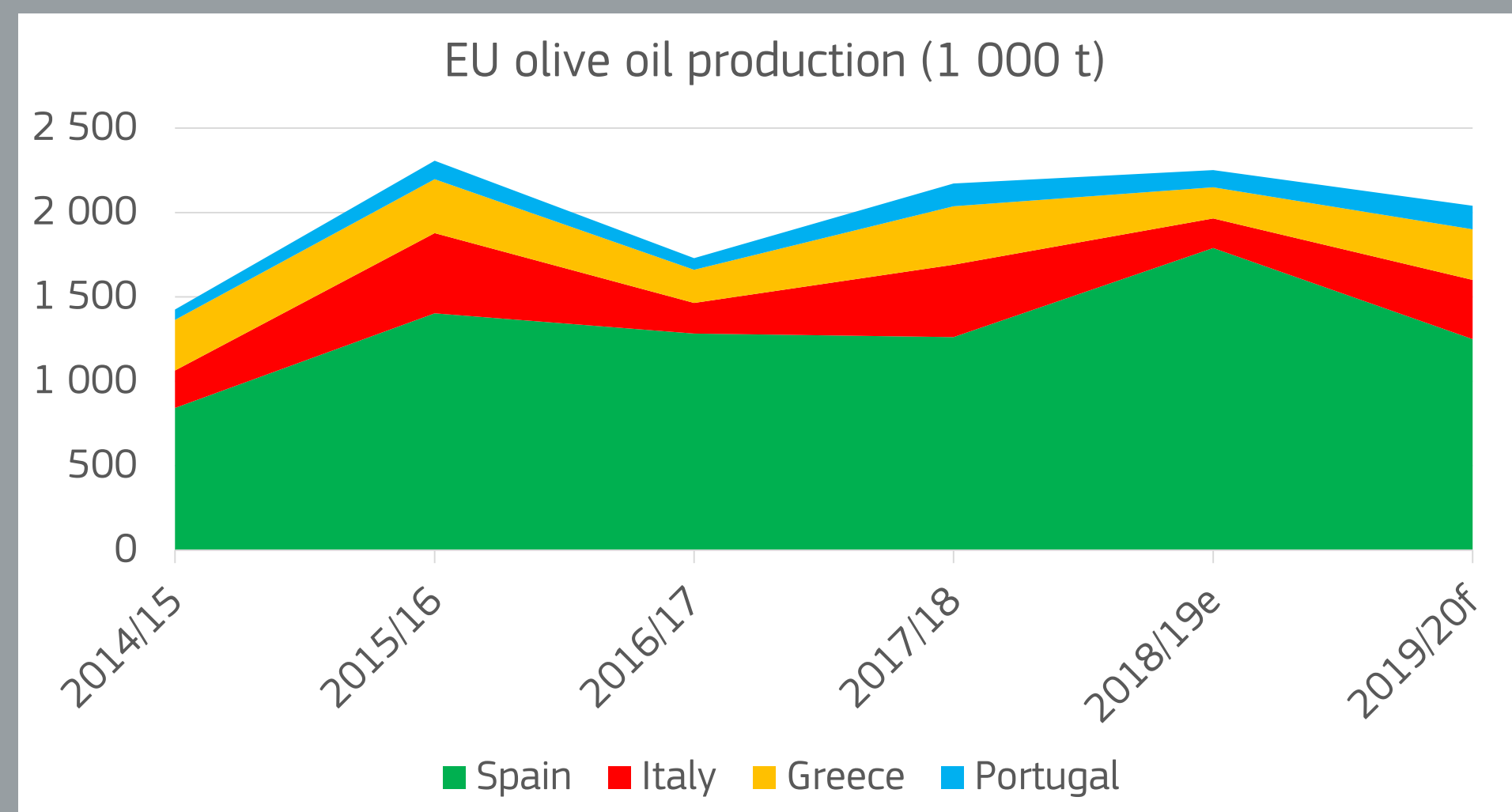


Source: DG Agriculture and Rural Development, based on Eurostat

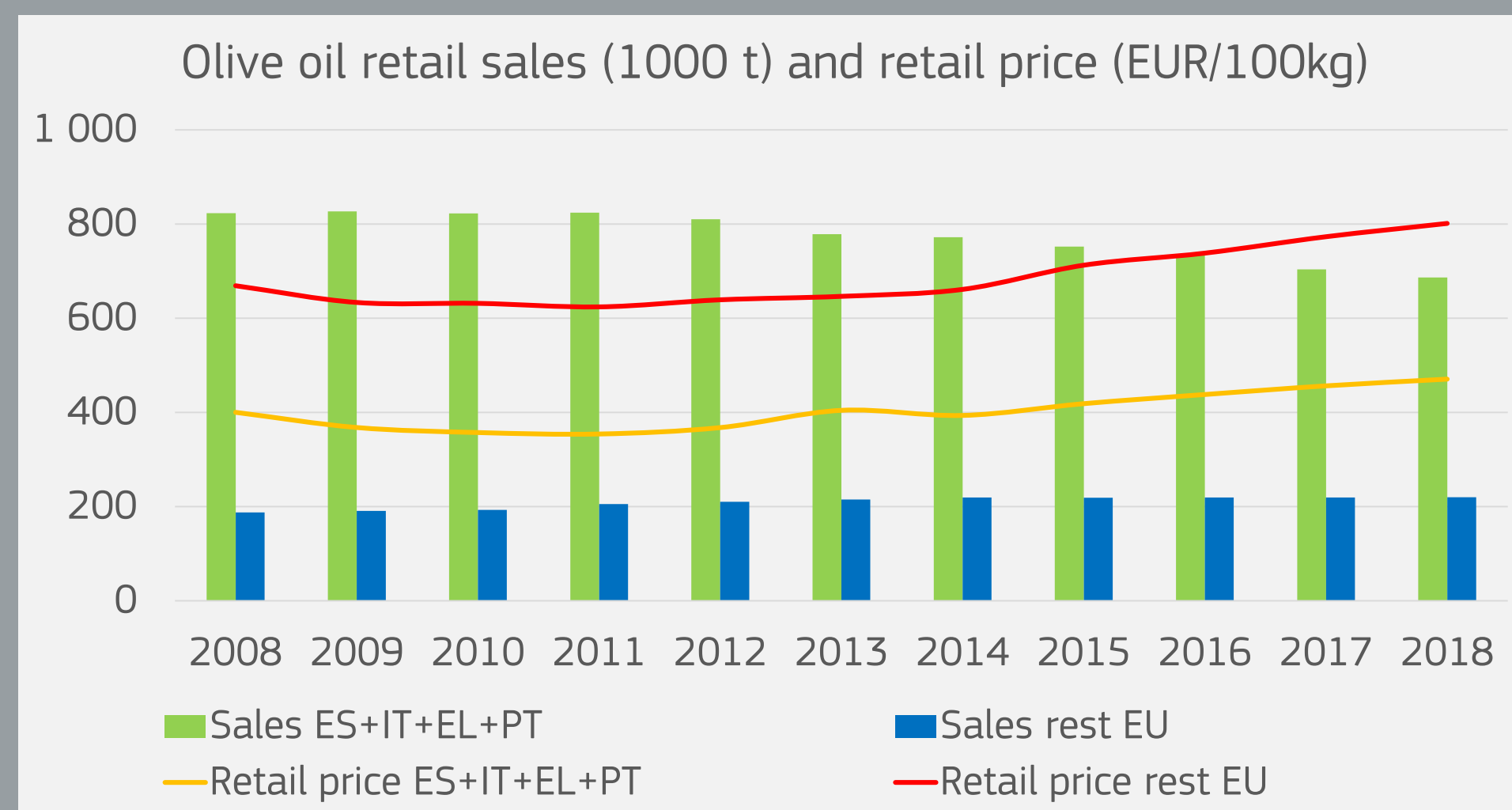
- In the **2018/2019 campaign**, the **EU production** reached close to **2.3 million t**. Large availabilities **boosted exports** which over Oct-July **grew by 15%**. In July alone, they grew by 25%, shipments growth to the US accounted for 90%.
- However, in Oct-July, **record shipments** were also recorded to Japan (+37%), China (+25%) and Brazil (+6%).
- The **production drop** in Italy, Greece and Portugal is likely to result in a **consumption decline** in these countries. By contrast, it is expected to increase in Spain as well as in the rest of the EU, incentivised by lower prices resulting from large supply.

- EU shipments to the **US, China and Japan** followed an overall increasing trend over the last decade. In addition, EU exports to **Brazil** grow since the campaign 2015/2016.
- Markets in **Canada and Australia** are less dynamic and EU exports there are rather stable over the years, although some annual variation is observed.
- Besides the main EU partners, shipments to **other destinations** are growing as well. In the last 10 years, they rose by 65% and contributed by 25% to the EU export growth.

Olive oil



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



Note: Data corresponds to a calendar year

Source: DG Agriculture and Rural Development, based on Euromonitor International, Packaged Food, 2019

Production recovery in the Mediterranean region in 2019/2020

- 🌿 Around **2.1 million t** of olive oil is expected to be produced in the EU, a level **3% above** the last 5-year **average**. Thanks to the reported absence of olive fly and pests, as well as favourable weather conditions during the harvest, the **quality of olive oil** is also expected to be higher.
- 🌿 A **production recovery** is expected in almost the whole **Mediterranean region**. In **Italy**, thanks to favourable weather conditions, production is likely to be almost 20% above the last 5-year average (350 000 t). In **Greece**, the early estimates for the next campaign indicate a production increase of more than 60% compared to last year, around 11% above average (300 000 t).
- 🌿 In the **Iberian Peninsula**, mixed developments are observed. In **Portugal**, **record yields** and thus **harvest** are expected (close to 50% above average, 140 000 t), while there will likely be a **production drop in Spain** after a record harvest last year, 5% below average (1 250 000 t).
- 🌿 On the **world market**, a **recovery** is expected in **Tunisia** (around 350 000 t). Therefore, abundant supply, together with high levels of stocks in the EU, will contribute to satisfying demand during the next campaign.

Exports above average and higher domestic consumption

- 🌿 In the next campaign, the current high level of exports to the **US**, implying a **stock piling**, is expected to **halt**. Due to the US share in **EU exports**, these are likely to decline compared to 2018/2019. Nevertheless, they should **remain above average** (+7%, around 610 000 t), thanks to the sustained growth towards Asian markets.
- 🌿 The **large availabilities** in the EU are expected to result in a **decrease of EU import demand** (100 000 t).
- 🌿 **Low prices** could **favour an increase of domestic consumption**. For retail, trends show that consumers in the main producing countries are more price sensitive than in the rest of the EU. Therefore, consumption in the main producing countries could grow faster (+6%) than in the rest of the EU (+4%), mainly thanks to the recovery in Italy and Greece.

SPECIALISED CROPS

OLIVE OIL

Table 1.13 EU-28 Olive oil balance sheets (1000 t)

	2015/16	2016/17	EU-28			% variation			
			2017/18	2018/19e	2019/20f	18/19 vs 17/18	18/19 vs 5-yr.av.*	19/20 vs 18/19	19/20 vs 5-yr.av.*
Production	2 324	1 742	2 188	2 264	2 055	3.5	11.3	-9.2	3.2
Total domestic use	1 626	1 385	1 597	1 421	1 575	-11.0	-10.2	10.9	3.6
Imports	97	90	180	135	100	-25.0	4.6	-25.9	-31.3
Exports	573	558	563	650	610	15.4	15.9	-6.2	6.9
End stocks	433	323	531	859	829	61.8	101.8	-3.5	75.8
Self-sufficiency rate %	143	126	137	159	130				

PEACHES AND NECTARINES

Table 1.14 EU Peaches market balance sheets (1000 t)

	2015	2016	EU-28			% variation			
			2017	2018	2019f	2018 vs 2017	2018 vs 5-yr.av.*	2019 vs 2018	2019 vs 5-yr.av.*
Production (total)	4 184	3 986	4 362	4 000	4 147	-8.3	-2.6	3.7	-0.3
Production (fresh)	3 473	3 312	3 622	3 283	3 412	-9.3	-3.0	3.9	-0.4
of which IT, EL, ES and FR	3 320	3 179	3 491	3 163	3 291	-9.4	-2.6	4.1	0.0
Imports (fresh peaches and nectarines)	28	31	27	35	35	28.6	20.5	1.4	19.8
Exports (fresh peaches and nectarines)	297	226	251	155	157	-38.2	-46.0	1.1	-38.9
Apparent consumption (fresh)	3 204	3 117	3 398	3 163	3 290	-6.9	1.1	4.0	2.9
Consumption (fresh) per capita EU (kg)	6	6	7	6	6	-7.1	0.3	3.8	2.1
Area (1000ha)	201	196	192	184	177	-4.3	-8.5	-3.6	-9.6
Yield (t/ha)	17	17	19	18	19	-5.3	5.8	7.8	10.0
Production (for processing)	711	675	740	716	734	-3.2	-0.5	2.6	0.3
of which EL and ES	615	583	643	635	639	-1.2	2.2	0.6	0.1
Imports ¹	16	17	18	12	15	-34.3	-33.3	27.7	-7.8
Exports ¹	138	142	130	124	134	-5.0	-5.1	8.2	0.7
Apparent consumption (processed products)	588	549	628	604	616	-3.7	-0.4	1.9	-0.1
Consumption (processed) per capita EU (kg)	1	1	1	1	1	-4.0	-1.2	1.7	-0.8
Area (1000ha)	28	29	29	30	31	0.7	11.7	3.1	10.1
Yield (t/ha)	25	23	25	24	24	-3.9	-12.3	-0.6	-10.5
Self-sufficiency rate %	110	109	108	106	106				

¹canned and dried peaches in fresh equivalent