

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Greece

**Post:** Rome

### Greece Olive Oil 2012

**Report Categories:**

Oilseeds and Products

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**Report Highlights:**

Greece is the third largest olive oil producer in the world behind Spain and Italy. According to industry contacts, MY 2012/13 (November/October) Greek olive oil production is forecast to remain steady if weather remains stable. More than 80 percent of the Greek annual production is extra virgin olive oil. Per capita consumption of olive oil in Greece (20 Kg/year) is one of the highest in the world. Ninety percent of Greek olive oil is exported to the European Union: 80 percent in bulk and 10 percent under Greek brand names.

## Olive Oil

### Production, Supply, and Demand (MT)

Olive Oil	2010	2011	2012
	Estimates 2010/2011	Estimates 2011/2012	Forecast 2012/2013
	Post Data	Post Data	Post Data
Trees (Mln)	150	150	150
Beginning Stocks	108	98	112
Production	300	310	310
Extra EU27 Imports	0	0	0
<b>Total Supply</b>	<b>408</b>	<b>408</b>	<b>422</b>
Extra EU27 exports	13	13	13
Food Use	223	208	210
Dom. Consumption	223	208	210
Ending Stocks	98	112	108
<b>Total Distribution</b>	<b>334</b>	<b>333</b>	<b>331</b>

Source: Greek industry contacts; GTA (Global Trade Atlas)

### Production

Greece is the third largest olive oil producer in the world behind Spain and Italy. According to industry contacts, MY 2012/13 (November/October) Greek olive oil production is forecast to remain steady if weather remains stable. Greece's olive oil production capacity is estimated at 400,000 MT per year. However, during the last three crop-years, Greece has registered a considerable drop in the annual production at around 300,000 MT, due mainly to adverse weather. MY 2011/12 olive oil crop has been negatively affected—in terms of quantity—by the freezing weather of March 2011. Greece devotes 60 percent of its cultivated land to olive growing. There are near 520,000 olive growers, of which 50.5 percent are professional farmers. The large number of olive growers in relation to the cultivated land (1,200,000 hectares) reveals that there is no large-scale industrialized olive farming. This means that olive cultivation—although systematic and much improved by the application of recent technological developments and scientific progress—remains a “family affair.”

Olive oil production is scattered all over the country, even though the Peloponnese and Crete account for over 65 percent of the total output. “Koroneiki” is the major olive variety grown in Greece. It originates from the area of Korone in Messenia (Peloponnese) and is grown on the island of Crete and around the Mediterranean. “Koroneiki” olives have a very small size, a fruity flavor, and produce a high quality olive oil, with a unique smooth taste and a golden-green color.

Other prominent olive varieties for the production of olive oil include: “Lianolia”, “Konservolia”, “Tsounati”, “Megaritiki”, “Valanolia”, “Andramytini”, “Chalkidiki”, “Matolia”, and “Kalamon”. Intensive cultivation and a perfect climate play a significant role in the high quality of the oil produced.

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 January —depending on autumn rainfall— and may even go on into February. Farmers regularly tend small groves of trees in remote areas; olives are handpicked, and the crop is pressed on the day of picking. Product quality is usually very high: in a good year, the percentage of low acidity olive oils with excellent organoleptic characteristics can go as high as 80 percent. In average years it fluctuates between 65-70 percent.

### **Consumption**

Per capita consumption of olive oil in Greece (20 Kg/year) is one of the highest in the world. Olive oil is the main fat used in Greek cooking. It is also perceived to be the healthiest one.

Despite the reduction of consumers' disposable income —as a consequence of the economic crisis—, Greek consumption of olive oil remains steady. Sales of cheaper private label (brand names owned by S/M chains) olive oils are following an upward trend, accounting for about 27 percent of the total volume sales through the major S/M chains. Standardized oil with a high retail price (around €6 per liter) had a remarkably big decline in demand during MY 2011/12, because of competition from the cheaper bulk olive oil.

### **Trade**

Ninety percent of Greek olive oil is exported to the European Union: 80 percent in bulk and 10 percent under Greek brand names. Italy continues to be the main destination for Greek olive oil. Greece's olive oil exports to third countries (the United States, Canada, Russia, China, and Australia) are not expected to grow, as demand for this high-priced vegetable oil remains weak while ample supplies of alternative oils are available. Greece imports small quantities of olive oil from Spain, and Italy.

### **Abbreviations and definitions used in this report**

HS codes: 15091010; 15091090; 15099000

MT Metric ton = 1,000 kg

MY Marketing year: November/October